

Executive Office of Health and Human Services (EOHHS) and Department of Children, Youth & Families (DCYF)

Child Services Rate Setting

All Provider Meeting

April 22, 2025



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Background, Goals, and Timeline of Child Services Rate Setting



Background on Child Services Rate Setting Project

- EOHHS and DCYF have established a joint initiative to establish a uniform rate setting approach to Congregate Care and Home-Based Services (HBS) offered through the DCYF system of care.
- This initiative is intended to follow these tenets:

Promote broad access
to services

Provide high-quality
care

Ensure the long-term
sustainability of
services

- **Goal:** Create better alignment between Medicaid and DCYF by transitioning individually contracted rates for DCYF services to uniform service standards by 2026.

Purpose of Child Services Rate Setting Project

- **Access:** Ensuring the needed services are available for the DCYF population. When appropriate, those services are available through the correct source.
 - **What does that mean?** Some services have migrated to Medicaid allowing for greater availability, while others will remain DCYF services.
- **Quality:** Utilizing Evidence-based Practices (EBPs) when possible and maintaining unique services when appropriate.
 - **What does that mean?** All services will have updated service descriptions and standards. Some services may move to EBPs to standardize the delivery of care.
- **Sustainability:** Ensuring billing practices comply with federal requirements for Title IV-E and Medicaid programs to secure the long-term viability of both funding sources.
 - **What does this mean?** Certain services will now bill Medicaid directly, while others will remain funded solely by DCYF, and some services will receive combined funding from both DCYF and Medicaid.

Goals of Child Services Rate Setting Project

The key themes of **access, quality, and sustainability** run across all goals set forth by EOHHS and DCYF

Goal	Details
Uniform Service Standards	Combine comparable contracted services under common, functional service definitions with defined eligibility rules (e.g., medical necessity standards for Medicaid-eligible services)
Rational Payments	Develop a standardized framework for rate methodologies supporting common-sense relationships among service rates (i.e., rates reflect resource intensity including skill/cost of providers and time requirements)
Alignment with Medicaid	Ensure service definitions and payment methodologies align with Medicaid requirements, and align DCYF services rates with rates for comparable services, where possible
Transparency	Rating assumptions are clear, supported by data, and can support indexed updates in future years; rating framework is understood by stakeholders and captures their input
Stakeholder Engagement	Solicit input on how services are provided today and identify areas for improvement, foster trust and collaboration with stakeholders throughout the process
Prioritize Prevention	Identify and prioritize services that prevent movement to higher levels of care and that support children’s individual needs in the least restrictive environment

High Level Present vs. Future State

Present State

Providers respond to a procurement issued by DCYF for all services.

Providers submit tech and cost proposals that explain the services being delivered.

Rates for services are negotiated and provider specific even when providing the same service.



Future State

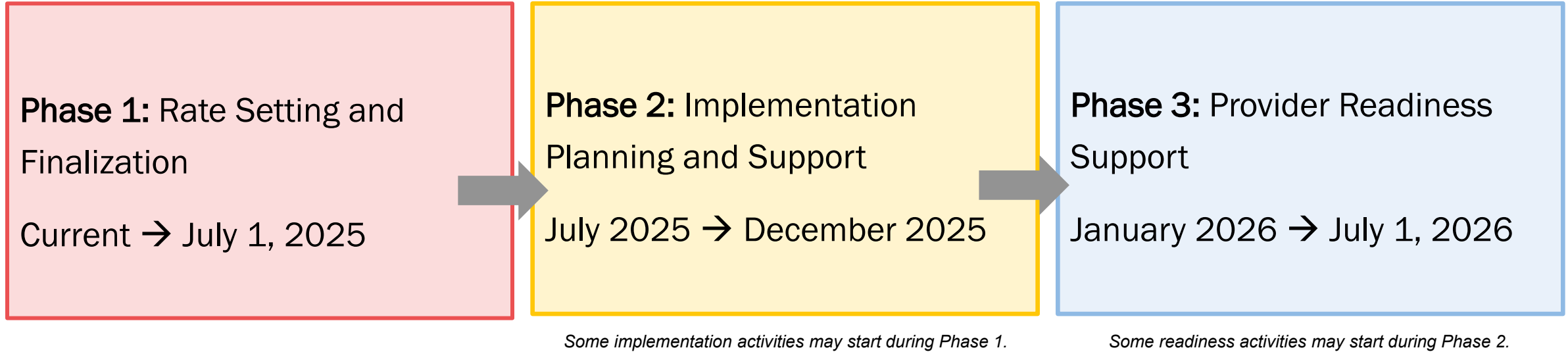
Certain services will continue to be DCYF only funded, while others will have joint funding from DCYF and Medicaid. The future contracting process will be shared at a future time.

Providers will provide the HBS and Congregate Care services they are certified to provide and in compliance with the Service Standards.

Rates will be standardized for each service. All providers will receive the same rate to deliver the same service.

Review of New Phased Timeline

Go live date has been moved to July 1, 2026



Phase 1 Remaining Tasks

Activity	Timing
All Provider Meeting #2: Virtual presentation to review the Independent Rate Model (IRM) and draft rates for each service. Provider specific summaries will be shared with each provider following the meeting. Providers will be given three weeks to review and submit questions.	Tuesday, April 22, 2025
Draft rate review (see future slides for additional details)	Feedback due May 13, 2025
FAQ document for providers to address general questions on service definitions, rate structure, draft rates, etc.	June 2025
Draft service standards and draft rates updated	Anticipated Summer 2025
Publish service standards and rates	Phase 2

