



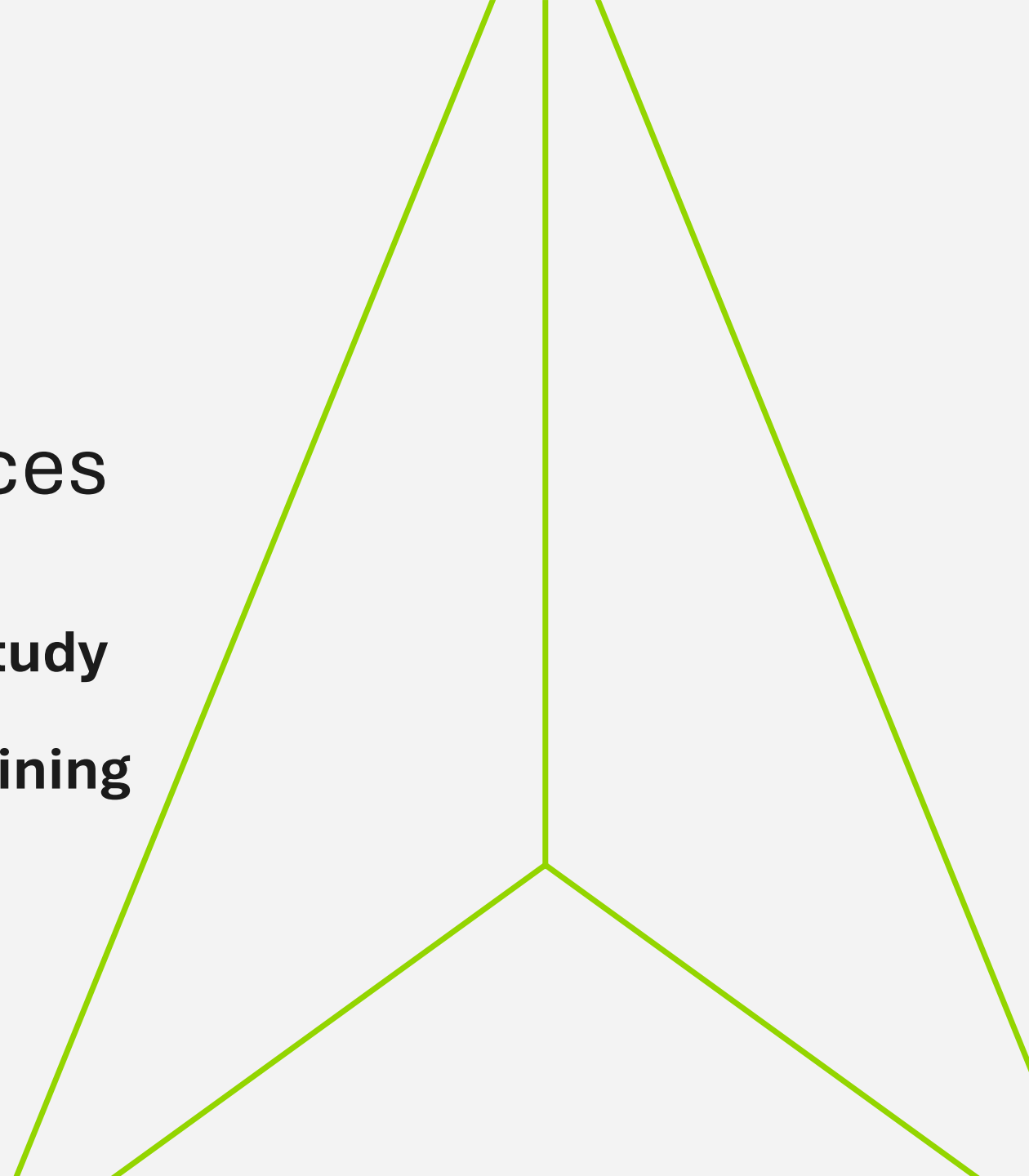
APRIL 17, 2025

Virginia Department of Medical Assistance Services (DMAS)

Developmental Disabilities Rate Study

Provider Cost and Wage Survey Training Session 1

outwit complexity™



Agenda

Provider Cost and Wage Survey Scope and Access	01
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Developmental Disabilities Services for Rate Review

Guidehouse will only review rates that align with the eleven services listed in the Permanent Injunction (Civil Action No. 3:12-cv-59-JAG) that are administered under 1915(c) waivers by the Division of Developmental Disabilities and Behavioral Health under DMAS.

Please respond to the Provider Survey only if your organization provides at least one of the following DD waiver services.

Developmental Disabilities Services Rate Study

Three DD 1915(c) Waivers:

Family and Individual Support Waiver (FIS), Community Living Waiver (CL), Building Independence Waiver (BI)

- | | | |
|--|---|--|
| 1. Community Coaching | 6. Personal Assistance (<i>including Consumer-Directed</i>) | 9. Skilled Nursing (<i>including Congregate Nursing</i>) |
| 2. Community Engagement | 7. Private Duty Nursing | 10. Therapeutic Consultation |
| 3. Companion Care (<i>including Consumer-Directed</i>) | 8. Respite Care (<i>including Center-Based and Consumer-Directed</i>) | 11. Workplace Assistance |
| 4. In-Home Support Services | | |
| 5. Independent Living Supports | | |

Note: Congregate Nursing is a State Plan service provided to EPSDT individuals who are also covered in the DD waiver.

