

Background

The West Virginia Bureau for Medical Services (BMS) engaged Myers and Stauffer LC (Myers and Stauffer) to review service rates and make recommendations for rate revisions for Home and Community-Based Services (HCBS) provided on the Intellectual/Developmental Disability (IDD) Waiver, following the directives of West Virginia Senate Bill 617. BMS expanded the review to include the Aged and Disabled (AD) Waiver, the Traumatic Brain Injury (TBI) Waiver, and the personal care (PC) state plan service. The rate review and recommendation process included a provider cost survey, significant stakeholder engagement, geographic review, and peer state research.

Cost Reporting Process

- Myers and Stauffer designed and disseminated the WV HCBS cost report, in collaboration with several State and provider community representatives.
- A project website was launched with presentation notes, project timelines and goals, and cost reporting education tools: <http://myersandstauffer.com/client-portal/west-virginia/>.
- Help-desk support was offered to providers for completing cost reports timely and accurately.
- Fifty-three provider cost report submissions were received from July through September 2023.

Stakeholder Engagement

- Internal stakeholder activities began with BMS in May 2023. External stakeholder activities began in June 2023, with an initial focus on understanding service and service delivery nuances of the IDD, AD, and TBI waivers, or other challenges noted by stakeholders.
- Meetings were held with various BMS program and reimbursement subject matter experts to identify potential issues with rates, service access, or utilization.
- Myers and Stauffer presented in regular policy workgroup meetings with waiver providers.
- Thirty-three scheduled meetings, focus groups, and in-depth interviews were conducted with external stakeholders throughout this initiative.

Rate Build Process

- Data were extracted and analyzed from provider-submitted cost reports.
- With input from BMS, Myers and Stauffer developed rate models¹ for each identified waiver service. Models incorporated key cost component values from cost report submissions, national benchmarks, and Bureau of Labor Statistics (BLS) data. A rate model example is provided on the following page.
- Payment and program experts at the State supported the refinement of the rates and helped gather additional stakeholder feedback.

¹ Detailed information on the component values and their incorporation into each proposed service rate can be found in the detailed Myers and Stauffer report titled “*Waiver Programs (IDD/AD/TBI/PC) Cost Report Study & Proposed Rates*”, submitted to the State in December 2023.

| Rate Model Example | |
|-------------------------------------|-----|
| Total Employee Cost | |
| Wage Component | (A) |
| Employee Related Expenses Component | (B) |
| Productivity Multiplier | (C) |
| Total Operations Cost | |
| Program Component | (D) |
| General/Admin Component | (E) |

$$(A + B) \times C + D + E = \text{Hourly Payment Rate}$$

$$\text{Hourly Payment Rate} / 4 = \text{15-minute Billing Unit}$$

Geographic Adjustment and Peer State Comparison

- Key stakeholders and state program experts identified the Northern Panhandle, Morgantown, and the Eastern Panhandle service areas, as regions in West Virginia with comparably higher workforce costs and increased competition.
- Federal BLS occupational wage data were utilized for service area evaluation.
- Reviews of BLS wage data indicate West Virginia healthcare support occupations for the Northern Panhandle have a positive wage differential between 5-8%, Morgantown 14%, and the Eastern Panhandle 12-15%, respectively.
- County population statistics show these areas account for roughly 26% of the state population.
- Peer state review indicated proposed rates for personal care/attendant care services are on par or exceed surrounding state rates for high utilization service codes.
- Fully funding the proposed rates will result in a sizable increase over current reimbursement rates, likely tempering or negating the need for geographic adjustments.
- It is recommended that BMS monitor the impact of increased rates on member access to services as well as worker pay and turnover rates to determine if the increased rates are having the desired effect on workforce availability and tenure.

Proposed Rates

- Proposed rates for a subset of IDD, AD, and TBI program services are recommended by Myers and Stauffer for consideration by West Virginia.
- The total cost of the proposed rates results in an increase of \$170,572,366.42, including federal and state contributions.
- The primary expenditure increase drivers are the personal care group services (also referred to as personal attendant and person-centered supports).
- IDD waiver last conducted a rate study in 2014 and although the State incorporated temporary rate increases because of ARPA funding, funding adjustments are typically performed every 3-5 years.

