



IDD Rate Study And Development



GOALS

- Independently analyze and assess the District of Columbia's (D.C.'s) current IDD waiver rate structure
- Determine and update service costs
- Understand if the fee schedule rates paid to the IDD waiver providers are reasonable and appropriate
- Make rate recommendations and assess budget impact
- Improve overall outcomes for residents with intellectual and developmental disabilities



Service Details

Service Type

Section	Service	Service Code
Section A	Residential Habilitation & Daily Supported Living	T2033
Section A	Supported Living Services	T2016
Section A	Supported Living Services with Skilled Nursing	T2017

Section	Services	Service Code
Section B	In-Home Supports	99509
Section B	Periodic Supported Living	T2017
Section B	Hourly Respite	T1005
Section B	Supported Employment, Group Supported Employment	T2019
Section B	Day Habilitation, Small Group Day Habilitation, Individualized Day Supports	T2021
Section C	Clinical Services and Occupational Therapy	G0152
Section C	Physical Therapy	G0151
Section C	Speech Therapy and Language Services	G0153
Section D	Day Habilitation	T2021
Section D	Employment Readiness	T2015
Section E	Professional Support Services/ Parenting Support	S9444
Section E	Family Training	S5110, S5111
Section F	Behavioral Support Services – Diagnostic, Professional	H0031, H0025
Section G	Bereavement Assessment	96152
Section G	Wellness Services	S9451
Section G	Wellness Services – Nutrition	S9470
Section G	Wellness Services – massage therapy	97124
Section G	Wellness Services – sex education	S9445
Section H	Host Home Without Transportation Services	T2033
Section I	Daily Respite	S9125
Section J	Assistive Technology	T2029

NOTE: This list of services is from the 2024 IDD Waiver Rate Spreadsheet

Service Type

Section	Services	Service Code
Section B	In-Home Supports	99509
Section B	Periodic Supported Living	T2017
Section B	Hourly Respite	T1005
Section B	Supported Employment, Group Supported Employment	T2019
Section B	Day Habilitation, Small Group Day Habilitation, Individualized Day Supports	T2021
Section C	Clinical Services and Occupational Therapy	G0152
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Service Type

Section K	One-Time Transitional Services	T2038
Section L	Personal Care Services	T1019
Section L	Companion Services	S5135
Section M	Day Habilitation with Meals, Small Group Day Habilitation with Meals	S9977, S5170
Section N	Creative Art Therapies Services	G0176
Section P	Skilled Nursing Services	G0299, T1001, T1002, T1003

NOTE: This list of services is from the 2024 IDD Waiver Rate Spreadsheet



Background on Rate modeling method

TASK: rate methodology steps

Define Category Of Service (CoS)

Analyze Current Policy, Guidelines & Cost Structure

Study Cost Reports, Claims & Provider Data

Study Other States Methodology & Rates

Receive Stakeholder Feedback

Conduct Beneficiary Survey

Conduct Provider Survey

Determine Preliminary Rates
(Use Provider Survey, BLS Data, Other States)

Create Proposed Rates

Determine Budget Impact

Study Existing Provider Data: Cost Reports & Claims

Cost Reports

- Reviewed 25 Unaudited IDD Waiver Cost Reports.
 - 53% participation rate for the 43 active providers.
 - Data is at an aggregate level. Cannot determine costs per service.

Claims

- Issue with low volume services as well as cases where only a small number of providers reported claims.
- No component breakdown of costs.
- More accurate cost assessment would come from providers.