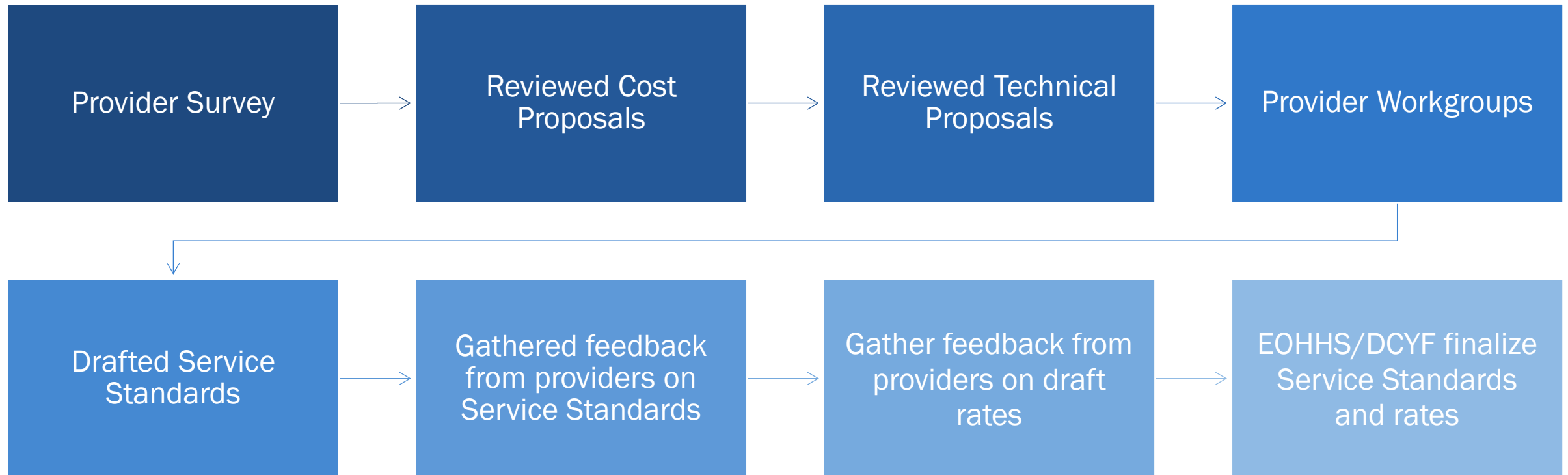
Overview of Independent Rate Model (IRM) and Approach



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Approach to Rate Setting



Provider Survey

Capturing provider voice, informing key assumptions

Purpose	Support an understanding of provider costs and inform payment rates assumptions.
Participants	Agencies delivering in-scope services during SFY 2024.
Timing and Methods	Survey was conducted via email in September/October 2024. The survey had a tremendous response rate! Thank you!



The survey gathered qualitative data on top priorities of providers, main concerns, and positive feedback.



The survey gathered quantitative data on services provided in SFY 2024, including service delivery costs, staffing, benefits, direct time, indirect time, training time, and transportation.

Provider Workgroup Sessions

Capturing provider voice, informing key assumptions

Workgroup Participants and Schedule

- Sessions were divided into Home Based Service (HBS) Provider workgroups and Congregate Care (CC) Provider workgroups
- HBS workgroup met three times, and CC met virtually four times within October and November 2024

Discussion Topics

- Service Array and Service Groups
- Service Definitions
- Minimum Standards
- Indirect Time
- Transportation
- DCYF required activities

Summary of Changes after All Provider #1

Home-Based Services

- Creation of new service types: Mental Health Type 3, Therapeutic Family Visitation DCYF Only 1 & 2.
- Changes to provider cross-walked service types.
- Changes to caseloads and supervisor ratios.
- Additional staffing personnel (i.e., nurse, psychiatrist) were added to applicable services.

Congregate Care Services

- Creation of new service types: Independent Living Type 3, and Independent Living Type 1 – LGBTQ+.
- Changes to provider cross-walked service types.
- Material decreases to clinician and case manager caseloads for most services.

All questions on provider specific service standard changes can be directed to the project email at: OHHS.RIChildServices@ohhs.ri.gov.

Independent Rate Model (IRM)

Overview



Ground-up approach

- Rates are built from the ground up
- Based on sum of independently determined rate inputs and components
- Inputs are based on expected resources required to provide the service
- Customized assumptions based on EOHHS/DCYF input
- New rates are finalized with all costs trended to the SFY 2027 effective period

Commonly applied method for rate determination for community-based services

- Many states employ independent rate model approach
- Used by EOHHS for SUD residential services and in OHIC rate review



Benefits of this approach

- Provides transparency as to the reasonable costs required to provide the service
- Focuses stakeholder dialogue on measurable and objective rate components
- Supports payment rate updates and modification efforts
- Facilitates comparison of actual costs of providing services
- Standardization supports rational relationships between rates for different services
- Developed independently from actual costs incurred – not tied to historical costs



Data Sources Informing the Rate Buildup

Bureau of Labor Statistics (BLS)

- Wage amounts specific to Rhode Island and surrounding states such as Massachusetts and Connecticut, by occupational code
- Workers' compensation
- Retirement
- Health, dental, vision and life insurance rates

Internal Revenue Service

- Standard mileage reimbursement rates
- FICA percentages and limits and FUTA tax information

Rules and Regulations

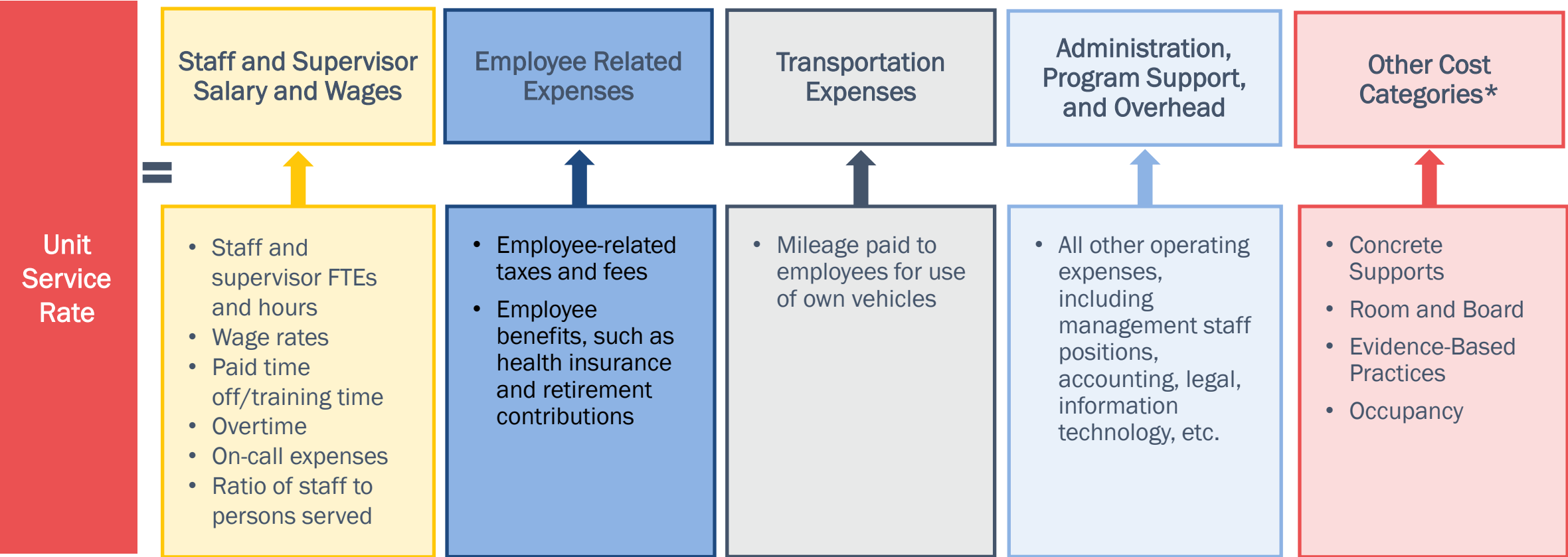
- Published policies and guidance by the State of Rhode Island