**Overall Increased Expenditure Summary
(No Geographic Adjustment)**

| Waiver | Projected Total Expenditure Increase (Fed & State) | Projected Total State Expenditure Increase (FMAP: 73.905%) |
|--------------|--|--|
| State Plan | \$25,109,968 | \$6,552,446 |
| ADW | \$39,270,749 | \$10,841,999 |
| TBI | \$508,396 | \$132,666 |
| IDD | \$105,683,253 | \$27,578,045 |
| Total | \$170,572,366 | \$45,105,156 |

**State Plan Proposed Rate and Associated Impact
(No Geographic Adjustment)**

| State Plan | | | | | | | | |
|---------------|--------------------|--------------|--------------|---------------------|---------------|----------------------|--|--|
| Service | Service Code | Service Unit | Current Rate | Current Rate (Hour) | Proposed Rate | Proposed Rate (Hour) | Projected Total Expenditure Increase (Fed & State) | Projected Total State Expenditure Increase (FMAP: 73.905%) |
| Personal Care | T1019, T1019 UK | 15 min | \$4.73 | \$18.92 | \$6.36 | \$25.44 | \$25,109,968 | \$6,552,446 |

**Individual Waiver Proposed Rate and Associated Impact
(No Geographic Adjustment)**

| IDD Waiver | | | | | | | | | |
|--|-------------|-----------------------------|--------------|--------------|---------------------|---------------|----------------------|--|--|
| Service | Ratio | Service Code | Service Unit | Current Rate | Current Rate (Hour) | Proposed Rate | Proposed Rate (Hour) | Projected Total Expenditure Increase (Fed & State) | Projected Total State Expenditure Increase (FMAP: 73.905%) |
| Home-Based Person Centered Supports (IDDW) | 1:1 | S5125 U7 | 15 min | \$5.45 | \$21.80 | \$6.36 | \$25.44 | \$1,012,181 | \$264,129 |
| Family PCS | 1:2 | S5125 U8 | 15 min | \$2.73 | \$10.92 | \$3.18 | \$12.72 | \$20,429 | \$5,331 |
| | 1:1 | S5125 U5 | 15 min | \$2.74 | \$10.96 | \$4.73 | \$18.92 | \$14,823,725 | \$3,868,251 |
| | 1:2 | S5125 U6 | 15 min | \$1.37 | \$5.48 | \$2.37 | \$9.48 | \$14,140 | \$3,690 |
| PCS - Personal Options (IDDW) | Direct Care | S5125 UA, S5125 UA UK | 15 min | \$2.74 | \$10.96 | \$4.25 | \$17.00 | \$48,872,956 | \$12,753,398 |
| Crisis Site PCS | 1:1 | T1005 U7 | 15 min | \$5.72 | \$22.88 | \$8.18 | \$32.72 | \$8,686 | \$2,267 |
| | 1:2 | T1005 U8 | 15 min | \$2.87 | \$11.48 | \$4.10 | \$16.40 | \$6,760 | \$1,764 |
| | 1:3 | T1005 U9 | 15 min | \$1.91 | \$7.64 | \$2.73 | \$10.92 | \$986 | \$257 |
| Crisis Intervention | 2:1 | T2017 | 15 min | \$10.00 | \$40.00 | \$14.54 | \$58.16 | \$9,343 | \$2,438 |
| Unlicensed Residential PCS | 1:1 | S5125 HI | 15 min | \$5.72 | \$22.88 | \$6.57 | \$26.28 | \$10,886,410 | \$2,840,809 |
| | 1:2 | S5125 UN | 15 min | \$2.87 | \$11.48 | \$3.29 | \$13.16 | \$6,104,704 | \$1,593,022 |
| | 1:3 | S5125 UP | 15 min | \$1.91 | \$7.64 | \$2.19 | \$8.76 | \$6,971,295 | \$1,819,159 |
| Unlicensed Residential PCS AMAP | 1:1 | S5125 HI | 15 min | \$5.72 | \$22.88 | \$6.99 | \$27.96 | \$1,807,286 | \$471,611 |
| | 1:2 | S5125 UN | 15 min | \$2.87 | \$11.48 | \$3.71 | \$14.84 | \$1,356,601 | \$354,005 |
| | 1:3 | S5125 UP | 15 min | \$1.91 | \$7.64 | \$2.61 | \$10.44 | \$1,936,471 | \$505,322 |
| Licensed Group Home PCS | 1:1 | S5125 U1 | 15 min | \$5.72 | \$22.88 | \$6.57 | \$26.28 | \$945,132 | \$246,632 |
| | 1:2 | S5125 U2 | 15 min | \$2.87 | \$11.48 | \$3.29 | \$13.16 | \$698,926 | \$182,385 |
| | 1:3 | S5125 U3 | 15 min | \$1.91 | \$7.64 | \$2.19 | \$8.76 | \$570,822 | \$148,956 |
| | 1:4 | S5125 U4 | 15 min | \$1.43 | \$5.72 | \$1.65 | \$6.60 | \$210,520 | \$54,935 |
| Licensed Group Home PCS-AMAP | 1:1 | S5125 U1 | 15 min | \$5.72 | \$22.88 | \$6.99 | \$27.96 | \$156,904 | \$40,944 |
| | 1:2 | S5125 U2 | 15 min | \$2.87 | \$11.48 | \$3.71 | \$14.84 | \$155,317 | \$40,530 |
| | 1:3 | S5125 U3 | 15 min | \$1.91 | \$7.64 | \$2.61 | \$10.44 | \$158,562 | \$41,377 |
| | 1:4 | S5125 U4 | 15 min | \$1.43 | \$5.72 | \$2.07 | \$8.28 | \$68,047 | \$17,757 |
| In-Home Respite | 1:1 | T1005 UA | 15 min | \$5.01 | \$20.04 | \$6.36 | \$25.44 | \$1,616,821 | \$421,909 |
| | 1:2 | T1005 UB | 15 min | \$2.50 | \$10.00 | \$3.18 | \$12.72 | \$3,917 | \$1,022 |
| Out-of-Home Respite | 1:1 | T1005 U1 | 15 min | \$5.01 | \$20.04 | \$6.36 | \$25.44 | \$424,373 | \$110,740 |
| | 1:2 | T1005 U5 | 15 min | \$2.50 | \$10.00 | \$3.18 | \$12.72 | \$12,270 | \$3,202 |
| | 1:3 | T1005 U6 | 15 min | \$1.67 | \$6.68 | \$2.12 | \$8.48 | \$0 | \$0 |

