# STATE OF NEVADA
# DEPARTMENT OF
# HUMAN RESOURCES

# STRATEGIC PLAN FOR
# PROVIDER RATES

**October 2002**

**The Honorable Kenny C. Guinn**
**Governor**
**State of Nevada**

**Michael J. Willden**
**Director**
**Department of Human**

# STRATEGIC PLAN CONCERNING THE HEALTH CARE NEEDS OF THE CITIZENS OF NEVADA

## 71st Legislative Session
## Assembly Bill 513

## Steering Committee Members

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# Rates Task Force Summary Chart

| Rate Name/Type | Current Rate | Current Methodology | Proposed Rate | Proposed Methodology |
|---|---|---|---|---|
| Supported employment | 20.14 per hour | Originally set based on a one-time survey, inflated thereafter. | 23.50 per hour | Independent model. Contains billable hours, employee related expenses, overhead, etc. |
| Personal Assistance/ Agency | 14.50-17.00 per hour | Provider survey completed to determine appropriate rate structure. | 18.50 per hour | Independent model. Contains billable hours, employee related expenses, overhead, etc. The Rates Task Force also recommends using this rate for attendant care. |
| Personal Assistance/ Individual | 10.00-14.50 per hour | Provider survey completed to determine appropriate rate structure. | 15.50 per hour | Independent model. Contains billable hours, employee related expenses, overhead, etc. The Rates Task Force also recommends using this rate for attendant care. |
| Intensive community based service-School Based | 60.00 – 80.00 per hour | Rates established by RFP process in 1998. | 50.50 per hour | Independent model. Contains billable hours, employee related expenses, overhead, etc. |
| Intensive community based service-Community Based | 60.00 per hour | Rates established by RFP process in 1998. | 68.50 per hour | Independent model. Contains billable hours, employee related expenses, overhead, etc. |
| Rehabilitation skills training Individual-paraprofessional | 37.75-117.00 per hour | Rates established by RFP process in 1998. | 29.00 per hour | Independent model. Contains billable hours, employee related expenses, overhead, etc. |
| Rehabilitation skills training Group-professional | 22.33 per hour per person | Rates established by RFP process in 1998. | 9.00 per hour per person | Independent model. Contains billable hours, employee related expenses, overhead, etc. |

| Rate Name/Type | Current Rate | Methodology | Proposed Rate | Methodology |
|---|---|---|---|---|
| Rehabilitation skills training Group-paraprofessional | No current rate- new service | No current methodology | 3.00 per person per hour | Independent model. Contains billable hours, employee related expenses, overhead, etc. |
| Parent/Family support and training-Individual | No current rate- new service | No current methodology | 22.50 per hour | Independent model. Contains billable hours, employee related expenses, overhead, etc. |
| Parent/Family support and training-Group | No current rate- new service | No current methodology | 3.00 per hour per person | Independent model. Contains billable hours, employee related expenses, overhead, etc. |
| Rehab partial care day treatment | 23.43 - 47.00 per hour | Rates established by RFP process in 1998. | 32.50 per hour | Independent model. Contains employee related expenses, meals, transportation overhead, etc. |
| Rehab Partial Care psychosocial rehab(child) | 23.43 – 47.00 per hour | Rates established by RFP process in 1998. | 32.50 per hour | Independent model. Contains employee related expenses, meals, transportation, overhead, etc. |
| Mobile Crisis Emergency Team | No current rate- new service | No current methodology | 52.00 per 30 minutes | Independent model. Contains employee related expenses, direct contact, transportation, overhead, etc. |
| Therapeutic Foster Care | 60.50 – 70.33 per day | Rates established by RFP process in 1998. | 84.50 per day | Independent model. Contains supervision and training expenses, supervisor standby, overhead, etc. |
| Level I Basic Group Residential Care | 47.80 – 55.50 per day | Rates established by RFP process in 1998. | 63.50 per day | Independent model. Contains employee related expenses, meals, transportation, overhead, etc. |
| Level II Intermediate Group Residential Care | 65.50 – 67.87 per day | Rates established by RFP process in 1998. | 76.00 per day | Independent model. Contains employee related expenses, meals, transportation, overhead, etc. |

| Rate Name/Type | Current Rate | Methodology | Proposed Rate | Methodology |
|---|---|---|---|---|
| Level III Advanced Group Residential Care | 205.50 – 220.00 per day | Rates established by RFP process in 1998. | 116.00 per day | Independent model. Contains employee related expenses, meals, transportation, overhead, etc. |
| Level III Advanced Group Residential Care with Special Population | 205.50 – 220.00 per day | Rates established by RFP process in 1998. | 139.00 per day | Independent model. Contains employee related expenses, meals, transportation, overhead, etc. The rate of 139.00 was proposed by the Task Force; however they also said that the State could negotiate this rate when treating more intensive individuals. |
| Independent Living | 18.29 per hour | Rates established by RFP process in 1998. | 19.00 per hour | Independent model. Contains employee related expenses, billable hours, employee supervision, overhead, etc. |
| Psychosocial rehab- Direct service provider-individual | 82.00 per hour | Rates established by RFP process in 1998. | 46.50 per hour | Independent model. Contains employee related expenses, billable hours, employee supervision, overhead, etc. |
| Psychosocial rehab- Direct service provider-group 3-5 participants | 27.33 per hour (group) | Rates established by RFP process in 1998. | 10.50 per person per hour | Independent model. Contains employee related expenses, billable hours, employee supervision, overhead, etc. |
| Psychosocial rehab- Direct service provider-group 6-8 participants | 27.33 per hour (group) | Rates established by RFP process in 1998. | 6.50 per person per hour | Independent model. Contains employee related expenses, billable hours, employee supervision, overhead, etc. |
| Physical Therapy Evaluation | 80.55 per visit | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 80.55 per visit | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |

| Rate Name/Type | Current Rate | Methodology | Proposed Rate | Methodology |
|---|---|---|---|---|
| Physical Therapy Re-evaluation | 52.36 per visit | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 52.36 per visit | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |
| Occupational Therapy Evaluation | 80.55 per visit | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 80.55 per visit | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |
| Occupational Therapy Re-evaluation | 52.36 per visit | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 52.36 per visit | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |
| Therapeutic Procedure | 13.69 per 15 minutes | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 21.67 per 15 minutes | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |
| Group Therapeutic Procedure | 6.44 per 30 minutes | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 14.58 per unit | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |
| Self Care/home management training | 12.35 per 15 minutes | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 24.33 per 15 minutes | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |

| **Rate Name/Type** | **Current Rate** | **Methodology** | **Proposed Rate** | **Methodology** |
|---|---|---|---|---|
| Evaluation of speech | 40.28 per 30 minutes | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 78.18 per visit | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |
| Treatment of speech | 21.48 per 30 minutes | Paid utilizing CPT codes and multiplier from 1998. Providers are only allowed to bill specific codes and quantities. | 62.17 per visit | Pay at 80% of Medicare rate or current Medicaid rate, whichever is higher. Allow providers to bill from the full range of therapy CPT codes. |
| Rural Travel Add-on-paraprofessional | No current rate- new service | No current methodology | .54 per mile | Paid for professionals that travel more than 50 miles per day. This is a proposed add-on rate for all mental health services. |
| Rural Travel Add-on-professional | No current rate- new service | No current methodology | .79 per mile | Paid for professionals that travel more than 50 miles per day. This is a proposed add-on rate for all mental health services. |
| Rural Travel Add-on-Professional with License | No current rate- new service | No current methodology | .90 per mile | Paid for professionals that travel more than 50 miles per day. This is a proposed add-on rate for all mental health services. |
| Community Training Center | See methodology column | Rates developed based on provider cost.<br>Current rates:<br>1:1 ratio 20.14 per hour<br>1:2 ratio 13.42 per hour<br>1:5 ratio 5.37 per hour<br>1:8 ratio 3.36 per hour<br>Maximum of 120.84 per day | See methodology column | Independent model. Contains direct and indirect wages, productivity assumptions, overhead, etc.<br>Proposed Rates:<br>1:1 ratio=26.85 per hour<br>1:2 ratio=17.90 per hour<br>1:5 ratio=7.16 per hour<br>1:8 ratio=4.47 per hour |

| **Rate Name/Type** | **Current Rate** | **Methodology** | **Proposed Rate** | **Methodology** |
|---|---|---|---|---|
| Supported Living Arrangements | See methodology column | Rates developed based on provider cost.<br>Currently twelve different billing rates:12.64 per hour to 25.75 per hour Maximum of 240.00 per day | See methodology column | Independent model. Contains direct and indirect wages, productivity assumptions, overhead, etc. This model recommends reducing the hourly billing unit structure of twelve hourly rates to three:<br>20.75 per hour up to 16 hours per day<br>6.56 per hour above 16 hours<br>42.74 per hour for nursing services |

# *The Nevada Provider Rates Task Force*
# *Strategic Plan for*
# *Certified Community Training Centers*
# *and*
# *Supported Living Arrangements*

FINAL VERSION

July 15, 2002

# Provider Rates Task Force
# July 15, 2002 Final Strategic Plan for Certified Community Training Centers and Supported Living Arrangements

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July 15, 2002

Interim Finance Committee
Legislative Building
Carson City, NV 89701

Dear Legislators:

Attached for your review is the Provider Rates Task Force July 15, 2002 Final Strategic Plan. This plan is a small portion of the results of A.B. 513 – Strategic Healthcare Plan for Nevada and replaces the Draft Strategic Plan delivered to you on May 15, 2002.

Background

The 2001 Legislature approved A.B. 513 which provided the Department of Human Resources the means to prepare four strategic plans related to seniors, persons with disabilities, rural health issues, and rates paid for services.

This included a plan for provider rate methodologies. There was testimony from providers and state officials during the last legislative session and in prior sessions regarding the need for standardized rate methodologies across programs when services are the same, inclusion of providers in the rate setting process, and methodologies which include mechanisms for regular adjustments to those rates. The areas identified for this study are primarily in behavioral health and disabilities.

In accordance with a "letter of intent" from Senator Raggio and Assemblyman Arberry, rates for Community Training Centers (CTC) and Supported Living Arrangements (SLA) were included as high priority items for this study. These services are presented in this report. Another draft strategic plan for other home- and community-based services is presented under separate cover. The final version of this second strategic plan will be delivered on August 15, 2002.