Stakeholder Input

- Technical subject matter expert workgroup insights
- Survey data
- Technical and cost proposals from DCYF procurement
- Other feedback received

Independent Rate Model Framework

Model framework is flexible and reflective of differences in service standards and rating methodologies



* Only applied to certain services

Child Services Rate Setting Model Types

Caseload Model

Used when the expected costs of services are more reasonably determined on a monthly basis, with resulting accumulated monthly expenses converted to a per diem value based on assumptions related to the average number of individuals served during the month.

Services under this model are assumed to be paid each day the youth/family is enrolled, including days where no direct service is delivered.

This model is applied to all Home-Based services, Aftercare programs, and Independent Living programs.

24/7 Shift-Based Model

Used for services where more than one individual is served, typically in a congregate care setting on a 24/7 basis, where staff (direct care and clinical) are expected to be on-site for scheduled periods or shifts. Considers the number of staff required for each shift for each day, including separate staffing patterns for weekday periods and weekends.

This model is applied to all Congregate Care services, with the exception of Aftercare and Independent Living which are rated using the Caseload Model.

Child Services Rate Setting Model Types Comparison

Caseload Model

- Staff and Supervisor Salary and Wages Components
 - Number of employees – all employees are assumed to work a 5-day work week for 8 hours a day
 - Hourly wage
 - On-call stipend
- All costs in the model build-up are shown per month

24/7 Shift-Based Model

- Staff and Supervisor Salary and Wages Components
 - First/Second/Third shift number of employees – each weekday shift of employees is assumed to work a 5-day work week for 8 hours a day
 - Weekend First/Second/Third shift number of employees – each weekend shift of employees is assumed to work 2 days for 8 hours a day
 - PTO/training/conference time
 - Hourly wage
 - Overtime hours
- All costs in the model build-up are shown per week

IRM: Child Services Rate Setting Elements

COMPONENT	ELEMENTS	SUB-ELEMENTS	CLARIFYING NOTES
Staff and Supervisor Salary and Wages	Employees/Caseload	Number of Employees	Defined using the staffing ratios outlined in the service standards. Ratios are adjusted for some services (i.e., more than one person served concurrently; e.g., in group counseling sessions).
		Number of Individuals/Families Served	The number of clients assumed to be served simultaneously as outlined in the service standards; for CC services, this is the assumed number of children in the home; for HBS, this is the assumed number of clients served per team.
	Service-Related Time	PTO/Training/Conference Time (24/7 Shift-Based Model Only)	Paid vacation, holiday, sick, training and conference time. Also considers additional training time attributable to employee turnover, as well as additional training time needed for specialty population services.
		Overtime (24/7 Shift-Based Model Only)	Time assumed to be paid at time and a half outside of regular working hours.
	Stipends	On-Call Stipend (Caseload Model Only)	Stipend paid to certain direct care workers while on-call.
	Wage Rates	Hourly Wage	Wage rates vary depending on types of employees.
Employee Related Expenses	Payroll-Related Taxes and Fees	Federal Insurance Contributions Act (FICA), Federal Unemployment Tax Act (FUTA), State Unemployment Insurance (SUI), Workers' Compensation	Applicable to all employees and varies by wage-level assumption.
	Employee Benefits	Health, Dental, Vision, Life and Disability Insurance, and Retirement Benefits	Insurance assumptions are the same for all employees. Retirement Benefits vary by wage-level assumption.

IRM: Child Services Rate Setting Elements, Cont.

COMPONENT	ELEMENTS	SUB-ELEMENTS	CLARIFYING NOTES
Transportation Expenses	Miles	Includes reimbursements paid for miles of personal vehicle use in service delivery.	Assumption informed by provider reported SFY 2024 Survey results at the service group level.
	Mileage Reimbursement Rate	Federal Mileage Reimbursement Rate	Projected SFY 2027 rate (\$0.73) based on CY 2025 rate of \$0.70.
Administration, Program Support, and Overhead	All Other Business-Related Costs	Includes program operating expenses, including management, accounting, legal, information technology, etc.	Excludes non-allowable costs: such as bad debts, charitable contributions, fundraising costs, entertainment costs (including costs of alcoholic beverages), and Federal, state, or local sanctions or fines.
Other Cost Categories	Concrete Supports (HBS Only)	Financial assistance or tangible resources provided to children/families to prevent removal, maintain placement stability of eligible child(ren), and/or to cover costs for necessities related to the youth's special needs/unique circumstances.	Applies to certain HBS services only. Assumption informed by provider reported SFY 2024 Survey results at the service group level.
	Room & Board (CC Only)	Inclusive of housing accommodations as well as the provision of meals, laundry, basic utilities and housekeeping.	Assumption informed by room & board costs included in the provider submitted cost proposals.
	Evidence-Based Model Costs (HBS Only)	Training and costs associated with implementing and maintaining an EBP.	Assumption informed by provider reported SFY 2024 Survey results at the service group for eligible services.
	Occupancy (CC Only)	Adjustment to accommodate for bed turnover time.	Developed based on assumed average length of stay and turnover time per bed.