| IDD Waiver (cont.) | | | | | | | | | |
|---|-------|--------------|--------------|--------------|---------------------|---------------|----------------------|--|--|
| Service | Ratio | Service Code | Service Unit | Current Rate | Current Rate (Hour) | Proposed Rate | Proposed Rate (Hour) | Projected Total Expenditure Increase (Fed & State) | Projected Total State Expenditure Increase (FMAP: 73.905%) |
| Facility-Based Day Habilitation | 1:1-2 | T2021 U5 | 15 min | \$5.23 | \$20.92 | \$7.47 | \$29.88 | \$3,024,719 | \$789,300 |
| | 1:3-4 | T2021 U6 | 15 min | \$2.24 | \$8.96 | \$3.20 | \$12.80 | \$556,838 | \$145,307 |
| | 1:5-6 | T2021 U7 | 15 min | \$1.42 | \$5.68 | \$2.03 | \$8.12 | \$53,967 | \$14,083 |
| Pre-vocational Training | 1:1-2 | T2021 U1 | 15 min | \$5.23 | \$20.92 | \$7.47 | \$29.88 | \$436,744 | \$113,968 |
| | 1:3-4 | T2021 U2 | 15 min | \$2.24 | \$8.96 | \$3.20 | \$12.80 | \$236,209 | \$61,639 |
| | 1:5-6 | T2021 U3 | 15 min | \$1.42 | \$5.68 | \$2.03 | \$8.12 | \$40,823 | \$10,653 |
| Job Development | 1:1 | T1019 HB | 15 min | \$5.26 | \$21.04 | \$7.52 | \$30.08 | \$36,223 | \$9,452 |
| Supported Employment | 1:1 | T2019 | 15 min | \$5.26 | \$21.04 | \$7.52 | \$30.08 | \$315,587 | \$82,352 |
| | 1:2+ | T2019 HQ | 15 min | \$2.11 | \$8.44 | \$3.02 | \$12.08 | \$22,238 | \$5,803 |
| Behavior Support Professional I | n/a | T2021 HN | 15 min | \$10.41 | \$41.64 | \$12.80 | \$51.20 | \$1,012,173 | \$264,126 |
| Behavior Support Professional II | n/a | T2025 HO | 15 min | \$14.90 | \$59.60 | \$15.34 | \$61.36 | \$8,152 | \$2,127 |
| Skilled Nursing by LPN | 1:1 | T1003 U4 | 15 min | \$11.02 | \$44.08 | \$12.86 | \$51.44 | \$395,778 | \$103,278 |
| | 1:2 | T1003 U3 | 15 min | \$5.50 | \$22.00 | \$6.43 | \$25.72 | \$2,572 | \$671 |
| | 1:3 | T1003 U2 | 15 min | \$3.67 | \$14.68 | \$4.29 | \$17.16 | \$0 | \$0 |
| Skilled Nursing by Registered Nurse | N/A | T1002 HI | 15 min | \$16.28 | \$65.12 | \$19.51 | \$78.04 | \$687,647 | \$179,441 |
| Dietary Therapy | N/A | 97802 AE | 15 min | \$24.58 | \$98.32 | N/A | N/A | N/A | N/A |
| Dietary Therapy - Personal Options | N/A | 97802 AE UG | 15 min | \$24.58 | \$98.32 | N/A | N/A | N/A | N/A |
| Physical Therapy | N/A | 97530 GP | 15 min | \$24.83 | \$99.32 | N/A | N/A | N/A | N/A |
| Physical Therapy - Personal Options | N/A | 97530 GP UG | 15 min | \$24.83 | \$99.32 | N/A | N/A | N/A | N/A |
| Occupational Therapy | N/A | 97530 GO | 15 min | \$24.83 | \$99.32 | N/A | N/A | N/A | N/A |
| Occupational Therapy - Personal Options | N/A | 97530 GO UG | 15 min | \$24.83 | \$99.32 | N/A | N/A | N/A | N/A |
| Speech Therapy | N/A | 92507 GN | Event | \$52.60 | N/A | N/A | N/A | N/A | N/A |
| Speech Therapy - Personal Options | N/A | 92507 GN UG | Event | \$52.60 | N/A | N/A | N/A | N/A | N/A |