Work of Provider Rates Task Force on this Plan

In January of 2002, EP&P Consulting Inc. (EP&P) was selected among bidders to conduct research and analysis for the Provider Rates Task Force. EP&P's methodologies have included a review of current Nevada rate structures and regulations, solicitation of

stakeholder input, cost surveys of Nevada providers, survey of other states' Medicaid programs (including differences in service definitions), and development of independent, market-based cost models.

This strategic plan focuses on center-based Community Training Center (CTC) rates and Supported Living Arrangement (SLA) rates. Both of these services are offered through the Mental Retardation waiver that provides community services to people with developmental disabilities. Center-based CTC services are provided to adults with developmental disabilities in a congregate setting for six hours per day whereby clients learn skills that may enable them to graduate to supported employment in the workforce. SLA sites are those places where clients reside and are assisted by staff in activities of daily living. Services provided to clients can range from periodic "drop in" services to 24 hour/7 day services. This strategic plan addresses the rate levels currently paid for these services, potential "gaps" between current payments and market-level rates, and recommendations for rate setting methodologies for these two services to be used in the future.

Community Training Centers

The current rates for CTCs are as follows:

| **Client Level** | **Description** | **Billing Unit** | **Staff to Client Ratio** | **SFY 02 Payment Rate** | **Hourly Payment Rate Per Person** |
|---|---|---|---|---|---|
| 1 | Individual - Habilitation | Hourly | 1:1 | $20.14 | $20.14 |
| 2 | Intensive - Habilitation | Day (6-hr) | 1:2 | $80.54 | $13.42 |
| 3 | Habilitation | Day (6-hr) | 1:5 | $32.22 | $ 5.37 |
| 4 | Job Training/Training Center | Day (6-hr) | 1:8 | $20.14 | $ 3.36 |
| | | | | | |
| | **Weighted Average Rate*** | | **1:5.8** | | **$ 5.75** |

*weighted for historical payment patterns based upon responses from a cost survey of providers

When EP&P analyzed the data from provider cost surveys received, the reported costs were $9.05 per hour, an amount 57% more than current reimbursement levels. [This cost per hour was inflated to December 2003 so that it could be compared to rates that may be proposed for SFY04.]

Four versions independent market-based models built "from the ground up" yielded significantly different results based on the assumptions in each. Differences in assumptions include variation in hourly wages from labor categories chosen from the Bureau of Labor Statistics, the staff-to-client ratio chosen, and assumptions regarding changing the current regulatory restriction which caps allowable indirect costs at 20% of the rate. Differences between the current payment level and the four independent models ranged from an increase of 28% to 129%.

Supported Living Arrangements

The current rates for SLAs are as follows:

| **Level** | **Requirements** | **Unit** | **SFY 02 Rates** |
|---|---|---|---|
| Direct Contact Staff | HS degree | Hourly | $ 12.64 |
| Direct Contact Staff | Training 30 hrs | Hourly | $ 12.89 |
| Zone Coverage | | Hourly | $ 12.89 |
| Overnight (Asleep Coverage) | | Hourly | $ 8.24 |
| Supervisory Lead Staff | HS degree & 30 hrs training | Hourly | $ 13.65 |
| Certified Direct Care Staff-CNA | CNA certification | Hourly | $ 13.58 |
| Certified Direct Contact Staff | MRT certified or equivalent | Hourly | $ 14.67 |
| Supervisory Lead Staff or LPN | Certified MRT, equivalent, or licensed LPN | Hourly | $ 16.57 |
| Casemanager | HS degree | Hourly | $ 16.22 |
| Casemanager (BA) | BA with QMRP qualifications | Hourly | $ 21.31 |
| Nursing | | Hourly | $ 25.75 |
| "Laura the Nurse" (Psych Clinic) | | Hourly | $ 25.75 |
| Administrative Rates | AAMR Levels 1-3 | Monthly | $186.56 |
| Administrative Rates | AAMR Level 4 | Monthly | $348.14 |
| Personal Needs | | Monthly | $134.93 |
| Staff Travel | | Monthly | $ 13.39 |
| | | | |
| **Weighted Average Rate*** | | **Hourly** | **$ 14.92** |

* weighted for historical payment patterns based upon responses from a cost survey of providers

Results from the provider cost surveys analyzed by EP&P indicated an hourly average cost of $15.28, an amount 2% more than the current weighted average rate. However, the independent model, which includes market-level wages and recognition of training and recordkeeping costs, produced a rate of $20.75, an amount 37% higher than current rates.

Recommendations

The Executive Summary enclosed provides recommendations for updating the current rates for CTC and SLA services as well as operational changes going forward to periodically review the rates for these services. For example, in addition to updating the current rates, the Task Force has recommended simplifying the billing process (e.g. less billing codes) for both of these services as well as requiring providers to report the costs of doing business on an annual basis.