Stakeholder Feedback



- Provider Stakeholders emphasized the critical need for capturing accurate data, particularly concerning vacancies, nursing shortages, and administrative percentages.
- Providers expressed eagerness to share perspectives, highlighting gaps in the cost report
- They identified a need to collect additional cost data not currently collected within the DC Rate Setting (such as covering out-of-district care for beneficiaries that have short-term stays in nearby states, and training costs)

Beneficiary Survey

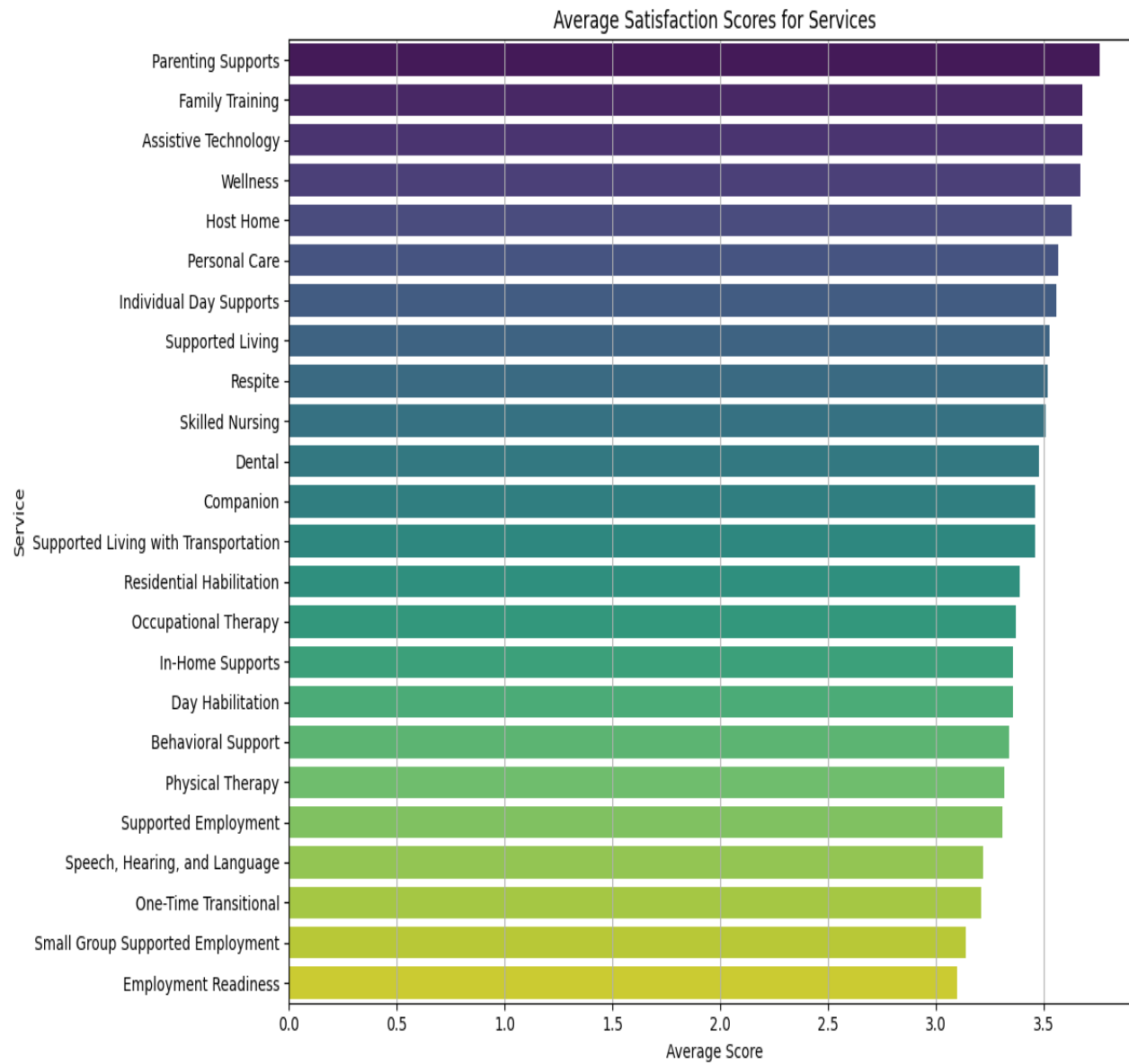


- From the total of 1905 program participants, we randomly selected 400 for the survey.
- Surveys were conducted telephonically with the program participants and/or their caregiver/guardian between March 6 and April 12, 2024.
- Overall, beneficiaries are satisfied with the services they receive.
- The service satisfaction scores all had at least a three out of four rating.