Assumptions Common Across All Services



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Overview of Assumptions Common Across Services



IRM Component	Element	Notes
Staff and Supervisor Salary and Wages	Hourly Wage	Provider Groups are defined in the service standards and a wage is developed for each. Wages are trended 17% from May 2023 to SFY 2027 based on Milliman’s review of BLS wage data.
	PTO/Training/Conference Time	This assumption is only used in the 24/7 Shift-Based Model and varies by provider group.
	Overtime	No overtime is assumed for HBS staff. Direct care/milieu staff and Residential Directors are assumed to incur 10% and 5% of all time as overtime for CC services, respectively.
	On-Call Stipend	This expense is only added to the Caseload Model. One direct care staff employee is assumed to be paid \$1.50 for every non-regular work hour.
Employee Related Expenses	Payroll-Related Taxes and Fees	This assumption varies by provider group.
	Employee Benefits	This assumption varies by provider group.
Transportation Expenses	Federal Mileage Reimbursement Rate	Federal mileage reimbursement rate is trended by 4.5% from CY 2025 (\$0.70) to SFY 2027 (\$0.73) based on Milliman’s review of historical mileage reimbursement rates.
Administration, Program Support and Overhead	Indirect Administrative Rate	20% assumption common to all HBS services, Aftercare, and Independent Living. 15% assumption common to all CC services, excluding Aftercare and Independent Living.
Other Cost Categories	Occupancy	This assumption is used to account for bed turnover time and only applies to CC services.

Use of Provider Groups in Rate Development

Provider Groups	
Community Health Worker	Clinical Director
Direct Care/ Milieu Staff	Clinician
Direct Program Staff	Nurse Supervisor
Direct Program Support Staff	Psychiatrist
Youth or Family Partner	Registered Nurse
Direct Program Supervisor	Residential Director
Case Manager	Supervising Clinician
Assistant House Manager	

- Provider Groups shown in the table above are outlined in the service standards.
- Certain rate assumptions are applied based on provider group, such as wages, PTO, and ERE assumptions.

Overview of Assumptions Common Across Services

Hourly Wages

- Milliman reviewed Rhode Island-specific BLS wage data as of May 2023, as well as wages in surrounding states such as MA and CT, and other publicly available wage reports, stakeholder workgroup feedback, and DCYF/EOHHS feedback to develop the proposed wage assumptions.
- Wage assumptions were ultimately developed by selecting the most applicable Rhode Island-specific BLS wage data for each provider group and trending annually by 4.3% from May 2023 to January 2027 for a total trend adjustment of 16.6%.
- Milliman selected BLS wage data as the primary data source for the following reasons:
 - Publicly available
 - Updated on an annual basis
 - Collected in a consistent and statistically credible manner
 - Provides the most detailed wage information, allowing for wage assumptions to vary by wage percentile and by provider group

Overview of Assumptions Common Across Services

Employee Related Expenses (ERE) Assumed in Rate Development

- ERE assumptions include Federal Insurance Contributions Act (FICA) taxes, Federal Unemployment Tax Act (FUTA) taxes, state unemployment insurance (SUI), workers compensation, employer-provided insurance benefits, and employer retirement contributions.
- FICA taxes, FUTA taxes, and SUI are based on data available from the IRS.
 - FICA taxes are calculated assuming taxes of 7.65% on wages up to the estimated SFY 2027 taxable wage limit of \$184,950.
 - FUTA taxes are assumed to be \$420 paid annually per employee.
 - SUI is calculated assuming taxes of 2.5% on wages up to the estimated SFY 2027 taxable limit of \$31,150.
- Workers' compensation is assumed to be 1.0% of wages based on publicly available data.
- Insurance benefits are informed by provider Survey responses and publicly available data and are assumed to be \$12,150 annually per employee during SFY 2027.
- Retirement benefits are informed by publicly available data and are assumed to be 4.0% of annual employee wages.

Overview of Assumptions Common Across Services

Hourly Wages and Employee Related Expenses (ERE) Assumptions Used in Rate Development

	A	B	C	D	E	F	G	H	I	J	K
Provider Group	Trended Wage	Annual Employee Salary	FICA	FUTA	SUI	Workers Comp	Insurance	Retirement	ERE per Employee	ERE Percentage	Annual Salary and ERE
Notes	Trended from 5/1/2023 to 1/1/2027 at a rate of 4.3%	A * 2080	B * 7.65% up to \$184,950 taxable limit	6% of first \$7,000 earned	2.5% of first \$31,150 earned	B * 1.0%		B * 4.0%	SUM (C through H)	I / B	B * (1 + J)
Assistant House Manager	\$ 31.71	\$ 65,955	\$ 5,046	\$ 420	\$ 779	\$ 660	\$ 12,150	\$ 2,638	\$ 21,692	32.9%	\$ 87,647
Case Manager	\$ 30.32	\$ 63,075	\$ 4,825	\$ 420	\$ 779	\$ 631	\$ 12,150	\$ 2,523	\$ 21,328	33.8%	\$ 84,403
Clinical Director	\$ 43.35	\$ 90,161	\$ 6,897	\$ 420	\$ 779	\$ 902	\$ 12,150	\$ 3,606	\$ 24,754	27.5%	\$ 114,915
Clinician	\$ 35.80	\$ 74,459	\$ 5,696	\$ 420	\$ 779	\$ 745	\$ 12,150	\$ 2,978	\$ 22,768	30.6%	\$ 97,227
Community Health Worker	\$ 29.14	\$ 60,605	\$ 4,636	\$ 420	\$ 779	\$ 606	\$ 12,150	\$ 2,424	\$ 21,015	34.7%	\$ 81,620
Direct Care/ Milieu Staff	\$ 25.40	\$ 52,837	\$ 4,042	\$ 420	\$ 779	\$ 528	\$ 12,150	\$ 2,113	\$ 20,033	37.9%	\$ 72,869
Direct Program Staff	\$ 30.32	\$ 63,075	\$ 4,825	\$ 420	\$ 779	\$ 631	\$ 12,150	\$ 2,523	\$ 21,328	33.8%	\$ 84,403
Direct Program Support Staff	\$ 25.40	\$ 52,837	\$ 4,042	\$ 420	\$ 779	\$ 528	\$ 12,150	\$ 2,113	\$ 20,033	37.9%	\$ 72,869
Direct Program Supervisor	\$ 33.80	\$ 70,306	\$ 5,378	\$ 420	\$ 779	\$ 703	\$ 12,150	\$ 2,812	\$ 22,242	31.6%	\$ 92,548
Nurse Supervisor	\$ 55.80	\$ 116,072	\$ 8,880	\$ 420	\$ 779	\$ 1,161	\$ 12,150	\$ 4,643	\$ 28,032	24.2%	\$ 144,104
Psychiatrist	\$ 126.88	\$ 263,910	\$ 14,149	\$ 420	\$ 779	\$ 2,639	\$ 12,150	\$ 10,556	\$ 40,693	15.4%	\$ 304,603
Registered Nurse	\$ 47.73	\$ 99,274	\$ 7,594	\$ 420	\$ 779	\$ 993	\$ 12,150	\$ 3,971	\$ 25,907	26.1%	\$ 125,181
Residential Director	\$ 35.18	\$ 73,171	\$ 5,598	\$ 420	\$ 779	\$ 732	\$ 12,150	\$ 2,927	\$ 22,605	30.9%	\$ 95,776
Supervising Clinician	\$ 43.35	\$ 90,161	\$ 6,897	\$ 420	\$ 779	\$ 902	\$ 12,150	\$ 3,606	\$ 24,754	27.5%	\$ 114,915
Youth or Family Partner	\$ 26.58	\$ 55,292	\$ 4,230	\$ 420	\$ 779	\$ 553	\$ 12,150	\$ 2,212	\$ 20,343	36.8%	\$ 75,636