Overview and Goals of Rate Review

The purpose of this Rate Study is to:

1. Review existing rates and rate methodologies and compare to similar services in other states
2. Review rate differentials based on geographies (e.g., Northern Virginia/NOVA vs. rest of state/ROS) and provider requirements (e.g., qualifications, training)
3. Account for reimbursement framework adjustments and assessment data to reflect diverse populations with complex needs (e.g., tiering of rates based on participant resource needs)
4. Evaluate alignment with rates for similar services established across programs
5. Conduct robust engagement with community partners including providers
6. Complete a comprehensive fiscal impact analysis
7. Provide recommendations to DMAS

Key Deliverables



1. Project Workplan
2. Peer State Comparisons
3. Provider Survey
4. Assessment Data Analysis
5. Rate Models
6. Fiscal Impact Analysis
7. Final Report with Rate and Implementation Recommendations (due to DMAS in August 2025)

How to Ask Questions or Share Comments During This Session

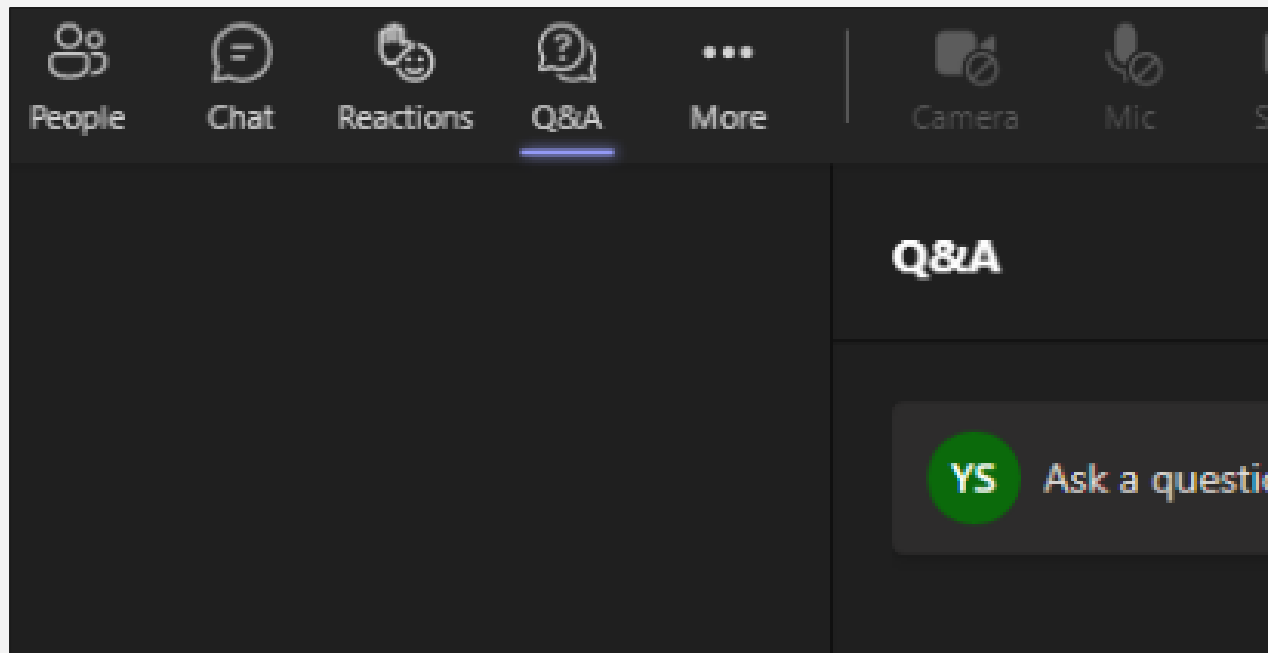
To ask a question and/or share a comment, you can either use the Chat or Raise Hand icon.



In the meeting controls toolbar at the top of your screen, select the “Chat” icon. A window will open to your right where you can type your question and/or comment.

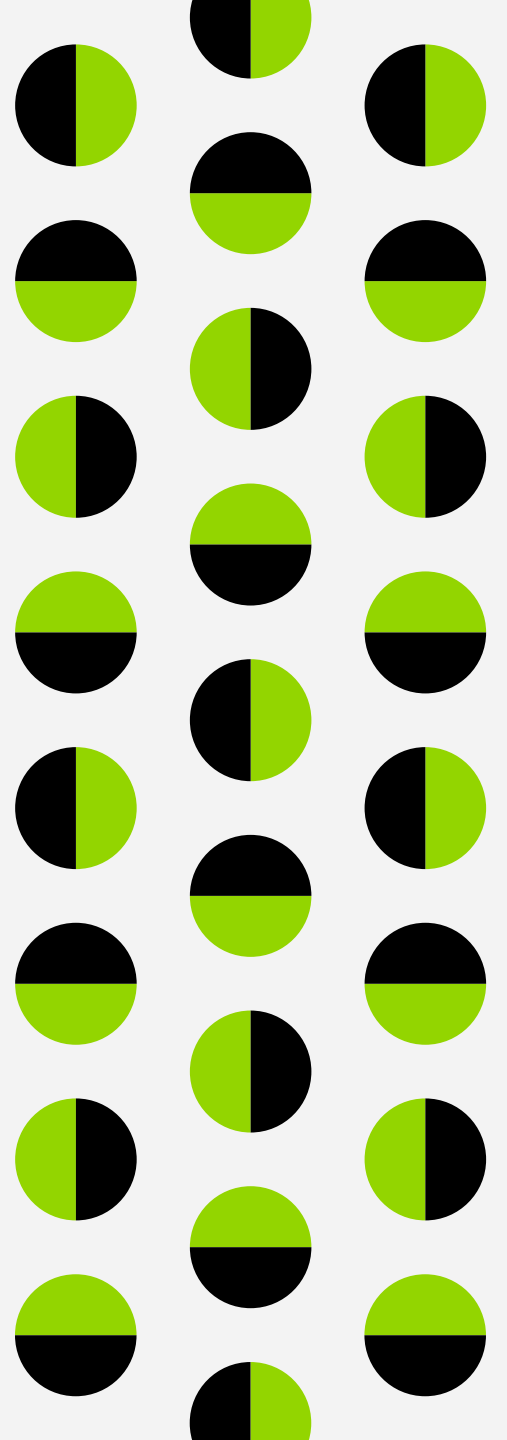
How to Ask Questions or Share Comments During This Session

During the training, attendees are encouraged to ask any questions in the Q&A box pictured here



In the meeting controls toolbar at the top of your screen, select the “Q&A” icon. A window will open to your right where you can type your question and/or comment.