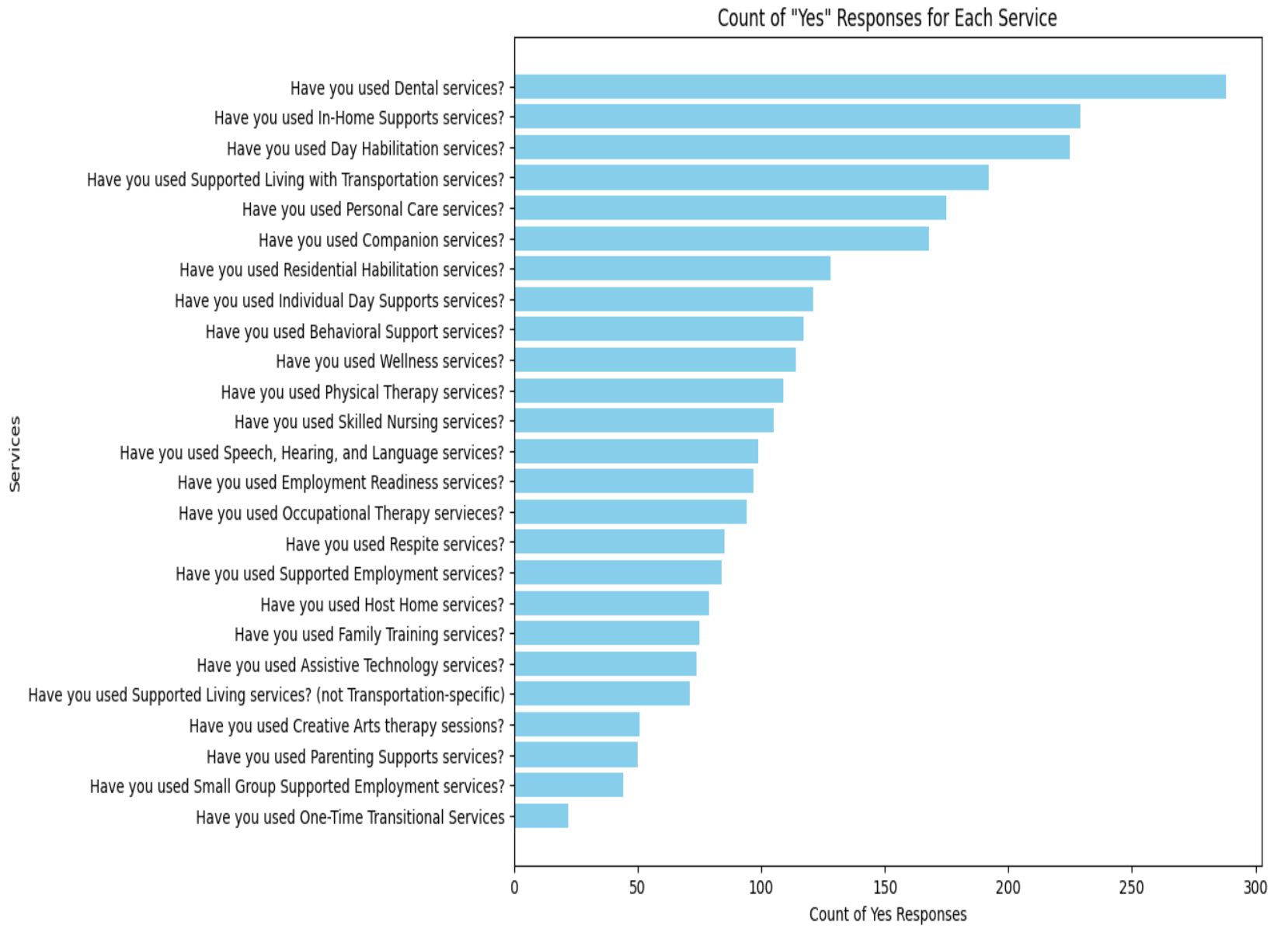
Beneficiary Survey

- The survey did reveal some barriers to service accessibility, including limited availability, transportation costs, and staffing challenges.
- Beneficiaries listed a need to have more educational programs and outreach gatherings for people with disabilities.
- Historical utilization patterns show high usage of services such as residential habilitation, personal care, in-home supports, and day habilitation.
- They identified service gaps, particularly in Employment Readiness and small group services.
- After analyzing the results from the Beneficiary Survey, we determined no impact on the rates. However, we handed a report of the results of the Beneficiary Survey to DDS for additional follow-up.