Phase II Strategic Plan

Community Training Center and Supported Living Arrangement rates are two of several service areas being reviewed by the Task Force. The other areas are being presented in draft format on July 15, 2002 and finalized in an August 15, 2002 Strategic Plan. These areas include the following:

*Home- and Community-Based Services to Seniors and People with Disabilities*

- Supported Employment Services
- Personal Assistance Services
- Group Home Services
- Assisted Living Services
- Adult Day Health Care Services
- Group Residential Services
- Fiscal Intermediary Services
- Services to Persons with Autism
- Case Management

*Treatment Services for Children and Outpatient Rehabilitation Services*

- Intensive Community-Based Services
- Rehabilitation Partial Care/Day Treatment
- Therapeutic Foster Care
- Rehabilitative Skills Training
- Rehabilitative Therapy Individual
- Rehabilitative Skills Group
- Residential Rehabilitation
- Crisis Intervention
- Residential Treatment Levels I through IV
- Independent Living Training
- Psychosocial Rehabilitation

*Therapies*

- Speech Therapy
- Occupational Therapy
- Physical Therapy

*Community support services offered under Medicaid waiver programs*

- Community Home-Based Initiative Program Elderly Waiver (CHIP Waiver)
- Elderly in Group Care Waiver (Group Home Waiver)
- Mental Retardation Waiver (MR Waiver)
- Physical Disabled Waiver (PD Waiver)

I appreciate any input you may have on this project. You will be provided with copies of the July 15, 2002 (Draft) and August 15, 2002 (Final) Strategic Plan for Phase II services.

Sincerely,

Edward R. Guthrie
Chairman, Provider Rates Task Force
Executive Director, Opportunity Village

cc: Michael J. Willden, Director
Department of Human Resources

## RECOMMENDATIONS FOR CERTIFIED COMMUNITY TRAINING CENTER AND SUPPORTED LIVING ARRANGEMENT SERVICES

The Provider Rates Task Force has developed recommendations for rates, rate setting methodologies, and other operational issues we encountered when examining Certified Community Training Centers (CTC) and Supported Living Arrangements (SLA). These decisions were made at the July 10, 2002 Task Force meeting.

### Certified Community Training Centers

The following sources for CTC rates were considered in recommending a CTC per person per hour rate assuming a 1:5 staff-to-client ratio:

| Rate Option Studied | Rate Calculated/Collected | Reference Table |
|---|---|---|
| Interstate Survey | ***$10.08 (median) per hour*** | See pages II-6 and II-7 of main report |
| Intrastate Survey | N/A | N/A |
| Cost Survey | ***$9.05 per hour*** | See Exhibit II.6 in Section II of main report |
| Independent Model #1 | ***$12.25 per hour*** | See Exhibit II.13 in Section II of main report for calculation |
| Independent Model #2 | ***$9.89 per hour*** | See Exhibit II.13 in Section II of main report for calculation |
| Independent Model #3 | ***$6.85 per hour*** | See Exhibit II.13 in Section II of main report for calculation |
| Independent Model #4 | ***$7.16 per hour*** | See Exhibit CTC.1 at end of Executive Summary |
| Comparable Nevada State Employee Wage | ***$7.66 per hour*** | See Exhibit II.14 in Section II of main report for calculation |

*Notes on each rate option in the table above appear at the end of the Executive Summary.*

Rate Recommendation

The Provider Rates Task Force recommends using the Independent Model Option #4 of $7.16 per person per hour. From this rate, additional rates for other staffing ratios would be calculated in the same way as they have been done by the State in the past. Specifically,

- For 1:1 ratio in the centers, the rate would be $26.85 per hour ($7.16 * factor of 3.75)
- For 1:2 ratio in the centers, the rate would be $17.90 per hour ($7.16 * 5) / 2
- For 1:8 ratio in the centers, the rate would be $4.47 per hour ($7.16 * 5) / 8

Additionally, we plan to recommend a rate for supported employment (for individuals that work outside of the centers) in our August 15, 2002 strategic plan.

Justification of Rate Recommendation

The Independent Model rate option will achieve the following objectives:

- Providers will be able to pay staff hourly wages comparable to others in related industries. Additionally, employee benefits can be enhanced. The independent model allocates employee benefits at 27% of the hourly wage. Providers reported that they currently spend 23% of their staff's hourly wages on benefits. We have accounted for pay towards vacation, sick leave, holidays, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.

- The independent model accounts for staff training, record-keeping time, and "no-shows" where the provider is still responsible for paying staff but cannot bill the State because the individual did not come to the center on a given day. We have built in 29 days per year for no-shows which has been the experience reported by the Sierra Regional Center in the last year.

- Administrative costs in the independent model are held at 20% of the total rate proposed. This is due to a limitation in the Nevada Administrative Code and is less than what providers reported on cost surveys.

- The blended direct care wage in the independent model of $21.08 per hour is 7% lower than the blended comparable state employee wage of $22.57 per hour. Therefore, when the model was developed using the comparable state employee wage, the hourly CTC rate developed was 7% higher than the rate we are proposing.

- Providers reported costs of $9.05 per hour on the cost survey. Taking into account the large infrastructures that may have been included in these costs, the independent model rate of $7.16 appears reasonable against the cost data reported.

- The rate of $7.16 takes into account the changing population (i.e. higher intense need individuals) that are now being served in the certified CTCs than a decade ago.

Recommendations for Changes in Operations Going Forward

- Require providers to submit cost information annually to the State so that the State can develop a baseline of information on this industry. The survey instrument will be similar to the one used by the Task Force to collect data for this report.

- The State shall rebase the rates paid to CTC providers no less frequently than every five years.

- For years where rates are not rebased, rates shall be increased by an independent inflation index that will be defined in our next strategic plan. This inflation index may be proposed for other similar home- and community-based services paid by Nevada as well.