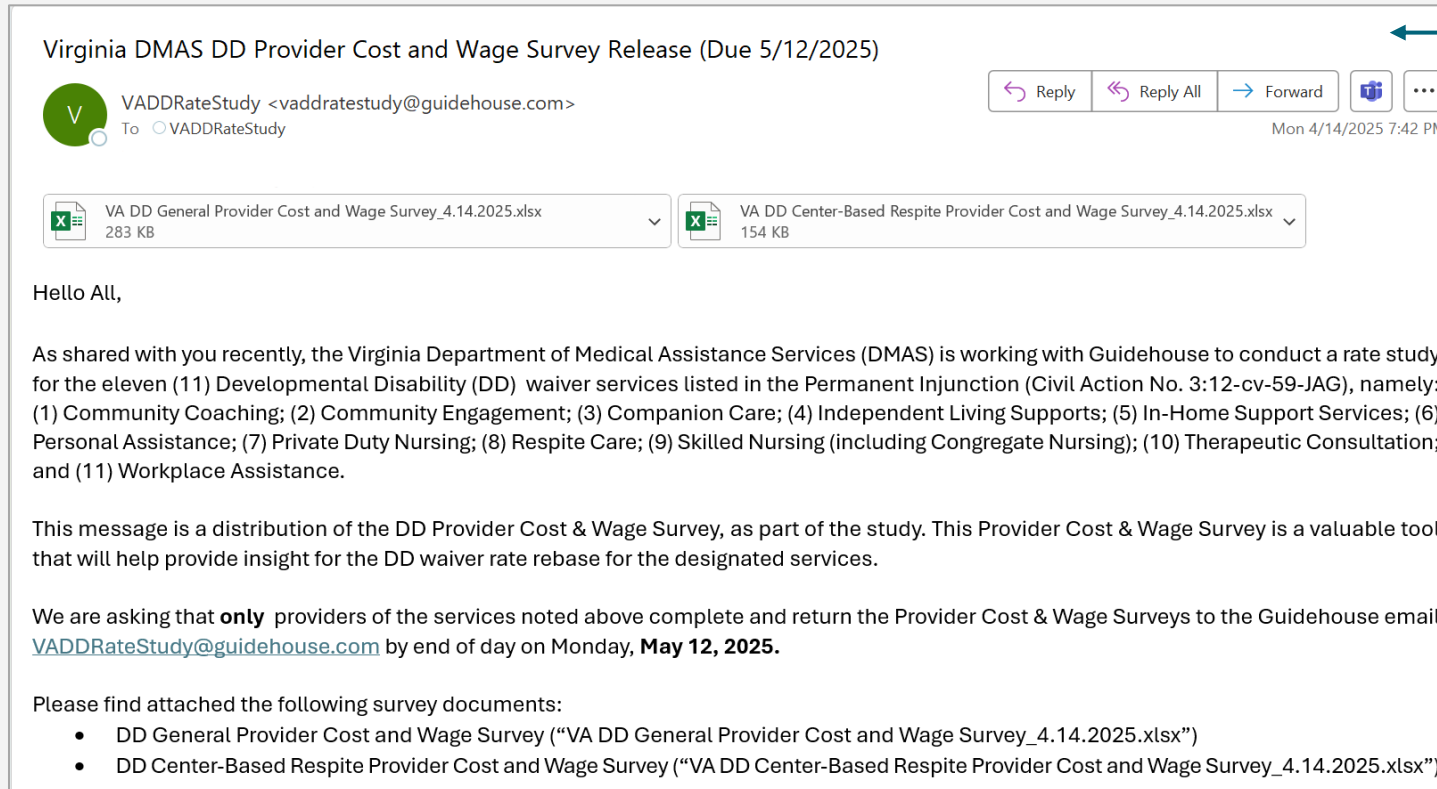
Provider Cost and Wage Survey Scope and Access



How to Access the Survey

Step 1:

Your organization should have received the survey via e-mail from vaddratestudy@guidehouse.com on Monday, April 14, 2025.



Virginia DMAS DD Provider Cost and Wage Survey Release (Due 5/12/2025)

VADDRateStudy <vaddratestudy@guidehouse.com>
To: VADDRateStudy

Mon 4/14/2025 7:42 PM

VA DD General Provider Cost and Wage Survey_4.14.2025.xlsx
283 KB

VA DD Center-Based Respite Provider Cost and Wage Survey_4.14.2025.xlsx
154 KB

Hello All,

As shared with you recently, the Virginia Department of Medical Assistance Services (DMAS) is working with Guidehouse to conduct a rate study for the eleven (11) Developmental Disability (DD) waiver services listed in the Permanent Injunction (Civil Action No. 3:12-cv-59-JAG), namely: (1) Community Coaching; (2) Community Engagement; (3) Companion Care; (4) Independent Living Supports; (5) In-Home Support Services; (6) Personal Assistance; (7) Private Duty Nursing; (8) Respite Care; (9) Skilled Nursing (including Congregate Nursing); (10) Therapeutic Consultation; and (11) Workplace Assistance.

This message is a distribution of the DD Provider Cost & Wage Survey, as part of the study. This Provider Cost & Wage Survey is a valuable tool that will help provide insight for the DD waiver rate rebase for the designated services.

We are asking that **only** providers of the services noted above complete and return the Provider Cost & Wage Surveys to the Guidehouse email VADDRateStudy@guidehouse.com by end of day on Monday, **May 12, 2025**.

Please find attached the following survey documents:

- DD General Provider Cost and Wage Survey (“VA DD General Provider Cost and Wage Survey_4.14.2025.xlsx”)
- DD Center-Based Respite Provider Cost and Wage Survey (“VA DD Center-Based Respite Provider Cost and Wage Survey_4.14.2025.xlsx”)

Subject Line: Virginia DMAS DD Provider Cost and Wage Survey Release (Due 5/12/2025)

If you or your organization has not received the Survey, please send an e-mail to vaddratestudy@guidehouse.com to get access.

How to Access the Survey (*cont.*)

Step 2:

Save the Microsoft Excel Workbook attachments
(extension should be the default .xlsx).