Beneficiary Survey



Beneficiary Survey



Provider Survey

Rationale - The provider survey was used to collect additional data for rate determinations and provide a way for service providers to give their feedback and insights on the IDD service environment.

The template captured four different categories of information:

- Basic provider information
- Daily rate services such as Residential Habilitation and Supported Living and the associated details such as caregiver basic wages, PTO and benefits, productivity, and hourly rates
- Hourly services such as Physical Therapy (delineated by employees and contractors)
- Expense information across program support, administration, and transportation.

Provider Survey

In addition to the basic cost information, the template collected information on:

- Residential home characteristics data such as average absence days by the beneficiaries.
- Provider staffing patterns in staff hours spent in direct care versus administrative work.
- Annual training hours, new staff training hours
- Full-time, part-time employee percentage and employee turnover.
- Benefits offered by providers to employees
- General comments.

Provider Survey



Conduct Pilot Provider Survey

- Held discussions with four providers to understand gaps and needed enhancements to the template
- Conducted the pilot survey over three weeks and finalized the provider survey template.

Conduct Final Provider Survey

- Survey template was issued to 222 providers.
- Of those 222 active providers, 25 providers responded to the survey.
- Conducted survey over four weeks.
- Held weekly and ad hoc office hours to answer any questions providers had with filling out the survey template.
- Additionally, set up one-on-one help sessions with providers upon request.

Provider Survey Findings

Select Statistics from the Survey

Category	Count
Total number of providers that submitted the final survey	25
Unique Service and Modifiers from 2024 IDD Waiver Rate Spreadsheet (includes remote services)	285
Total Number of Services and Modifier combinations in the final surveys (no remote services)	58
Number of unique services (procedure code and modifier) where three or more providers submitted data for those services	18
Number of unique services (procedure code and modifier) with two providers submitting data for those services	16
Number of unique services (procedure code and modifier) with one provider submitting data for those services	24

Provider Survey Findings

Of the 27 broad categories of services listed in the D.C. Fee schedule, we did not receive any data for six service categories. These are listed below.

Service Name	Procedure Code
Massage Therapy Assessment and ongoing services	97124
Assistive Technology Goods and Services	T2029
One-Time Transitional Services	T2038
Personal Care Services	T1019
Day Hab with Meal, Day Hab Meal Through 3rd Party	S9977, S5170
Skilled Nursing Visits, Initial Assessment, RN, LPN Services	G0299, T1001, T1002, T1003

Highlights of the IDD provider workforce

According to the 2024 Provider Survey:

- Providers reported a median turnover was 24% for all direct care providers.
Nationally:
 - DSPs rate was 31.7% in 2022.
 - Registered nurses (RNs) was 18.7%
- Median vacancy is about 1 in 20 positions per month.
- Median time for onboarding training of staff is 49 hours.
- Median overtime across services was 8%.
 - Highest for companion and supported living services.

Quality and Limitations of Provider- Reported Cost Data

Missing Data

- Missing Service parameters and expense data.
- Productivity data were either filled out partially for some of the caregiver's roles or missed completely.
- No data for remote services was received from the providers.

Data Mismatch and Incongruence

- Person Hours instead of Person Days indicated for Daily Rate Services and vice versa.
- Mismatch of Care Units for Residential and Supported Living Services.
- Services requiring transportation were missing transportation expenses and vice versa.
- Out-of-range data – some of the provider rates or hours are too high or too low compared to the billing rate for the services rendered.
- For some of the hourly services, providers specified D.C. billing rates instead of the actual wage rate paid to the caregiver.

Quality and Limitations of Provider- Reported Cost Data

Limited Number of Submissions

- Data was received for only 58 unique combinations of services and modifiers from a potential list of 285 combinations.
- There are six services (procedure codes) for which no providers submitted any data.