| IDD Waiver (cont.) | | | | | | | | | |
|---|-------|--------------|--------------|--------------|---------------------|---------------|----------------------|--|--|
| Service | Ratio | Service Code | Service Unit | Current Rate | Current Rate (Hour) | Proposed Rate | Proposed Rate (Hour) | Projected Total Expenditure Increase (Fed & State) | Projected Total State Expenditure Increase (FMAP: 73.905%) |
| Participant-Directed Goods and Services - Personal Options | N/A | T2028 SC | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Environmental Accessibility Adaptation-Home | N/A | S5165 | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Environmental Accessibility Adaptation-Home - Personal Options | N/A | S5165 UG | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Environmental Accessibility Adaptation-Vehicle | N/A | T2039 | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Environmental Accessibility Adaptation-Vehicle - Personal Options | N/A | T2039 UG | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Transportation: Miles | N/A | A0160 U1 | 1 mile | \$0.50 | N/A | N/A | N/A | N/A | N/A |
| Transportation: Miles - Personal Options | N/A | A0160 U3 | 1 mile | \$0.50 | N/A | N/A | N/A | N/A | N/A |
| Transportation: Trips (max 2 one-way trips per day) | N/A | A0120 HI | 1 trip | \$9.89 | N/A | N/A | N/A | N/A | N/A |
| Case Management Natural Family | N/A | G9002 U3 | Event | \$200.00 | N/A | N/A | N/A | N/A | N/A |
| Case Management ISS/SFC/Group Home | N/A | G9002 U4 | Event | \$250.00 | N/A | N/A | N/A | N/A | N/A |
| Total Projected Expenditure Increase | | | | | | | | \$105,683,253 | \$27,578,045 |