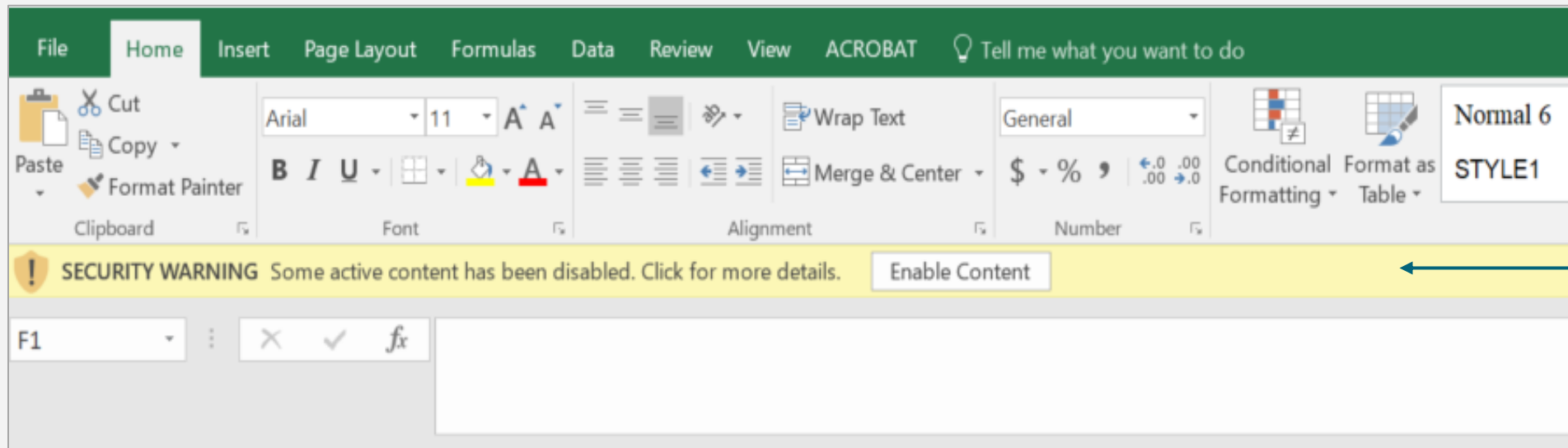
Email should include 2 attachments:

- VA DD General Provider Cost and Wage Survey_4.14.2025 (ONLY providers of DD waiver services in the Permanent Injunction)
- VA DD Center-Based Respite Provider Cost and Wage Survey_4.14.2025 (Center-based respite providers ONLY)

How to Access the Survey (*cont.*)

Step 3:

Click 'Enable Content' and complete the survey.



Click on 'Enable Content' before proceeding through the survey.

Should My Organization Complete the **General Provider Cost and Wage Survey**?



Yes, if your organization is a DD waiver service provider.

The Survey is aimed to collecting information about *provider* costs incurred in delivering DD waiver services included in the rate study.

AND



Yes, if your organization provides services listed in the Permanent Injunction (Civil Action No. 3:12-cv-59-JAG):

- | | |
|---|--|
| 1. Community Coaching | 7. Private Duty Nursing |
| 2. Community Engagement | 8. Respite Care (<i>excluding Center-Based Respite</i>) |
| 3. Companion Care (<i>including Consumer-Directed</i>) | 9. Skilled Nursing (<i>including Congregate Nursing</i>) |
| 4. In-Home Support Services | 10. Therapeutic Consultation |
| 5. Independent Living Supports | 11. Workplace Assistance |
| 6. Personal Assistance (<i>including Consumer-Directed</i>) | |



No, if your organization provides ONLY other DD waiver services.

Providers that exclusively offer other DD waiver services NOT listed in the Permanent Injunction.

OR



No, if your organization provides ONLY Center-Based Respite services.

Providers that offer Center-Based Respite services exclusively must only complete the Center-Based Respite Survey (see slide 12).

Should My Organization Complete the **Center-Based Respite Provider Cost and Wage Survey**?



Yes, if your organization provides ONLY Center-Based Respite services.

Providers that offer Center-Based Respite services exclusively, providing no other DD service, must only complete the Center-Based Respite Survey.



Yes, if your organization provides Center-Based Respite AND other DD waiver services listed in the Permanent Injunction (Civil Action No. 3:12-cv-59-JAG):

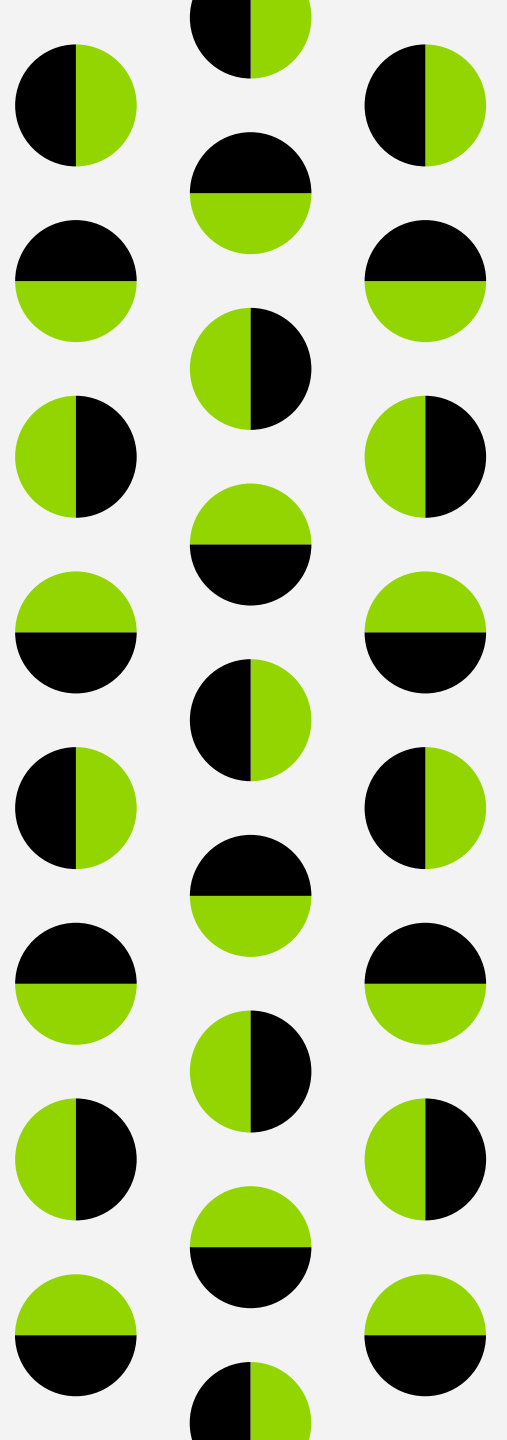
Providers that offer Center-Based Respite services in addition to other DD waiver services should complete both the Center-Based Respite Survey and the General Cost and Wage Provider Survey.