Invalid Data

- Administrative expenses from some providers were higher than their total Direct care expenses. The administrative expenses varied from 6.66% to 104.47% with a median value of 25.48.
- Program Support expenses varied from as low as 0.64% to 36.54% with a median value of 8.76% with 3 providers (out of 25) not submitting any program support expense data.
- Transportation expenses varied from 0.61% to 16.74% with a median value of 4.21% while some providers have not provided any transportation cost.
- In some cases, based on the acuity, number of beds, and locations for the Day Services, the patient days data was inaccurate

Rate Determination

RATE Determinations

We compared rate data from four sources to formulate the recommended rates:

- Provider Survey
- Other States
- BLS50 and BLS75 Data
- Current DC Rates

Study Other state Rate Setting Methodologies

Reviewed 5 States (MD, VA, RI, CA, IL)

- For Rate Setting:
 - All states used Bureau of Labor Statistics (BLS)
 - Most (4/5) surveyed providers for additional details
- All states collected information about direct support wages; employment-related expenditures; facility costs; benefits; program support; general expenses; administrative expenses; and transportation.

Study Other state rates

Rate Comparisons

- States used in rate comparisons were VA, MD, RI, DE, and MA
- Among neighboring states with similar IDD waivers, we found:
 - A set of 'core' services similar to DC.
 - Some services with differences in definitions and billable unit intervals

Additional Considerations: Admin Costs

Administration Expense Percentage Cap

- Because of the limited number of submissions for a particular service and wide variation in the computed service rate from one provider to another, we used median values to normalize the data.
- The median value for the Administration expense per the Provider Surveys was 25.48%.
- DC policy warranted that the administration expense can only be a maximum of 20% for some of the services. Since we could not use individual service administrative costs (cost by each procedure code and modifier) due to wide variation in the cost percentage and using the median rate for all the services, we capped the administration expense to 20% that could be applied to all the services across the board.

Provider Survey RATE Calculation: individual provider level

For each Provider and each of the Services, the final rate was calculated using the following steps:

Step 1: All Service Direct Care Cost

Sum of Total Compensation for all Services by the provider

Step 2: Indirect Care Cost %

Current Service % = Total compensation for Current service / All Service Direct Care Cost

Program Support Amount = Total Program Support cost X Current Service %

Administration Amount = Total Administration cost X Current Service %

Transportation Amount (as applicable) = Total Transportation cost X current Service %

Step 3: Total Cost = Total compensation for Current service + Program Support Amount + Administration Amount + Transportation Amount (as applicable)

Step 4: Final Rate = (Total Cost from Step 3) / (Total Hours or Total Patient Days or Total Patient Hours depending upon on the type of service)

Provider Survey RATE Calculation: Service Level

Rate Calculation for Each Service - To reduce variances with the derived rates from provider data, the median approach was used to create rates for each service across all providers.

Step 1: Calculate the Median Direct Care Base Wage rate: Median of Wage Cost / (Hours/patient days/Patient hours) across services from all providers

Step 2: Calculate Productivity Amount: Multiply Median productivity % by the Median Direct Care Base Wage from step 1

Step 3: Calculate PTO & Benefits Amount: Multiply the Median PTO & Benefits % by the median Direct Care Base Wage from step 1

Step 4: Calculate the Total Cost (Add Steps 1-3): Direct Care Base Wage rate + Productivity Amount + PTO & Benefits Amount

Step 5: Calculate Other Cost Amounts

Administration Amount: Multiply 20% (see previous slide) by the Total Cost Step 4

Program Support Amount: Multiply the Median Program support % by the Total Cost Step 4

Transportation Amount (as applicable): Multiply the Median Transportation % by the Total Cost Step 4

Step 6: Calculate Final Rate: Total Cost from Step 4 + Administration Amount + Program Support Amount + Transportation Amount (if applicable) from step 5

RATE Estimates for Bureau of Labor Statistics (BLS)

