

From: Brown, Holly M <holly.brown@mercer.com>
Sent: Tuesday, November 2, 2021 6:13 PM
To: Smith, Rick
Cc: Wahlman, Jason; Brown, Holly M
Subject: [External] RE: FY21-22 ID/A Waivers - Fee Range Update

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Hi Rick,

Based on our discussion this morning, we have tested the following changes to the assumptions in the fee range models to determine the impact:

- Removed the \$14.25 minimum wage adjustment
 - Reduced the overtime factor from 10% to 5%
 - We also applied the following changes for the specified services – **let us know if you disagree with either of these changes.**
1. Changed the BLS occupation for bus drivers to 33-9098 (School Bus Monitors and Protective Service Workers) for all services using this occupation. The specific BLS occupation from 2017 was no longer available and we had an option to bring in this 'School Bus Monitors' occupation in its place or 'Bus Drivers, Transit and Intercity'. This results in a lower wage for the following services:
 - Companion
 - IHCS
 - CPS
 - Respite
 2. Adjusted the FT/PT split for IHCS, Companion and Homemaker/Chore to its previous level of 30% FT and 70% PT

For non-residential, the changes listed above reduce the fee ranges for Companion, IHCS, CPS and respite (by 2-5% for some staffing ratios and up to 25% for others) but are still above the current fees for most services.

One other adjustment we could apply would be as follows:

- For in-home and community supports, adjust the productivity assumption from 6 hours per day (as outlined in the change document ODP provided to Mercer on 9/29) back to 7 hours (as is used in the current fees). This reduces the FY 21-22 fees by approximately 25% at the lower bound from the fees we sent to ODP on 10/26, but does *not* get the current fees within the fee range. **Please review and let us know your thoughts on this suggested change.**

For residential, these changes are not reducing the fees very much – in other words, the fee ranges are still above the current fees. This is mainly because there are only 1-2 BLS occupations used for the High School Diploma and Associates levels and the updated wage levels are 20% above those used in the current fees. We are going to look into this set of services a bit more to see if there are other options, but we may need to consider other BLS occupations and/or changing the weightings. Another option to move the needle a bit is to adjust the Program Specialist staffing ratio from 1:15 back to 1:20 (as is used in the current fees) for the Group Homes fees.

Let us know your feedback on the items above and we can work towards getting updated non-residential fee ranges to you – and following up on residential options.

Thanks,
Holly

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