**Supported Living Arrangements**

The following sources were considered in recommending SLA rates:

| Rate Option Studied | Rate Calculated/Collected | Reference Table |
|---|---|---|
| Interstate Survey | ***$22.22 (median) per hour*** | See page III-3 of main report |
| Intrastate Survey | N/A | N/A |
| Cost Survey | ***$15.28 per hour*** | See Exhibit III.6 in Section III of main report) |
| Independent Model #1 | ***$22.01 per hour*** | See Exhibit III.11 in Section III of main report for calculation |
| Independent Model #2 | ***$20.75 per hour*** | See Exhibit SLA.1 at end of Executive Summary |
| Independent Model: Nurse | ***$42.74 per hour*** | See Exhibit SLA.2 at end of Executive Summary |
| Independent Model: Overnight | ***$6.56 per hour*** | See Exhibit SLA.2 at end of Executive Summary |
| Comparable Nevada State Employee Wage | ***$23.48 per hour*** | See Exhibit III.13 in Section III of main report for calculation |

*Notes on each rate option in the table above appear at the end of the Executive Summary*

Rate Recommendations

The Provider Rates Task Force recommends using the Independent Model Option #2 of $20.75 per hour for up to 16 hours of service per person per day for direct care staff. A separate rate of $6.56 per hour would be in effect for any hours above 16 for staff that serve individuals in their home during the overnight period (Independent Model-Overnight). Additionally, a separate rate would be paid for nursing services of $42.74 per hour which account for about 1% of all units billed to the State (Independent Model-Nurse).

Justification of Rate Recommendation

The Independent Model rate options will achieve the following objectives:

- Providers will be able to pay staff hourly wages comparable to others in related industries. The portion of the model allocated to hourly wages is $13.28 versus $10.21 as reported by providers in cost surveys. This represents a 30% increase to direct care workers.

- Employee benefits can be enhanced. The independent model allocates employee benefits at 27% of the hourly wage. Providers reported that they currently spend 19% of their staff's hourly wages on benefits. We have accounted for pay towards vacation, sick leave, holidays, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.

- The independent model accounts for staff training and record-keeping time which currently is not accounted for in the SLA rate.

- Administrative costs in the independent model are held at 15% of the total rate proposed. This is much less than what providers reported on their cost surveys (26% of total costs).

- The blended direct care wage in the independent model of $13.28 per hour is 12% lower than the blended comparable state employee wage of $15.03 per hour.

Recommendations for Changes in Operations Going Forward

- Reduce the current billing unit structure of 12 hourly rates down to three hourly rates (direct care, nursing, overnight). Further, eliminate the monthly

administrative and travel rates paid and blend the administrative payment into the hourly rates.

- Allow providers to bill transportation for individuals served outside of the hourly rate using a separate payment schedule. A method for reimbursing mileage has not been proposed by this Task Force.

- Require providers to submit cost information annually to the State so that the State can develop a baseline of information on this industry. The survey instrument will be similar to the one used by the Task Force to collect data for this report.

- The State shall rebase the rates paid to SLA providers no less frequently than every five years.

- For years where rates are not rebased, rates shall be increased by an independent inflation index that will be defined in our next strategic plan. As stated previously, this inflation index may be proposed for other similar home- and community-based services paid by Nevada as well.

- The Task Force took note that the rates proposed, when used in a 24-hour/7 day per week setting by individuals served in single placement settings, will slightly exceed the daily limit as paid for an individual served in an ICF/MR (institutional) setting. This is based on the assumption that the individual served would use 16 hours of service per day at $20.75 per hour and 8 units of service per day at the overnight rate of $6.56 per hour. Payments for an individual under the MR Waiver currently cannot exceed the amount paid as if the person was in an ICF/MR setting. To circumvent this problem, the Task Force took note that the State could make the following policy changes:

    - Revise the MR Waiver so that the payment threshold currently in place is not calculated at the *individual* level but in the *aggregate* across all people served in the waiver.

    - Establish strict policies and procedures so that single placements in SLA settings are not the norm. Exceptions can be established in cases where it is clinically necessary.

*Notes on Each Rate Option Studied for Community Training Centers*

Interstate Survey- 24 state programs were surveyed ranging from $5.01 per hour to $16.95 per hour for CTC and adult day health services; state definitions and provider requirements not consistent enough for fair comparison to Nevada.

Intrastate Survey- Only one agency in Nevada pays for this service so there is no other place to compare the rate to.

Cost Survey- Includes weighted cost per hour for all staff positions (supervisory and direct care) and includes wages, benefits, program, capital and administrative costs. Providers reported paying 5% - 7% less on wages and benefits than comparable health care providers. Hourly wages were also lower than Bureau of Labor statistics averages for comparable services in Nevada.

Independent Model #1- Using a model that based hourly wage and employee benefit assumptions on independent sources but based staffing ratios and administrative costs on the historical experience of Nevada providers.

Independent Model #2- Using a model that based hourly wage and employee benefit assumptions on independent sources, staffing ratios on the historical experience of Nevada providers, and a 20% cap on administrative costs as stated in Nevada Administrative Code.

Independent Model #3- Using a model that based hourly wage, employee benefit assumptions, and staffing ratios on independent sources, and a 20% cap on administrative costs as stated in Nevada Administrative Code. The direct care staff hourly wage used was a Retail Worker.