- Adapted from rate-setting processes found in other states reviewed which considered it to be the least biased estimate
- BLS salaries were based on the closest occupation approximation for roles and duties
 - Where duties significantly differ from the BLS description, a composite rate was used based on other states' definitions that were similar to responsibilities in DC
- The BLS rate was selected based on the profession that would likely render an IDD Waiver Rate service (e.g., the rate for fitness training was based on the hourly salary of a fitness instructor).
- Equation used:
BLS Estimate = BLS Wage Rate + Benefits & PTO (21%) + Productivity (6%*) + Administration (20%*) + Program Support (8.76%*) + Transportation (4.21%*, if applicable)

*Note: Following other states methodologies, these estimates were derived from the provider's survey data because that data was not available publicly

A woman in profile, looking upwards and to the right, with her hand resting on her chin. The image is overlaid with a complex digital interface featuring various data visualizations such as line graphs, bar charts, and network diagrams. The background is a gradient of blue and white, with a red vertical bar on the left side. The overall aesthetic is futuristic and data-driven.

Rate scenarios

Rate Determinations

Depending on the data available, factors considered for rate determination included:

- How similar alternate rates were to the existing IDD waiver rate
- Competitiveness with nearby states' rates (MD, VA, RI, DE, MA)
- Provider Survey Rate Validity
- Rate comparability to Bureau of Labor Statistics (BLS) estimates for a service

RATE scenarios: Rate source distribution

The table below shows the distribution of the rate sources used to guide the formation of the proposed rate

Rate Source	Number
Provider Survey Rate	3
BLS (D.C.) Rates	33
D.C. Current Rate	184
The median of the Other State Rates	2
Adjustments for group and remote services based on the base service rate*	62

*This refers to the rate adjustment applied to remote, group, and other variations to the basic services

(Note: Although only two state rates were selected as a proposed rate, the state rates were still used as a benchmark against which the other rate sources were evaluated).

Individual Service Rate Calculation Examples

The following is an example of a rate recommendation based on the Provider Survey Rate:

Supported living with transportation

Current Reimbursement:

Supported living with transportation	Component Percent	Component Cost
Base wage	17.50	\$17.50
Productivity	10.0%	\$1.75
PTO & Benefits	20.6%	\$3.61
Total staff cost		\$22.86
Travel cost		\$3.20
Program support	25.0%	\$5.71
Administration	13.0%	\$2.97
Total other cost		\$8.69
Rate per hour		\$34.74
Unit rate		\$8.69

Recommended Reimbursement: For Periodic Supported Living with transportation (T2017-U1-HI) and remote services (T2017-U1-HI-GT), we recommend the provider rate.

Rates from different Data Sources										
Procedure Code	D.C. Rate	Proposed Rate	Survey Rate	BLS 50	BLS 75	MD	VA	DE	RI	MA
T2017-U1-HI	8.69	9.32	9.32							
T2017-U1-HI-GT										

Individual Service Rate Calculation Examples

The following is an example of a rate recommendation based on the Provider Survey Rate:

Provider Rate Components		
Components	Cost Factor	Rate
Base Wage		23.67
Productivity	6%	1.42
PTO and Benefits	12.42%	2.94
Total Staff Cost		28.03
Program Support	8.76%	2.46
Administration	20%	5.61
Transportation	4.21%	1.18
Unit Rate		9.32

Recommendation Reason:

The Provider Survey rate of \$9.32 was recommended because it is within the range of the existing D.C. rate of \$8.69 and is reasonable.

Individual Service Rate Calculation Examples

The following is an example of a rate recommendation based on the BLS50 Rate:

Hourly Respite (T1005)

Respite service is a short-term service that provides temporary relief for family members or primary caregivers of people with disabilities, allowing them to take a break from their daily responsibilities. Services are designed to prevent gaps in the delivery of services to IDD waiver participants while their caregiver is away.

Current Reimbursement: DDS respite services are delivered as a one-on-one service (1:1) and are reimbursed at an hourly increment.

