

From: Wahlman, Jason <jason.wahlman@mercer.com>
Sent: Thursday, November 4, 2021 7:42 PM
To: Smith, Rick; Brown, Holly M
Subject: RE: [External] RE: FY21-22 ID/A Waivers - Fee Range Update
Attachments: Residential and Residential Ineligible Fee Ranges_20211104.pdf; Residential_IDA FY 21-22 Assumptions Log_20211104 .pdf; Ineligible (Residential)_IDA FY 21-22 Assumptions Log_20211104.pdf; Residential and Residential Ineligible Fee Ranges_20211104.xlsx

Rick,

We've attached updated residential (including enhanced) and residential ineligible fee ranges and assumption logs based on your below feedback.

We made the following changes:

- Set LB wage to \$14.25
- Reduced the overtime factor from 10% to 5%
- Changed Program Specialist staffing ratio from 1:15 back to 1:20 for Residential Habilitation Group Homes

These adjustments affect Group Homes, Life Sharing, Supplemental Habilitation, and Respite Homes. Although the lower bound fees decreased, they are still above the current fees for all services except Life Sharing and Supported Living.

If you would like to walk through the impact of these changes and the non-residential changes on Friday, please let us know. We have availability from 11:00 – 1:00 ET and 2:30 – 3:00 ET.

Thanks,
Jason

From: Smith, Rick [REDACTED]
Sent: Tuesday, November 2, 2021 5:48 PM
To: Brown, Holly M <holly.brown@mercer.com>
Cc: Wahlman, Jason <jason.wahlman@mercer.com>
Subject: RE: [External] RE: FY21-22 ID/A Waivers - Fee Range Update

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From: Brown, Holly M <holly.brown@mercer.com>
Sent: Tuesday, November 2, 2021 6:13 PM
To: Smith, Rick [REDACTED]
Cc: Wahlman, Jason <jason.wahlman@mercer.com>; Brown, Holly M <holly.brown@mercer.com>
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 **ok**
- Reduced the overtime factor from 10% to 5% **ok**
- 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: **ok**

- 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 **not crazy about this. Think we should keep it as is**

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. Lets try 6.5. It is ok if these are above existing, just not 50%.**

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. **Would be ok to go back to 1:20. Also, maybe try 10-90 percentile. Not crazy abt changing other occupations or weightings**

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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