Independent Model #4- Using a model that based hourly wage, employee benefit assumptions, and staffing ratios on independent sources, and a 20% cap on administrative costs as stated in Nevada Administrative Code. The direct care staff hourly wage used was a blend of a Social and Human Services Assistant and a Retail Worker.

Comparable Nevada State Employee Wage- *Developmental Support Tech Level I* hourly wage range from $11.65 - $16.06 per hour is equivalent to direct care staff (high school diploma, one year of experience). *Developmental Support Tech Level* IV hourly wage range of $14.79 - $20.74 is equivalent to a supervisor (high school graduate, four years of experience and certified).

*Notes on Each Rate Option Studied for Supported Living Arrangements*

Interstate Survey- 11 states surveyed ranging from $8.06 per hour to $60.72 per hour; state definitions and provider requirements not consistent enough for fair comparison to Nevada.

Intrastate Survey- Only one agency in Nevada pays for this service so there is no other place to compare the rate to.

Cost Survey- Includes weighted cost per hour for all staff positions (daytime, overnight, nursing, and case management) and includes wages, benefits, program and administrative costs. Providers reported paying less benefits (19% of wages) than comparable health care providers (27% of wages) nationwide. Hourly wages were also lower than Bureau of Labor Statistics averages for comparable services in Nevada.

Independent Model #1- Using a blended staff for direct care worker (supervisory and non-supervisory) that is based on hourly wage and employee benefit assumptions from independent sources, staffing ratios from historical experience of Nevada providers, productivity assumptions for training and record-keeping, and a 15% cap on administrative costs. The supervisory staff level used was a Licensed Practical Nurse; the non-supervisory staff level used was a Social and Human Services Assistant.

Independent Model #2- Same assumptions as Option #1 above but the non-supervisory staff level used was a blend of a Social and Human Services Assistant and a Retail Worker.

Independent Model: Nurse- Using a model for nursing staff that based hourly wage and employee benefit assumptions on independent sources, a 1:1 staffing ratio, productivity assumptions for training and record-keeping, and a 15% cap on administrative costs. The staff level used was a Registered Nurse.

Independent Model: Overnight- Using a model for overnight staff that based hourly wage and employee benefit assumptions on independent sources, a 1:3 staffing ratio, productivity assumptions for training and record-keeping, and a 15% cap on administrative costs. The staff level used was a blend of a Social and Human Services Assistant and a Retail Worker.

Comparable Nevada State Employee Wage- *Developmental Support Tech Level I* hourly wage range from $11.65 - $16.06 per hour is equivalent to direct care staff (high school diploma, one year of experience). *Developmental Support Tech Level* IV hourly wage range of $14.79 - $20.74 is equivalent to a supervisor (high school graduate, four years of experience and certified).

**Exhibit CTC.1**
**Certified Community Training Centers (CTCs)**
**Recommended Rate**

| | | | |
|---|---|---|---|
| | ***** The rate modeled below is based upon a 1:5 staff/client ratio. This rate is then converted at the bottom of the page for 1:1, 1:2, and 1:8 staffing ratios. *****| | **Option #4** |
| ***Part A*** | ***Wages per Hour (BLS wages as of December 2000)*** | | |
| A-1 | **Direct Care Supervisor** | | |
| A-1.1 | Number of Staff per Hour | | 0.5 |
| A-1.2 | Hourly Wage [BLS: Rehabilitation Counselor, Nevada statewide] | $ | 15.31 |
| A-1.3 | Inflated Wages (thru Dec. '03) | $ | 17.01 |
| A-1.4 | Wage * Staffing Level | $ | 8.50 |
| A-2 | **Habilitation/Direct Care Staff** | | |
| A-2.1 | Number of Staff per Hour | | 1 |
| A-2.2 | Hourly Wage [BLS: Soc. & Human Serv Asst, Nevada statewide] | | |
| A-2.3 | Hourly Wage [BLS: Retail Worker, Nevada statewide] | | |
| A-2.4 | Hourly Wage [BLS: 50% Soc & Human Serv + 50% Retail Work] | $ | 11.33 |
| A-2.5 | Inflated Wages (thru Dec. '03) | $ | 12.58 |
| A-2.6 | Wage * Staffing Level | $ | 12.58 |
| A-2.7 | ***Total Wages per Hour*** | ***$*** | ***21.08*** |
| ***Part B*** | ***Employee Related Benefits as a Percentage of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | | 27% |
| B-1 | **Direct Care Supervisor** | $ | 2.30 |
| B-2 | **Habilitation/Direct Care Staff** | $ | 3.40 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$*** | ***5.69*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$*** | ***26.78*** |
| ***Part C*** | ***Productivity Assumptions*** | | |
| C-1 | Total hours | | 6.00 |
| C-2 | Records/Documentation | | 0.25 |
| C-3 | Training | | 0.02 |
| C-4 | "No Shows" | | 0.12 |
| C-5 | Average on-site "billable hours" | | 5.61 |
| C-6 | Productivity Adjustment | | 1.07 |
| C-7 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$*** | ***28.66*** |
| ***Part D*** | ***Administrative Overhead (as a % of Hourly Wage and ERE)*** | | |
| D-1 | ***Using Actual Program Costs Reported (inflated to Dec 2003)*** | | |
| D-2 | ***Using Cap of 20% of Total Rate for Administrative Costs*** | ***$*** | ***7.16*** |
| ***Part E*** | ***Total Cost per Hour*** | ***$*** | ***35.82*** |
| | ***Average Cost per Client Hour*** ***(assume average of 5 client hours to 1 staff hour in a 6 hour day)*** | ***$*** | ***7.16*** |
| ***Part F*** | **Model Relative to Current Payment Rate** | | |
| | The Percentage that the Independent Model Cost Calculation (Options 1-4) is Above the Current Payment of $5.37 (based on a per client hour and a 1:5 staff-to-client ratio) | | 33% |
| | ***Average Cost per Client Hour (1 client hour to 1 staff hour)*** | ***$*** | ***26.87*** |
| | ***Average Cost per Client Hour (2 client hours to 1 staff hour)*** | ***$*** | ***17.91*** |
| | ***Average Cost per Client Hour (8 client hours to 1 staff hour)*** | ***$*** | ***4.48*** |

