

From: Smith, Rick
Sent: Friday, October 8, 2021 12:17 PM
To: Brown, Holly M
Cc: Wahlman, Jason; Tolmich, Kevin; Song, Yixuan; Ahrens, Kristin; Mochon, Julie
Subject: RE: [External] RE: ID/A Rate Assumption Adjustments - Overtime Factor

We are good at 10%. Thanks

From: Brown, Holly M <holly.brown@mercer.com>
Sent: Friday, October 8, 2021 9:40 AM
To: Smith, Rick <[REDACTED]>
Cc: Wahlman, Jason <jason.wahlman@mercer.com>; Tolmich, Kevin <kevin.tolmich@mercer.com>; Song, Yixuan <yixuan.song@mercer.com>; Brown, Holly M <holly.brown@mercer.com>; Ahrens, Kristin <[REDACTED]>; Mochon, Julie <[REDACTED]>
Subject: [External] RE: ID/A Rate Assumption Adjustments - Overtime Factor

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Hi Rick,

After our discussion on Wednesday, we have been looking into other sources for an overtime factor adjustment and have only found one other reliable publication, which is from BLS for nonsupervisory employees in manufacturing. This BLS report shows an average of 4.3 hours of overtime per week (approximately 10%). But given that this source is not for a comparable group of staff as those delivering HCBS services, we would not recommend using this report to support the waiver fee overtime assumption.

However, we have considered the following data points to inform an increase to the current ID/A overtime factor (i.e., 1.2% of wages) for inclusion in the FY 2021/2022 waiver fee development. *Please note that the overtime factor only applies to full-time staff with an annual salary below \$35,568 (\$17.10 per hour).*

- The CHC program has a separate procedure code for billing overtime for Personal Assistance services. We reviewed the frequency of Personal Assistance overtime units as compared to “regular” Personal Assistance units in CY 2020 – and the ratio is 1 to 9.5 – indicating roughly 10% of units are for overtime. Although this is one specific service for a different program than the ODP waivers, it reflects PA experience for a HCBS service.
- We understand that ODP collected overtime data from waiver providers – and the data shows that 17% of total hours are overtime hours (on average) for the period January-August 2021 as reported by 2/3 of the waiver providers. Please confirm that this result reflects both non-residential and residential services and let us know if you have other details to add. Some states have used different overtime factors for non-residential versus residential services, so that is an option if ODP collected information at that level.

Based on the information above and the current environment where we know staffing is a challenge and many DCWs are working overtime to deliver needed services to members, increasing the overtime factor for the AAW and ID/A waiver fees for FY 2021/2022 seems appropriate. **ODP has flexibility in the selection of this factor but Mercer suggests a value between 8-12% to be in alignment with the data points above** (recognizing that the 17% figure reflects hours and is an average, where some providers will experience more overtime and others will see less). Additionally, the timing of the ODP provider data may be influenced by a pandemic period and may not be representative of a more stable average.

Please let us know the overtime factor ODP would like to include **by EOD today (Friday)**, if possible, so we can provide the revised AAW fee ranges on Monday (10/11). If you'd like to discuss, I can be available.

Thank you!
Holly

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welcome to brighter

A business of Marsh McLennan

From: Smith, Rick [REDACTED]
Sent: Wednesday, September 29, 2021 11:11 AM
To: Brown, Holly M <holly.brown@mercer.com>; Wahlman, Jason <jason.wahlman@mercer.com>
Subject: ID/A Rate Assumption Adjustments

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Good morning,
Attached are tweaks we want to make to the ID/A assumptions. I am still looking at data on residential vacancy, but wanted to get this to you asap.
Thanks,
Rick

Rick Smith | Director
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Supporting Pennsylvanians with developmental disabilities and their families to achieve greater independence, choice and opportunity in their lives.