Respite (Hourly)	Component Percent	Component Cost
Base wage	17.50	\$17.50
Productivity	8%	\$1.40
PTO & Benefits	20.62%	\$3.61
Total staff cost		\$22.51
Program support	12%	\$2.70
Administration	13%	\$2.93
Total other cost		\$5.63
Rate per hour		\$28.14
Unit rate		\$7.03

Recommended Reimbursement:

Rates from different Data Sources										
Procedure Code	D.C. Rate	Proposed Rate	Survey Rate	BLS 50	BLS 75	MD	VA	DE	RI	MA
T1005-U4	7.03	7.78		7.78	8.08	8.41	4.96	11.28	6.86	9.75

Individual Service Rate Calculation Examples

The following is an example of a rate recommendation based on the BLS50 Rate:

BLS50 Rate Components		
Components	Cost Factor	Rate
Base Wage		19.02
Productivity	6%	1.14
PTO and Benefits	21%	3.99
Total Staff Cost		24.16
Program Support	8.76%	2.12
Administration	20%	4.83
Rate Per Hour		31.10
Unit Rate		7.78

Recommendation Reason:

The Unit Rate of \$7.78 for T1005-U4 was selected over the D.C. State Rate of \$7.03 because the Provider Survey Rate is not available and the BLS50 estimated rate is in better alignment with rates from other states. The Unit Rate is derived from several components including the Base Wage and overall percentage factor of 6% for Productivity, 21% for PTO and Benefits, 8.76% for Program Support, and 20% for Administration, respectively.

Individual Service Rate Calculation Examples

The following is an example of a rate recommendation based on D.C. Rate:

Day Habilitation In-Person Services:

Current Reimbursement: DDS pays for Day Habilitation services in 15-minute increments. Rates vary based on group size and whether the service was conducted remotely.

Day Hab	Component Percent	Component Cost
Base wage	17.50	\$17.50
Productivity	10.0%	\$1.75
PTO & Benefits	20.6%	\$3.61
Total staff cost		\$22.86
Program support	11.1%	\$2.54
Administration	13.0%	\$2.97
Total other cost		\$5.51
Rate per hour		\$28.37
Unit rate		\$7.09



Recommended Reimbursement:

Rates from different Data Sources										
Procedure Code	D.C. Rate	Proposed Rate	Survey Rate	BLS 50	BLS 75	MD	VA	DE	RI	MA
T2021-U4	7.09	7.09	7.99				5.79	10.28	5.66	6.16

Recommendation Reason:

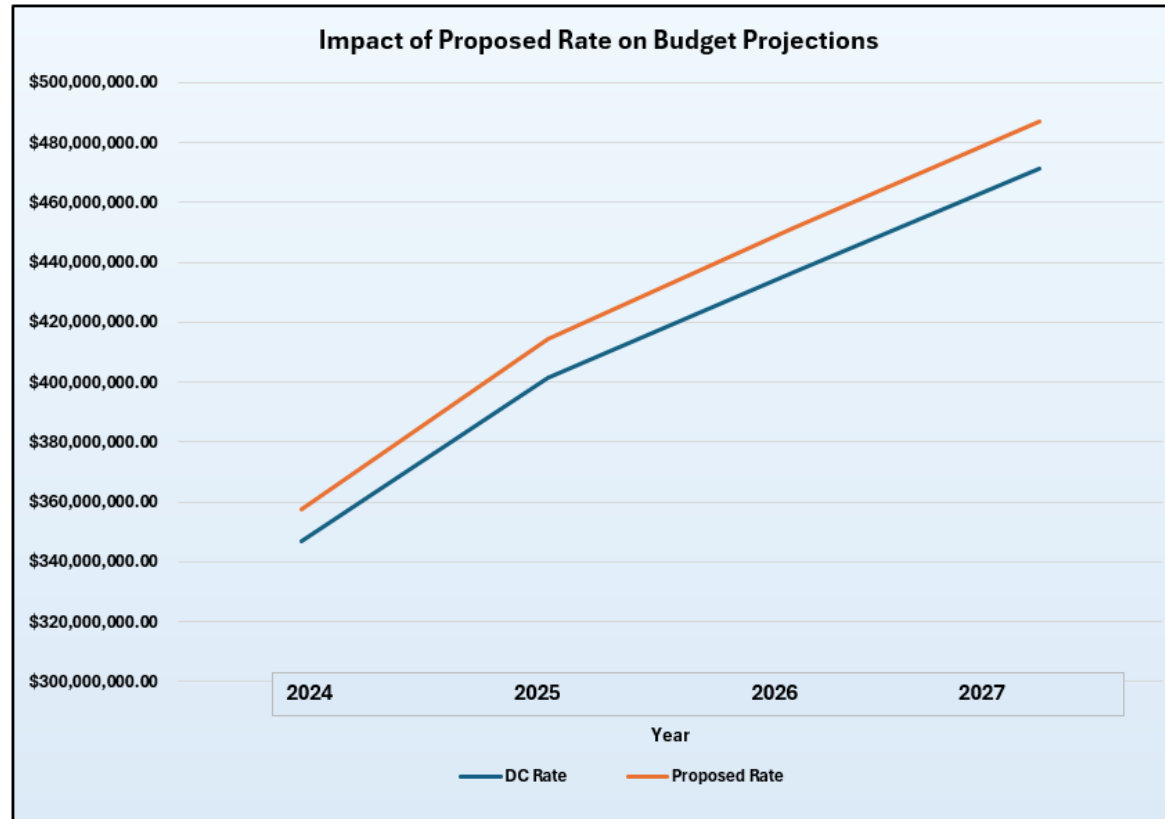
The current D.C. rate of \$7.09 for T2021-U4 is recommended because it is within the range of the average of the other states' rates (\$6.97).