**Exhibit SLA.1**
**Supported Living Arrangements (SLA)**
**Recommended Rate**

| | | Option #2 |
|---|---|---|
| | ***The rate modeled below reflects a staffing ratio of 1 staff hour to 1 individual hour served.*** | |
| ***Part A*** | ***Wages per Hour (BLS wages as of December 2000)*** | |
| A-1 | **Direct Care Supervisors and Case Managers** | |
| A-1.1 | Percent of Staffing Level Used in an Hour | 12% |
| A-1.2 | Hourly Wage [BLS: Licensed Practical Nurse, Nevada statewide] | $ 16.56 |
| A-1.3 | Inflated Wages (from Jan 2001 - Dec 2003) | $ 18.40 |
| A-1.4 | Wage * Staffing Level | $ 2.21 |
| A-2 | **Direct Care Staff** | |
| A-2.1 | Percent of Staffing Level Used in an Hour | 88% |
| A-2.2 | Hourly Wage Opt #1 [BLS: Soc. & Human Serv Asst, Nevada statewide] | ----- |
| A-2.3 | Hourly Wage Opt #2 [BLS: 50% Soc & Human Serv + 50% Retail Work] | $ 11.33 |
| A-2.4 | Hourly Wage [BLS: Registered Nurse, Nevada Statewide] | ----- |
| A-2.5 | Hourly Wage [BLS: 50% Soc & Human Serv + 50% Retail Work] | ----- |
| A-2.6 | Inflated Wages (from Jan 2001 - Dec 2003) | $ 12.58 |
| A-2.7 | Wage * Staffing Level | $ 11.07 |
| A-3 | ***Total Wages per Hour*** | ***$ 13.28*** |
| ***Part B*** | ***Employee Related Benefits as a Percent of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | 27% |
| B-1 | **Direct Care Supervisor** | $ 0.60 |
| B-2 | **Direct Care Staff** | $ 2.99 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$ 3.59*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$ 16.86*** |
| ***Part C*** | ***Productivity Assumptions*** | |
| C-1 | Standard Shift Per Employee | 8.00 |
| C-2 | Time to Account for Records/Documentation/Breaks | 0.50 |
| C-3 | Training [weighted between new staff training (60 hrs/year) & ongoing staff training (40 hrs/year)] | 0.02 |
| C-4 | Average on-site "billable hours" | 7.48 |
| C-5 | Productivity Adjustment | 1.07 |
| C-6 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$ 18.05*** |
| ***Part D*** | ***Administrative Overhead ( as a % of Hourly Wage & ERE )*** | 15% |
| D-1 | [Includes program expenses and admin office expenses] | ***$ 2.71*** |
| ***Part E*** | ***Total Per Unit Costs (1 staff hour : 1 client hour)*** | ***$ 20.75*** |
| ***Part F*** | ***Model Relative to Current Payment Rate*** The Percentage that the Independent Model Cost Calculation is Above/Below the Current Payment ($15.18 is weighted across Lead Staff, Direct Staff, Zone Coverage, and Case Mgmt) | *$ 15.18* 37% |