- Assumptions used to develop hourly trended wages and ERE percentages are outlined on the prior two slides.
- Wages and ERE by provider group are incorporated into each rate model based on the defined staffing delivering the service.

Overview of Assumptions Common Across Services

PTO/Training/Conference Time Assumptions Used in Rate Development

- PTO/Training/Conference Time Assumptions are only used in 24/7 Shift-Based Model and are based on provider Survey results.
- PTO/Training/Conference Time Adjustment Factor:
 - Accounts for additional time that must be covered over the course of a year by other clinical staff, thereby representing additional clinical staff time per unit.
 - Reflects paid vacation, holiday, and sick time.
 - Annual training and/or conference time expected to be incurred by clinical staff and supervisors.
 - Includes an estimated increase for one-time training/onboarding and considers the frequency of this type of training time attributable to employee turnover.
 - Note, this adjustment is intended to account for staff inefficient time. Any associated training/travel costs are accounted for within the administrative cost component of the rate.
- The adjustment factors generally vary based on staffing type (clinical or direct).
- Workers serving a congregate care specialty population such as programs servicing pregnant & parenting youth are assumed to need 20 additional hours of onboarding training and ongoing training per year.

Overview of Assumptions Common Across Services

PTO/Training/Conference Time Assumptions Used in Rate Development

	A	B	C	D	E	F	G	H	I	J
Provider Group	Annual productive time	Paid Holidays and PTO hours per year	On-going training/conference time hours per year	Total	Training hours/inefficient time for each new hire	Turnover percentage	New hire training hours per year	Hours of replacement for non-productive time	Annual hours paid on	PTO/training/conference time adjustment factor
	I - H			B + C			E * F	D + G		$I / (I - H) - 1$
Assistant House Manager	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%
Case Manager	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%
Clinical Director	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%
Clinician	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%
Direct Care/ Milieu Staff	1,737	288	25	313	83	36.0%	30	343	2,080	19.7%
Psychiatrist	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%
Registered Nurse	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%
Residential Director	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%

- PTO by provider group is incorporated into each 24/7 Shift-Based rate model based on the defined staffing delivering the service.
- This is not incorporated into Caseload rate models as appointments scheduled on sick days, for example, are assumed to be rescheduled.

Definition of Administration and Program Support Costs

Generally, **administrative-related expenses** include all expenses incurred by the provider entity necessary to support the provision of services but not directly related to providing services to individuals. These expenses exclude transportation, wages and employee-related expenses for clinical care, and may include, but not be limited to:

- Salaries and wages, and related employee benefits for employees or contractors that are not direct service workers or first- and second- line supervisors of direct service workers
- Liability and other insurance
- Licenses and taxes
- Legal and audit fees
- Accounting and payroll services
- Billing and collection services
- Bank service charges and fees
- Information technology
- Telephone and other communication expenses
- Office and other supplies including postage
- Accreditation expenses, dues, memberships, and subscriptions
- Meeting and administrative travel related expenses
- Training and employee development expenses, including related travel
- Human resources, including background checks and other recruiting expenses
- Community education
- Marketing/advertising
- Interest expense and financing fees
- Facility and equipment expense and related utilities
- Vehicle and other transportation expenses not related to transporting individuals receiving services or transporting employees to provide services to individuals
- Board of director-related expenses
- Translation services

Note: Interpreter services for service delivery are paid for separately.

Program support costs include supplies, materials and equipment necessary to support service delivery.

Overview of Assumptions Common Across Services

Occupancy Assumptions Used in Rate Development

- HBS: Occupancy assumptions are embedded within the average caseload for the specific service. In other words, the caseload assumptions do not reflect the maximum; therefore, in times of youth transitioning in/out of services, the caseload would be anticipated to be higher than the average.
- Congregate Care: Occupancy assumptions are applied to certain services to account for facility bed turnover time.
- Aftercare services do not receive an occupancy adjustment.
- Assessment Center services receive an occupancy rate adjustment of 93.4%. This is based on the assumption that the average length of stay in this facility type is 1 month and it takes an average of 2 days to fill the bed again after a child is discharged.
- All other congregate care services receive an occupancy rate adjustment of 96.2%. This is based on the assumption that the average length of stay in these facilities is 6 months and it takes an average of 1 week to fill the bed again after a child is discharged.