Summary of Recommended Changes to rates

- Of the 285 Rates Reviewed:
 - 184 (64.6%) remained the same
 - 69 (24.2%) increased 
 - 32 (11.2%) decreased 

Budget Impact

The chart and table below show the budget impact of the proposed rate vs the D.C. July 2024 rate. The year-to-year impact of the proposed rates on the projected D.C. rate is about a 3.0% increase.



Budget Projections				
Year	2024	2025	2026	2027
DC Rate	\$ 346,724,543.70	\$ 401,506,744.47	\$ 436,718,670.31	\$ 471,346,018.97
Proposed Rate	\$ 357,507,997.95	\$ 414,306,376.39	\$ 451,142,931.00	\$ 487,101,381.19

Budget Impact

- The impact of the proposed rate on each service category in most cases was a 0% to 16% increase.
- However, in some cases, the percent change was higher. This is due to our recommendations in some cases to use the BLS rates or other states' rates.
 - For example, the D.C. IDD Waiver rate for SE GP Job Training & Supports Professional (T2019-U5-HI) was \$4.02/unit. However, the BLS rate was \$4.92/unit. To be competitive, we chose the BLS rate because other states' rates were higher. Some of the beneficiaries indicated that Supported Employment Services needed improvement.
- At the service level, the most increased rates were for Supported Employment, Small Group Supported Employment, and Employment Readiness

A hand is shown holding a glowing, semi-transparent globe. The globe is covered in various medical and healthcare icons, including a stethoscope, a heart rate monitor, a 24-hour clock, a speech bubble, and a plus sign. A network of glowing blue lines and dots is overlaid on the globe, extending outwards to the right. The background is a blurred image of a hospital setting with medical staff in blue scrubs and masks. A solid orange vertical bar is on the left side of the image.

Conclusion

Summary

- Although there were several challenges with the provider survey data, we were able to use other sources (Bureau of Labor Statistics, other states) in order to formulate proposed reimbursement rates that will enable equitable and sustainable cost recovery for each IDD waiver service.
- Using our approach, we adjusted 36% of the current D.C. Service Rates. The remaining rates did not need to be adjusted because we found them to be in the range of other states' rates and BLS estimates.
- Once our proposed rates were finalized, we ran our rate simulation by injecting those rates into the projected service utilization ("Appendix J titled "Cost Neutrality Demonstration Estimate of Factor D for 2025-2028") for the next four years.
- Our analysis shows that the budget impact of the proposed rates stays within 3.3% of the D.C. projected budget each year.

Feedback & Questions