No, if your organization does not provide Center-Based Respite services.

Providers that do not offer Center-Based Respite services should not complete the Center-Based Respite Survey.

Provider Cost and Wage Survey Overview



Provider Cost and Wage Survey Overview

The purpose of the Provider Cost and Wage Survey is to:

1. Capture provider cost data including direct care, administrative, and program support costs to support rate review
2. Receive uniform inputs across providers to develop standardized rate model components
3. Measure inflationary impact on direct care worker wages
4. Gather data to understand billable vs non-billable time per service
5. Investigate differences in costs between NOVA and rest of state including transportation costs
6. Determine cost basis for evaluating rate equity for services
7. Solicit feedback from providers to explore service delivery improvements and efficiencies

Key Deliverables

1. Provider Survey
2. Provider Survey Instructions
3. Findings from Analysis of Provider Survey

Provider Cost and Wage Survey

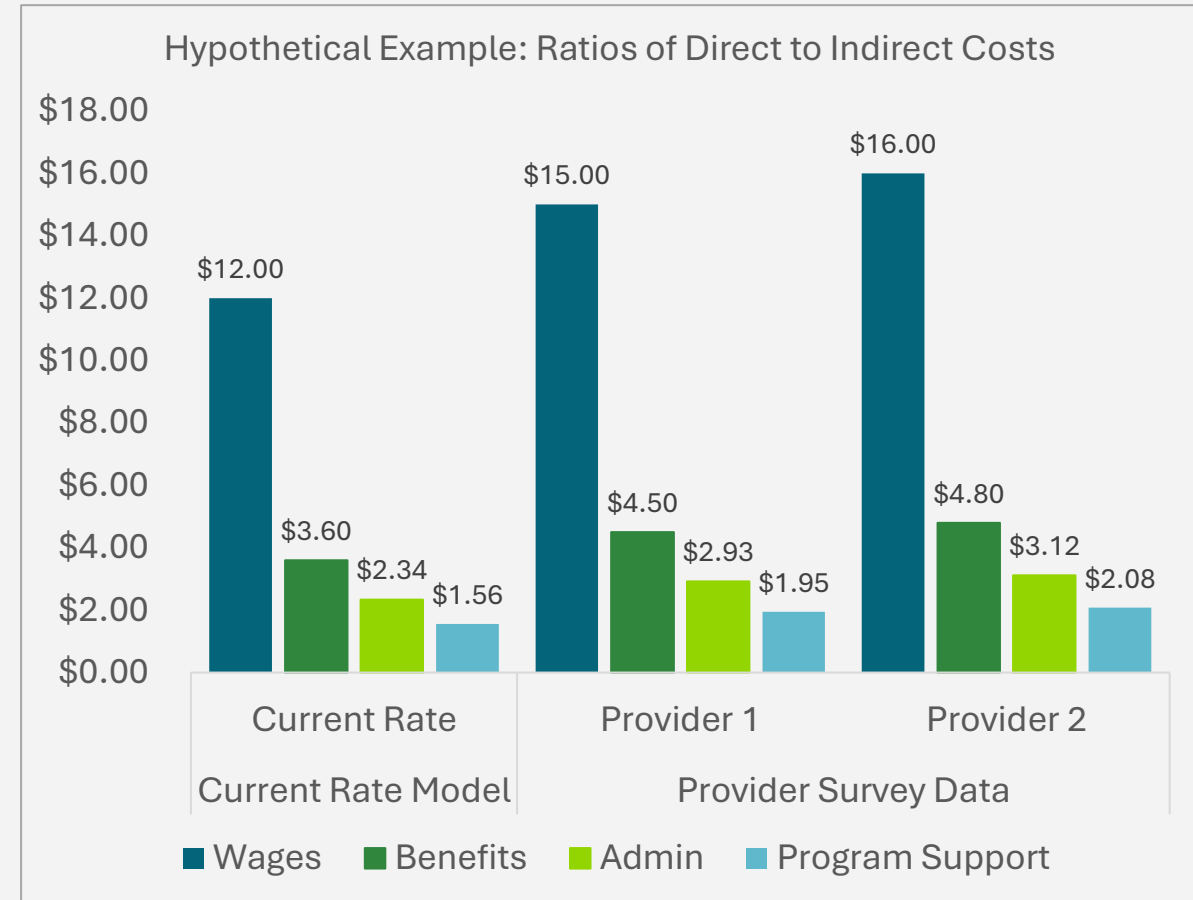
Key Data Points of Provider Survey

Section	Data Points	Time Period for Data Collected	Example Rate Study Applications
1 – Organizational Information	Provider identification, contact information, and organizational revenue, other organizational details	Provider organization’s most recent fiscal year	-
2 – Total Costs (<i>actual costs</i>)	Employee salaries, taxes and benefits; non-payroll administrative costs and program support costs; and facility, vehicle and equipment costs	Provider organization’s most recent fiscal year	Administrative and program support cost factors
3 – Staff Time and Wages (<i>content will vary based on service</i>)	Direct care job types, staff types, hourly wages, stipends, supplemental pay, historical and anticipated growth in wages, unfilled positions, turnover rate, and geographic area for associated inputs	Q1 CY2025 (Jan 1 – March 31, 2025)	Baseline wages for rate build-up, primary job types per service
4 – Programs and Services	Services delivered by the provider organization	Provider organization’s most recent fiscal year	-
4A-4K – Staffing Patterns and Service Delivery (<i>content will vary based on service</i>)	Billable vs. non-billable time (training, recordkeeping, etc.), supervisor and staffing patterns, client and staff transportation, equipment and supplies, cost necessary for service delivery not currently incurred, and additional notes	Provider organization’s most recent fiscal year	Productivity adjustment, caseload, staffing ratio, staffing hours
5 – Provider Benefits	Benefits that organizations offer full-time and part-time direct care providers who deliver services staff– health, vision and dental insurance, retirement, unemployment benefits and workers’ compensation, holiday, sick time, and paid time off	Provider organization’s most recent fiscal year	Benefits package or Employee Related Expenses (ERE)
6 – Additional Information	Clarifying comments in addition to the information covered in other worksheets or sections	N/A	N/A