Service Specific Assumptions



Overview of Service Specific Assumptions

Number of Employees and Number of Individuals/Families Served - Directly From Service Standards

Caseload Rate Model Example

- Service Standards:

- Direct Program Staff: Caseload: 8-12 families
- Direct Program Support Staff: Caseload: 16-24 families
- Direct Supervisor: 1:5 supervisor ratio
- Supervising Clinician: 1:8 supervisor ratio

What this means:

- *Total team caseload is assumed to be 10 families – midpoint of the 8-12 families caseload range*
- *1 direct supervisor per 5 direct staff (direct program staff and direct program support staff)*
- *Supervising clinician provides Medicaid oversight on all direct program staff at a ratio of 1 supervisor to 8 staff*

- Independent Rate Model:

- Direct Program Staff: 1 FTE
- Direct Program Support Staff: 0.5 FTEs – the average caseload for support staff is 20 families (midpoint of 16-24) (total caseload of 10 families divided by support staff caseload of 20 families = 0.5)
- Direct Supervisor: 0.3 FTEs – each supervisor oversees 5 direct staff (1.5 total direct staff divided by 5 = 0.3)
- Supervising Clinician: 0.2 FTEs – direct program staff are assumed to provide Medicaid services 70% of the time (1.8 total direct program staff multiplied by 70% divided by 8 = 0.2)

Overview of Service Specific Assumptions

Number of Employees and Number of Individuals/Families Served - Directly From Service Standards

24/7 Shift-Based Model Example

- Service Standards:

- **Direct Care/Milieu Staff:** 1 staff: 4 youth daytime ratio; 1 staff: 5 youth overnight ratio
- **Case Manager:** 1 case manager: 10 youth
- **Clinician:** 1 clinician: 8 youth
- **Clinical Director:** 1 clinical director: 2 clinicians
- **Residential Director**
- **Caseload:** 8 youth served

What this means:

- *Direct care/milieu staff are assumed to be present 24/7 – staff are broken out into 3 shifts*
- *Residential Directors are assumed to be present 7 days a week during first shift only*
- *All other staff are assumed to be present Monday through Friday during first shift only*

- Independent Rate Model:

- **Direct Care/Milieu Staff:** 2 FTEs during first* and second shift; 1.6 FTEs overnight (daytime: 8 youth/4 youth per staff = 2; overnight: 8 youth/5 youth per staff = 1.6)
- **Case Manager:** 0.8 FTEs (8 youth/10 youth per staff = 0.8)
- **Clinician:** 1.0 FTEs (8 youth/8 youth per staff = 1.0)
- **Clinical Director:** 0.5 FTEs (1 clinician/2 clinicians per staff = 0.5)
- **Residential Director:** 1.0 FTE seven days a week (explicit assumption that there is always 1 residential director on-site during first shift)

**See next slide for more details on first shift milieu staffing.*

Overview of Service Specific Assumptions

Number of Employees and Number of Individuals/Families Served - Directly From Service Standards

24/7 Shift-Based Model Example Continued – First Shift Milieu Staff

- The number of milieu staff needed during first shift Monday through Friday varies based on school time.
- For services that do not offer on-site schooling, it is assumed that children leave the home and attend school 180 days a year for 7 hours a day. Milieu staff are not needed to be present at the facility during this time. Other staff may be used to supervise youth who are ill or not able to attend school.
- For the example on the prior slide, the 2 milieu staff FTEs that are generally present during first shift on weekdays is reduced to 1.0 FTEs when accounting for school time.
 - $180 \text{ school days} \times \text{an assumed absenteeism rate of } 8\% = 165.6 \text{ days in school per year}$
 - $165.6 \text{ days in school per year} / 261 \text{ weekdays per year} = 63.4\% \text{ of weekdays spent in school per year}$
 - $7 \text{ hours away for school} / 8 \text{ hour shift} = 87.5\% \text{ of first shift time spent in school, on school days}$
 - Explicit assumption for the percent of children in the home that regularly attend school– assume 88% in this example; note, this assumption varies by service type
 - $63.4\% \text{ of weekdays during the year spent in school} \times 87.5\% \text{ of first shift time spent in school} \times 88\% \text{ of children attending school} = 48.9\% \text{ of total weekday first shift time spent in school}$
 - $\text{Total number of weekday first shift milieu staff FTEs needed on average throughout the year} = 2 \text{ FTEs} \times (100\% - 48.9\%) = 1.0 \text{ FTEs}$

Overview of Service Specific Assumptions

All Other Service Specific Assumptions

- The following model assumptions vary by service:
 - **Mileage** – informed by data included in the provider surveys.
 - **Concrete supports** – informed by data included in the provider surveys.
 - Only included with specified HBS services
 - **Evidence-based model costs** – informed by data included in the provider surveys.
 - Only included with HBS services with a rating of well-supported, supported or promising under the Title IV-E Prevention Services Clearinghouse and/or California Evidence-Based Clearinghouse.
 - **Room & Board** – informed by data included in the SFY 2025 provider cost proposals.
 - Assumptions are grouped into 4 categories: Residential Treatment Centers; Services for CSEC or pregnant & parenting youth; Assessment Centers & Specialized Group Homes; Independent Living & Semi-Independent Living.
- Detailed assumptions by service will be provided following this meeting.

Congregate Care Add-On Rate

- We understand that at times there are high acuity youth who may need 1-on-1 supervision.
- A 1:1 congregate care add-on rate has been developed and will be billed on a per hour basis with advanced approval.
- The 1:1 rate will account for the cost of an additional direct care/milieu staff person on-site for specific youth for approved hours.
- Other rate components, such as transportation costs, room & board costs, and administrative costs, are not applied to this add-on rate as they are already accounted for in the service rate.
- This rate can be found in the file listing all service rates that will be delivered following this meeting.