*Items with N/A in proposed rates were not included in rate review process

| AD Waiver | | | | | | | | |
|--|-----------------------|--------------|--------------|---------------------|---------------|----------------------|--|--|
| Service | Service Code | Service Unit | Current Rate | Current Rate (Hour) | Proposed Rate | Proposed Rate (Hour) | Projected Total Expenditure Increase (Fed & State) | Projected Total State Expenditure Increase (FMAP: 73.905%) |
| Personal Care Attendant (ADW) | S5130 | 15 min | \$4.73 | \$18.92 | \$6.36 | \$25.44 | \$38,466,612 | \$10,037,862 |
| Personal Care Attendant - Personal Options (ADW) | S5130 U1, S5130 U1 UK | 15 min | \$4.25 | \$17.00 | \$4.25 | \$17.00 | \$0 | \$0 |
| Nursing ADW | T1002 UD | 15 min | \$13.07 | \$52.28 | \$18.76 | \$75.04 | \$804,137 | \$804,137 |
| Case Management | G9002 U1 | 1 month | \$135.00 | N/A | N/A | N/A | N/A | N/A |
| Skilled Nursing Annual Assessment | T1001 UD | Event | \$120.00 | N/A | N/A | N/A | N/A | N/A |
| Skilled Nursing | T1002 UD | 15 min | \$13.07 | \$52.28 | N/A | N/A | N/A | N/A |
| Personal Emergency Response Unit | S5161 U6 | 1 unit | \$50.00 | N/A | N/A | N/A | N/A | N/A |
| Non-Medical Transportation | A0160 U4 | 1 mile | \$0.50 | N/A | N/A | N/A | N/A | N/A |
| Personal Emergency Response Unit | S5161 U1 | 1 unit | \$50.00 | N/A | N/A | N/A | N/A | N/A |
| Non-Medical Transportation | A0160 U4 | 1 mile | \$0.50 | N/A | N/A | N/A | N/A | N/A |
| Community Transition Services (Case Management services provided with Take Me Home Transition) | T1016 U1 | 15 min | \$8.50 | \$34.00 | N/A | N/A | N/A | N/A |
| Community Transition Services | T2028 U1 | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Total Projected Expenditure Increase | | | | | | | \$39,270,749 | \$10,841,999 |

*Items with N/A in proposed rates were not included in rate review process

| TBI Waiver | | | | | | | | |
|--|-----------------------|--------------|--------------|---------------------|---------------|----------------------|--|--|
| Service | Service Code | Service Unit | Current Rate | Current Rate (Hour) | Proposed Rate | Proposed Rate (Hour) | Projected Total Expenditure Increase (Fed & State) | Projected Total State Expenditure Increase (FMAP: 73.905%) |
| Personal Attendant (TBI) | S5125, S5125 UB | 15 Min | \$4.73 | \$18.92 | \$6.36 | \$25.44 | \$380,127 | \$99,194 |
| Personal Attendant - Personal Options (TBI) | S5125 UC, S5125 UC UK | 15 Min | \$3.75 | \$15.00 | \$4.25 | \$17.00 | \$128,269 | \$33,472 |
| Case Management | G9002 U2 | 1 unit | \$182.70 | N/A | N/A | N/A | N/A | N/A |
| Case Management Services Provided with Take Me Home Transition | T1016 U2 | 15 Min | \$8.50 | \$34.00 | N/A | N/A | N/A | N/A |
| Take Me Home Transition | T2028 U2 | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Non-Medical Transportation | A0160 UB | 1 mile | \$0.50 | N/A | N/A | N/A | N/A | N/A |
| Personal Emergency Response System (PERS) | S5161 U5 | 1 unit | \$50.00 | N/A | N/A | N/A | N/A | N/A |
| Environmental Accessibility Adaptation Home Vehicle | S5165 U2 T2039 U2 | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Personal Emergency Response System (PERS) - Personal Options | S5165 U5 UK | 1 unit | \$50.00 | N/A | N/A | N/A | N/A | N/A |
| Non-Medical Transportation - Personal Options | A0160 U2 | 1 mile | \$0.50 | N/A | N/A | N/A | N/A | N/A |
| Environmental Accessibility Adaptation Home Vehicle - Personal Options | S5165 U3 T2039 U3 | 1 unit | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Total Projected Expenditure Increase | | | | | | | \$508,396 | \$132,666 |

*Items with N/A in proposed rates were not included in the rate review process.