Relationships between Direct and Indirect Costs

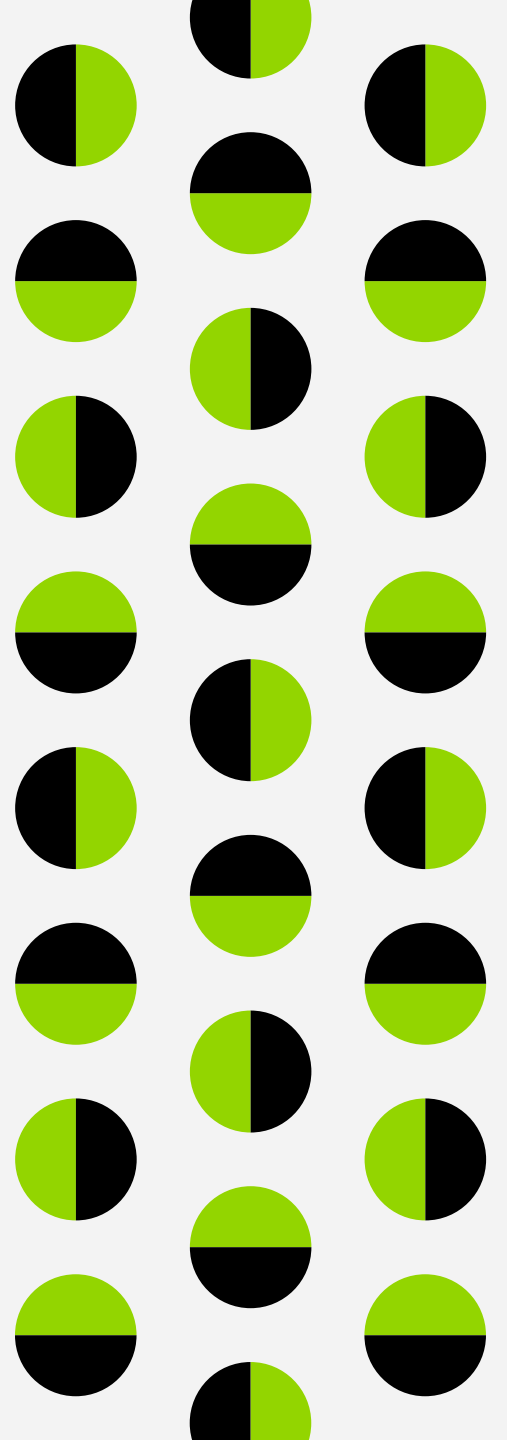
The hypothetical example below shows how provider cost data can be used for rate setting.

- This example reveals the following:
 - Average wage across providers from the provider survey is \$15.50 per hour which is 29% more than the current rate model wage at \$12 per hour.
 - Both current rate model and provider survey reveal that average administrative and program support costs fall at 20% and 13% of wages respectively.
- For rate setting purposes, **administrative and program support costs reported in the provider survey will be expressed as a percentage or ratio of wages.**
- Therefore, **as wages increase, administrative and program support costs also increase.**
 - Administrative and program support costs reported are not used as absolute numbers since different agencies may have different costs and data tracking/reporting methods depending on the scale and size of the agencies.
- Rate models would indicate a **29% increase** in overall costs from \$19.50 in the current rate model to an average of \$25.19 across providers in the survey.





Provider Survey Walkthrough



Tab 2 – Total Costs: Cost Allocation Methods

Cost Allocation Methods for Actual Costs

1. If your organization does not discretely track and separate incurred costs across program categories and cost centers, then providers may use a cost allocation method to identify appropriate costs for each:
 - a. Program Category (e.g., Expenses for Waiver Program – services in the rate study)
 - b. Cost Center / Line (e.g., Direct Care Employee Salaries and Wages – line 1)
2. Providers may allocate costs based on revenue, number of labor hours, number of staff, or number of people served.
3. However, providers may also choose to use a method most suitable to their accounting and reporting practices.

DESCRIPTION	Total Expenses Per General Ledger	Percentage of Total Expenses Per General Ledger Allocated	Expenses for Waiver Program (services in rate study)	Expenses for Waiver Program (services not in rate study)	Expenses for Room and Board	Expenses for Other Programs
Example	\$100,000.00	100.00%	\$40,000.00	\$20,000.00	\$20,000.00	\$20,000.00
1. EMPLOYEE SALARIES						
1 Total Direct Care Employee Salaries and Wages		0.00%				
2 Total Direct Care Supervisor, Staff Supervisor, and QIDP/QDDP Salaries and Wages		0.00%				
3 Total Maintenance Employee Salaries and Wages		0.00%				
4 Total Administrative Employee Salaries and Wages		0.00%				
5 Total Program Support Employee Salaries and Wages		0.00%				
6 Total Salaries for Contracted Direct Care, Staff Supervisor, and QIDP/QDDP Staff		0.00%				
7 Total Salaries for Contracted Program Support Staff		0.00%				
8 Total Salaries for Contracted Administrative Staff		0.00%				
Total Employee Salaries and Wages	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00

Cost Center / Line

Program Category

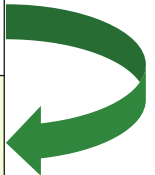
Tab 2 – Cost Allocation Methods: Examples

Cost Allocation Methods – Example Scenarios

Scenario 1 – Allocation based on Revenue: Providers may have costs common to multiple program categories i.e., both waiver services in scope for the rate study and waiver services NOT in scope for the rate study, and they may use the proportion of total waiver revenue associated with each of those categories to allocate costs.

Example: Provider offers Community Engagement and Group Home services. Community Engagement costs would fall under waiver services in scope for the rate study and Group Home costs would fall under waiver services NOT in scope for the rate study. Revenue associated with each of those services can be used for cost allocation across program categories. For instance, administrative costs associated with Community Engagement may be determined based on the revenue associated with that service as a percentage of total revenue, as demonstrated below.