Rate Model Build & Feedback Examples



Caseload Model Build & Feedback Example

Ref.	Description	Direct Program Staff	Direct Program Support Staff	Direct Program Supervisor	Supervising Clinician	Total	Notes	Feedback
A	Hourly wage	\$ 30.32	\$ 25.40	\$ 33.80	\$ 43.35		Based on separate wage build	Please insert feedback here on hourly wage.
B	Number of employees	1.00	0.50	0.30	0.17		Based on service standards	
C	Adjusted monthly wages	\$ 5,256.28	\$ 2,201.54	\$ 1,757.64	\$ 1,239.72		$C = A * B * 2,080 / 12$	
D	On-call stipend per month	\$ 834.29	\$ 0.00	\$ 0.00	\$ 0.00		Assumed one staff always on-call paid \$1.50 for every non-regular work hour	Please insert feedback here on on-call stipend per month.
E	Total wages expense per month	\$ 6,090.56	\$ 2,201.54	\$ 1,757.64	\$ 1,239.72	\$ 11,289.46	$E = C + D$	
F	Employee related expense (ERE) percentage	33.8%	37.9%	31.6%	27.5%		Based on separate ERE build	Please provide feedback on ERE components on the [ERE Summary] tab.
G	Total ERE expense per month	\$ 2,059.41	\$ 834.69	\$ 556.06	\$ 340.37	\$ 3,790.54	$G = E * F$	
H	Total estimated miles driven per month					1,750.00	Informed by surveys	Please insert feedback here on total estimated miles driven per month.
I	Federal mileage reimbursement rate					\$ 0.73		
J	Total transportation costs per month					\$ 1,280.54	$J = H * I$	
K	Total concrete supports cost per month					\$ 750.00	Informed by surveys	Please insert feedback here on total concrete supports cost per month.
L	Total room and board costs per month					\$ 0.00	Informed by procurement cost proposals	
M	Total evidence-based model costs per month					\$ 200.00	Informed by surveys	Please insert feedback here on total evidence-based model costs per month.
N	Subtotal before administration / overhead / program support					\$ 17,310.53	$N = E + G + J + K + L + M$	
O	Administration / program support / overhead percentage					20.0%	Portion of monthly costs	Please insert feedback here on administration / program support / overhead percentage.
P	Monthly administrative expenses					\$ 4,327.63	$P = (N * O) / (1 - O)$	
Q	Total monthly costs					\$ 21,638.16	$Q = N + P$	
R	Number of individuals/families per team					10.00	Caseload based on service standards	
S	Occupancy adjustment					100.0%	No occupancy adjustment	
T	Average units per month per beneficiary					30.42		
U	Per Diem Rate					\$ 71.14	$U = Q / R / S / T$	

Providers may include feedback in the indicated cells; all other cells will be locked.

24/7 Shift-Based Model Build & Feedback Example

Ref.	Description	Direct Care/ Milieu Staff	Case Manager	Residential Director	Clinician	Clinical Director	Total	Notes	Feedback
A	First shift workers	2.00	0.80	1.00	1.00	0.50		Based on service standards	
B	Percent of weekday first shift youth are in school	48.9%						Direct care staff not expected to be needed while youth are in school; based on separate school time build	Please provide feedback on the components of the first shift school time dampening factor on the [School Hour Adjustment] tab.
C	Adjusted first shift workers	1.02	0.80	1.00	1.00	0.50		$C = A * (1 - B)$	
D	Second shift workers	2.00	-	-	-	-		Based on service standards	
E	Third shift workers	1.60	-	-	-	-		Based on service standards	
F	Weekend first shift workers	2.00	-	1.00	-	-		Based on service standards	
G	Weekend second shift workers	2.00	-	-	-	-		Based on service standards	
H	Weekend third shift workers	1.60	-	-	-	-		Based on service standards	
I	Total weekly hours	274.52	32.00	56.00	40.00	20.00		$I = \{[(C + D + E) * 5] + [(F + G + H) * 2]\} * 8$	
J	Number of individuals served						8.00	Based on service standards	
K	PTO/ training/ conference time adjustment factor	19.7%	19.8%	19.8%	19.8%	19.8%		Based on separate PTO build	Please provide feedback on the components of the PTO/training/conference time factor on the [PTO and Training] tab.
L	Adjusted total hours of time per week	328.66	38.35	67.11	47.93	23.97		$L = I * (1 + K)$	
M	Hourly wage	\$ 25.40	\$ 30.32	\$ 35.18	\$ 35.80	\$ 43.35		Based on separate wage build	Please insert feedback here on hourly wage.
N	Total wages expense per week	\$ 8,348.75	\$ 1,162.88	\$ 2,360.77	\$ 1,715.95	\$ 1,038.90		$N = L * M$	
O	Percent of total hours worked as overtime	10.0%	0.0%	5.0%	0.0%	0.0%		Explicit assumption informed by surveys	Please insert feedback here on percent of total hours worked as overtime.
P	Total wages expense per week	\$ 8,766.19	\$ 1,162.88	\$ 2,419.79	\$ 1,715.95	\$ 1,038.90	\$ 15,103.71	$P = N * (1 - O) + N * O * 1.5$	
Q	Employee related expense (ERE) percentage	37.9%	33.8%	30.9%	30.6%	27.5%		Based on separate ERE build	Please provide feedback on ERE components on the [ERE Summary] tab.
R	Total ERE expense per week	\$ 3,323.62	\$ 393.21	\$ 747.55	\$ 524.70	\$ 285.24	\$ 5,274.31	$R = P * Q$	
S	Total estimated miles driven per week						184.11	Informed by surveys	Please insert feedback here on total estimated miles driven per week.
T	Federal mileage reimbursement rate						\$ 0.73		
U	Total transportation costs per week						\$ 134.72	$U = S * T$	
V	Total room and board costs per week						\$ 3,400.00	Informed by procurement cost proposals	Please insert feedback here on total room and board costs per week.
W	Subtotal before administration / overhead / program support						\$ 23,912.74	$W = P + R + U + V$	
X	Administration / program support / overhead percentage						15.0%	Portion of monthly costs	Please insert feedback here on administration / program support / overhead percentage.
Y	Weekly administrative costs						\$ 4,219.90	$Y = (W * X) / (1 - X)$	
Z	Total weekly costs						\$ 28,132.64	$Z = W + Y$	
AA	Occupancy adjustment						93.4%	$AA = (365 - 2 * 12) / 365$; assumes one month average length of stay with a 2 day turnover time	Please insert feedback here on the average length of stay and average bed turnover time for this service.
AB	Units per week						7.00		
AC	Per Diem Rate						\$ 537.73	$AC = Z / AA / AB / J$	

Providers may include feedback in the indicated cells; all other cells will be locked.