Cost Center/Line	Total	Expenses for Waiver Program (Services in Rate Study) – Community Engagement	Expenses for Waiver Program (Services NOT in Rate Study) – Group Home
Service Revenue	\$250,000 (100%)	\$100,000 (40%)	\$150,000 (60%)
Allocated Administrative Costs	\$25,000 (100%)	\$10,000 (40%)	\$50,000 (60%)




Tab 2 – Cost Allocation Methods: Examples (*cont.*)

Cost Allocation Methods – Example Scenarios

Scenario 2 – Allocation based on Labor Hours: There may not always be clear distinctions between direct care, program support, and administration roles and individual staff may conduct duties across multiple roles. If staff spend time on multiple roles (e.g., direct care and administrative), then allocate the salaries between both roles based on the amount of time they spend on relevant activities.

Example: Provider employs a DSP who provides Personal Assistance services AND serves as an administrative assistant. Allocate the salaries for this DSP between direct care and administrative staff roles depending on the percentage of total hours the DSP spend on direct care vs. administrative activities, as demonstrated below.

Cost Center/Line	Role	Activity Hours	Allocated Expenses for Waiver Program (Services in Rate Study)
Staff Hours	Direct Care	1,456 (70%)	\$42,000 (70%)
	Admin	624 (30%)	\$18,000 (30%)
	Total	2,080 (100%)	\$60,000 (100%)



Tab 2 – Actual Costs: Not Reimbursable Costs

“Not Reimbursable” Costs

- Some costs incurred by providers are not Medicaid-reimbursable because they are intended to be funded through other programs (for example, “room and board” costs associated with residential services) or because they do not support service delivery, either directly or indirectly (for example, organizational marketing and fundraising costs or bad debt).
 - Providers are requested to report such non-reimbursed costs, if only to be able to verify these costs are excluded from the service rate.
- Other cases of non-reimbursed costs may include staff or other program support costs that are not appropriately accounted for in current rates.
 - For example, individuals with high needs may require additional staff time or qualifications, such as the resources of a behavioral specialist, which providers deem necessary to deploy but whose costs are not sufficiently incorporated into current rate assumptions.
 - In cases such as these, providers are encouraged to report the whole of their actual costs, which can be used to develop additional cost assumptions that may not be reflected in existing rates.

Tabs 4A-4K – Not Incurred Costs

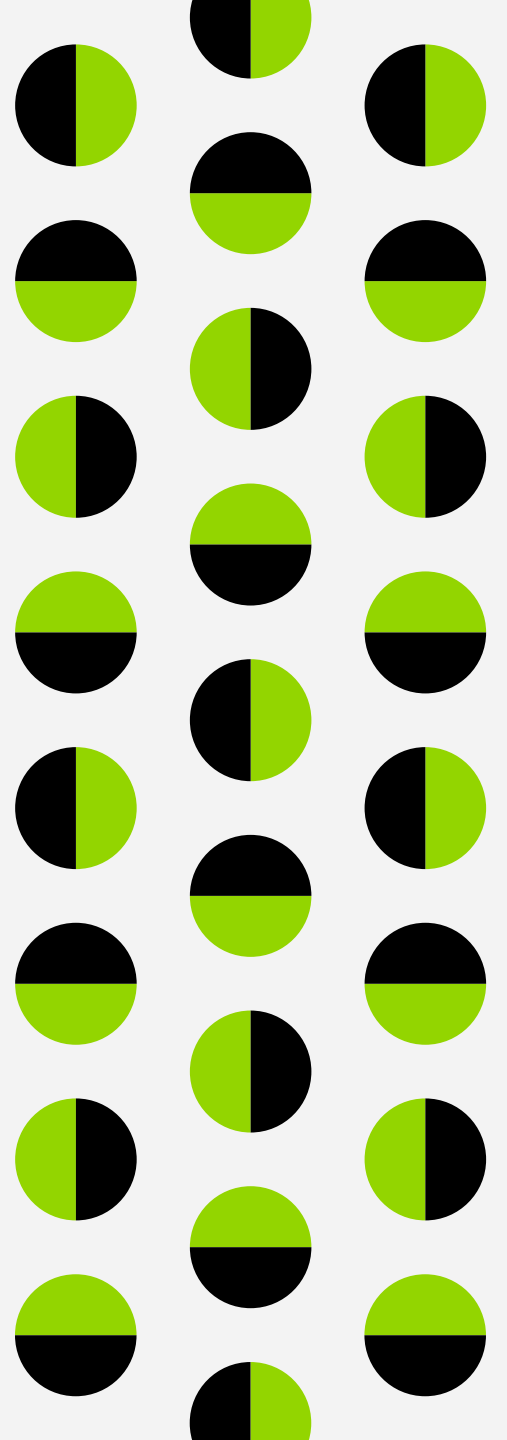
“Not Incurred” Costs

- The “not incurred” costs under discussion here are sometimes labeled as “anticipated costs,” and they represent costs a provider does not actually incur at present but would incur in the expectation of significant programmatic or financial changes to their service delivery.
- Provider organizations that report information in this section are strongly encouraged to provide additional context or justification for any quantitative data reported.

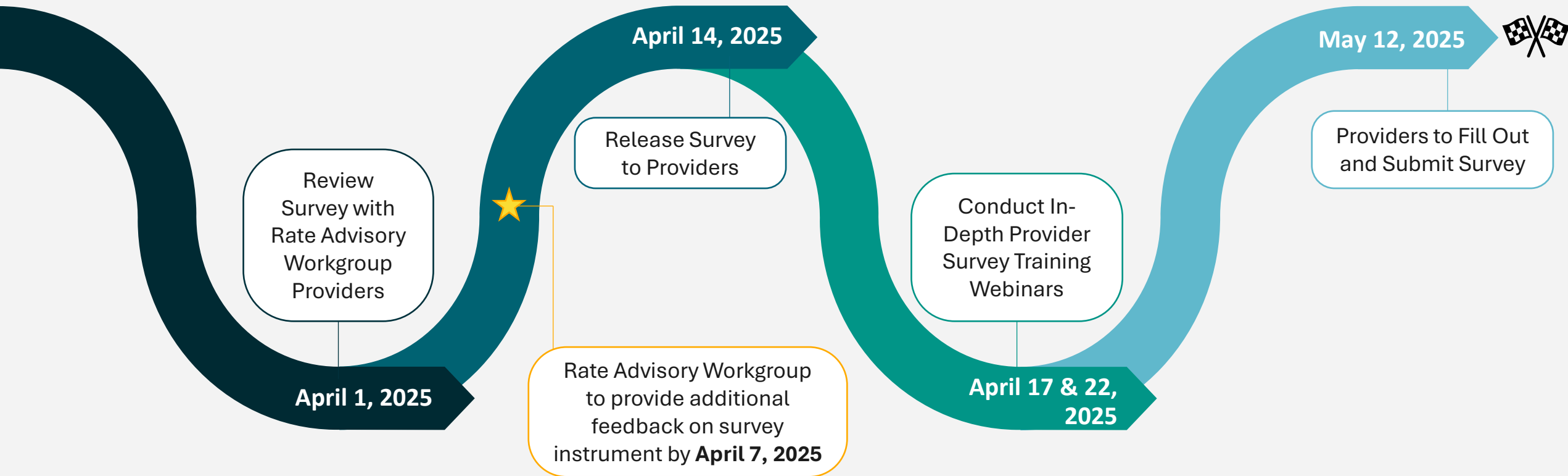
9. COST NECESSARY FOR SERVICE DELIVERY NOT CURRENTLY INCURRED					
31	Please identify and include any costs for this service that are not currently incurred but likely would be incurred under adequate reimbursement.		N/A		
10. ADDITIONAL NOTES OR CLARIFYING COMMENTS					
32	Please include any clarifying comments on data reported in this tab, qualitative concerns with the service rates, reasons/issues that may impact service delivery, and why services can/cannot be provided.		N/A		



Survey Logistics and Support



Survey Timeline



Helpful Tips for Survey Completion

- The survey is based in Microsoft Excel
- Users may get a warning when opening the document and should select “*Enable Content*”
- The survey focuses on collecting employee wage rates, employee benefit costs, total costs, and service delivery information
- Survey completion is **strongly encouraged**
- The survey will require dedicated time from staff familiar with your organization’s financial data and staffing structure

Helpful Hints

1. Start early to allow time for questions!
2. Save frequently
3. Complete tabs for all services that your organization provides and has marked “Y” in the **Programs and Services** tab
4. Utilize resources and support



Completion of this survey is critical, and this is your opportunity to provide important information regarding provider costs. This information will be used in the development of rates.

Survey Training and Assistance

During the survey reporting period, providers will have multiple sources available for assistance

Provider Feedback



- Two options for live webinar training held **April 17, 10 AM – 12 PM EST** and **April 22, 2 PM – 4 PM EST** (content for both trainings is identical).
- Training recordings will be available to providers after the training sessions.
- Guidehouse will circulate responses to **FAQs** from stakeholders within **one week** following both trainings.

On-Demand Provider Support



- Guidehouse will provide ongoing technical assistance.
 - A dedicated inbox (**vaddratestudy@guidehouse.com**) will be monitored for provider questions.
 - Responses to inquiries will be sent within two business days.

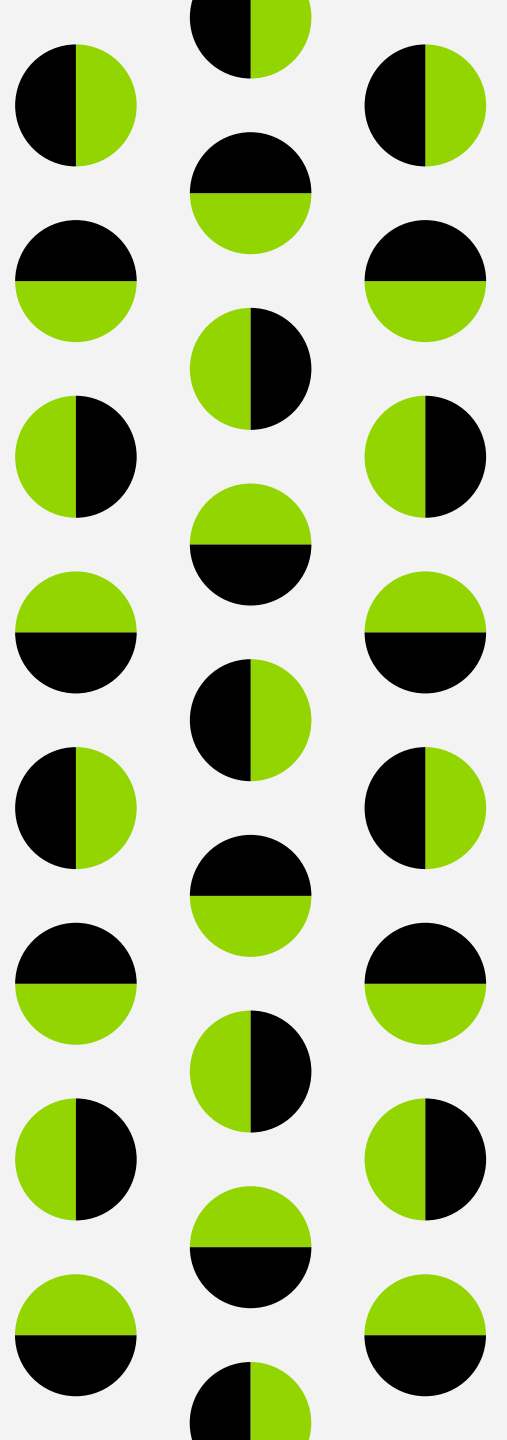
Survey Submission

- Please complete the survey for your provider organization and **send in your final completed survey by May 12, 2025.**
- The survey should be completed **in Excel** and **submitted electronically** via email.
- We recommend using the subject line **“Survey Submission”** and the name of your agency (e.g., “Survey Submission ABC Agency”).
- We also recommend adding the **name of your agency** to the file name (e.g., “VA DD Agency Provider Cost & Wage Survey_General_ABC Agency”)



You can email your questions and completed surveys to
vaddratestudy@guidehouse.com

Questions and Answers



Rate Study Contact

vaddratestudy@guidehouse.com