Employee Related Expense Feedback Example



State of Rhode Island Executive Office of Health and Human Services
Child Services Rate Setting
Employee Related Expense (ERE) Summary

ERE Component	ERE Amount	Notes	Feedback
Medicare Tax	1.45%	Federal rate taxable on wages	
Workers' Compensation	1.00%	Based on BLS data	Please provide feedback here on the employer-paid workers' compenstion percentage.
Retirement	4.00%	Based on BLS data	Please provide feedback here on the employer-paid retirement benefits percentage.
Social Security Tax	6.20%	Federal rate taxable on wages subject to SFY 2027 projected \$184,950 annual taxable limit	
FUTA	\$ 420.00	6% x \$7,000 annual taxable limit	
SUI	\$ 778.75	2.50% (average RI rate, per DOL) x \$31,150 (SFY 2027 projected annual taxable limit)	
Insurance	\$ 12,150.00	Projected SFY 2027 annual amount based on provider surveys. Includes health, dental, vision, and other insurance.	Please provide feedback here on the employer-paid annual insurance amount.

Providers may include feedback in the indicated cells; all other cells will be locked.

PTO & Training Time Feedback Example

State of Rhode Island Executive Office of Health and Human Services Child Services Rate Setting Paid Time Off and Training Time - Non-Specialty Programs											
Provider Group	A Annual productive time	B Paid Holidays and PTO hours per year	C On-going training/confer- ence time hours per year	D Total	E Training hours/inefficien- t time for each new hire	F Turnover percentage	G New hire training hours per year	H Hours of replacement for non-productive time	I Annual hours paid on	J PTO/training/confer- ence time adjustment factor	Feedback
	I - H			B + C			E * F	D + G		I / (I - H) - 1	Please provide feedback in the spaces below on the following items: Column B: number of paid holidays and PTO hours Column C: on-going training/conference time hours Column E: training hours/inefficient time for each new hire Column F: employee turnover percentage
Assistant House Manager	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%	
Case Manager	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%	
Clinical Director	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%	
Clinician	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%	
Direct Care/ Milieu Staff	1,737	288	25	313	83	36.0%	30	343	2,080	19.7%	
Psychiatrist	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%	
Registered Nurse	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%	
Residential Director	1,736	288	33	321	68	35.3%	24	344	2,080	19.8%	

Providers may include feedback in the blue cells; all other cells will be locked.

School Time Feedback Example



State of Rhode Island Executive Office of Health and Human Services Child Services Rate Setting Congregate Care First Shift School Dampening Factor Summary							
Ref.	Component	Assessment Center	Semi-Independent Living	Specialized Group Homes (Off-Site Schooling)	Specialized Group Homes (On-Site Schooling)	Residential Treatment Center	Notes
A	Weekdays Per Year	261	261	261	261	261	Total number of weekdays from July 1, 2026 to June 30, 2027.
B	Total School Days Per Year	180	180	180	229	220	
C	Assumed Daily Absenteeism Rate	8.0%	8.0%	8.0%	8.0%	8.0%	Based on total RI average attendance rates for K-3.
D	School Days Attended Per Year	166	166	166	211	202	$D = B * (1 - C)$
E	Percent of Weekdays when youth are in school	63.4%	63.4%	63.4%	80.7%	77.5%	$E = D / A$
F	School Day (in Hours)	7	7	7	6	6	
G	Length of Day Shift (in Hours)	8	8	8	8	8	
H	Percent of First Day Shift hours when youth are in school	87.5%	87.5%	87.5%	75.0%	75.0%	$H = F / G$
I	Total percent of weekday first shift time per year when youth are in school	55.5%	55.5%	55.5%	60.5%	58.2%	$I = E * H$
J	Percent of youth not regularly attending school (e.g. graduated; completed a GED program; currently employed)	12.0%	15.0%	5.0%	0.0%	0.0%	Based on survey responses.
K	Percent of youth required to regularly attend school	88.0%	85.0%	95.0%	100.0%	100.0%	$K = 1 - J$
L	Weekday first shift direct staff time dampening factor	48.9%	47.2%	52.7%	60.5%	58.2%	$L = I * K$; Total percent of time first shift direct staff are not needed throughout the year due to youth in school.

Providers may include feedback in the indicated cells; all other cells will be locked.

Explanation of Medicaid and DCYF

Split



**RHODE
ISLAND**



Explanation of Medicaid and DCYF Split

Each DCYF service required in-depth analysis to determine what components of the service, if any, were Medicaid billable. Given ongoing conversations about the Medicaid allocation assumptions, the details of the split between Medicaid and DCYF will be shared at a later time.

Allowable Under Medicaid (May be Medicaid Funded)

Services determined to be medically necessary AND provided by a qualified Medicaid enrolled provider, such as:

- Psychotherapy
- Occupational, speech, and/or physical therapies
- Rehabilitative services
- Medication management
- Substance Use Disorder treatments
- Crisis response
- Skills training and development

The state must define each Medicaid service and the providers that are eligible to deliver it.

Not Allowable Under Medicaid (Must be DCYF Funded)

All other services, such as:

- Room and board
- Non-clinical staff (unless performing a covered service in compliance with Medicaid service standards)
- Administrative services
- General supervision
- Court and/or DCYF required reporting/appearances
- Clothing, hygiene items, and other personal incidentals
- Recreational and/or educational activities

Next Steps



Next Steps

Following this call, all providers will receive two emails an emails.

Email #1 (same for all providers)

- Updated service standards for all services based on provider feedback
- Service standard FAQ
- Supportive rate FAQ
- A summary of the new draft rates for each service

Email #2 (specific to the provider)

- Instructions on how to review rates and give feedback
- Reminder of review deadline
- Individual provider Excel file including IRM rate build-ups for services the agency provides

EOHHS and DCYF are committed to having rates that support the DCYF HBS and Congregate Care service array. Feedback is highly valued and should include the provider's ability to provide services in alignment with the proposed service standards.

**All feedback is due EOD
Tuesday, May 13, 2025.**

All questions and feedback can be directed to the project email at: **OHHS.RIChildServices@ohhs.ri.gov**

Q & A



Thank you!