**Exhibit SLA.2**
**Supported Living Arrangements (SLA)**
**Recommended Rates for Nursing and Overnight Staff**

| | | Separate Rate for Nursing Staff | Separate Rate for Overnight Rate |
|---|---|---|---|
| | ***Model for Nursing Staff reflects a 1:1 staffing ratio and Model for Overnight Staff reflects a 1:3 staffing ratio.**** | | |
| ***Part A*** | ***Wages per Hour (BLS wages as of December 2000)*** | | |
| A-1 | **Direct Care Supervisors and Case Managers** | | |
| A-1.1 | Percent of Staffing Level Used in an Hour | 0% | 0% |
| A-1.2 | Hourly Wage [BLS: Licensed Practical Nurse, Nevada statewide] | $ 16.56 | $ 16.56 |
| A-1.3 | Inflated Wages (from Jan 2001 - Dec 2003) | $ 18.40 | $ 18.40 |
| A-1.4 | Wage * Staffing Level | $ - | $ - |
| A-2 | **Direct Care Staff** | | |
| A-2.1 | Percent of Staffing Level Used in an Hour | 100% | 100% |
| A-2.2 | Hourly Wage Opt #1 [BLS: Soc. & Human Serv Asst, Nevada statewide] | ----- | ----- |
| A-2.3 | Hourly Wage Opt #2 [BLS: 50% Soc & Human Serv + 50% Retail Work] | ----- | ----- |
| A-2.4 | Hourly Wage [BLS: Registered Nurse, Nevada Statewide] | $ 24.62 | ----- |
| A-2.5 | Hourly Wage [BLS: 50% Soc & Human Serv + 50% Retail Work] | ----- | $ 11.33 |
| A-2.6 | Inflated Wages (from Jan 2001 - Dec 2003) | $ 27.35 | $ 12.59 |
| A-2.7 | Wage * Staffing Level | $ 27.35 | $ 12.59 |
| A-3 | ***Total Wages per Hour*** | ***$ 27.35*** | ***$ 12.59*** |
| ***Part B*** | ***Employee Related Benefits as a Percent of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | 27% | 27% |
| B-1 | **Direct Care Supervisor** | $ - | $ - |
| B-2 | **Direct Care Staff** | $ 7.38 | $ 3.40 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$ 7.38*** | ***$ 3.40*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$ 34.73*** | ***$ 15.98*** |
| ***Part C*** | ***Productivity Assumptions*** | | |
| C-1 | Standard Shift Per Employee | 8.00 | 8.00 |
| C-2 | Time to Account for Records/Documentation/Breaks | 0.50 | 0.50 |
| C-3 | Training [weighted between new staff training (60 hrs/year) & ongoing staff training (40 hrs/year)] | 0.02 | 0.02 |
| C-4 | Average on-site "billable hours" | 7.48 | 7.48 |
| C-5 | Productivity Adjustment | 1.07 | 1.07 |
| C-6 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$ 37.17*** | ***$ 17.10*** |
| ***Part D*** | ***Administrative Overhead ( as a % of Hourly Wage & ERE )*** | 15% | 15% |
| D-1 | [Includes program expenses and admin office expenses] | ***$ 5.58*** | ***$ 2.57*** |
| ***Part E*** | ***Total Per Unit Costs (Nursing 1:1, Overnight 1:3 staff ratio)*** | ***$ 42.74*** | ***$ 6.56*** |
| ***Part F*** | ***Model Relative to Current Payment Rate*** | *$ 28.11* | *$ 10.60* |
| | The Percentage that the Independent Model Cost Calculation is Above/Below the Current Payment | 52% | -38% |

**SECTION I**
**INTRODUCTION**

Across the country, the delivery of support services to people with special needs is undergoing a period of critical evaluation and change. The Provider Rates Task Force (Task Force) has responsibility to evaluate the current rates and rate setting methodologies for a variety of community-based services in Nevada. It is their charge to develop a long-term strategic plan for how the State should purchase these services in the future—a strategic plan that addresses both the level of the rates and the rate setting methodology.

The Task Force is reviewing a broad range of community services including support services available to seniors and people with physical disabilities; support and employment services available to people with developmental disabilities; and community mental health services. While the range of services is far-reaching, the comprehensiveness of the Task Force's review is key to overcoming the often fragmented manner in which these services have evolved over the years. The evolution of funding sources and regulatory guidelines has often resulted in a patchwork of services, service definitions, provider requirements and payment rates for these services within most states across the country. As the provision of community services expands, the conflict within the programmatic and funding structures underlying these services become increasingly apparent. With regard to the focus of the Task Force, the comparability of the rates, or lack thereof, for similar community services can result in sister State agencies competing with one another for direct care staff. In addition, since the State is virtually the sole purchaser of many of these community long-term support services, it is difficult for market rates to naturally evolve. The broad focus of the Task Force will allow some of these cross-cutting issues to be addressed.

This report is focused on home- and community–based services to people with developmental disabilities, specifically Community Training Center (CTC) Services and Supported Living Arrangement (SLA) Services. Another strategic plan is currently being developed that encompasses a wide range of other services including:

*Home- and Community-Based Services to Seniors and People with Disabilities:*

- Supported Employment Services
- Personal Assistance Services
- Group Home Services
- Assisted Living Services
- Adult Day Health Care Services
- Group Residential Services
- Fiscal Intermediary Services
- Services to Persons with Autism
- Case Management

*Treatment Services for Children/Outpatient Rehabilitation Services*

- Intensive Community-Based Services
- Rehabilitation Partial Care/Day Treatment
- Therapeutic Foster Care
- Rehabilitative Skills Training
- Rehabilitation Therapy Individual
- Rehabilitative Skills Group
- Residential Rehabilitation
- Crisis Intervention
- Residential Treatment Levels I through IV
- Independent Living Training
- Psychosocial Rehabilitation

*Therapies*

- Speech Therapy
- Occupational Therapy
- Physical Therapy

Community support services are currently offered in Nevada under four different community waivers and through the State Plan. The four waivers are:

- The Community Home-Based Initiative Program Elderly Waiver (CHIP Waiver)
- The Elderly in Group Care Waiver (Group Home Waiver)
- Mental Retardation Waiver (MR Waiver)
- Physically Disabled Waiver (PD Waiver)

The services studied in this report, center-based Community Training Center (CTC) rates and Supported Living Arrangement (SLA) rates, are offered through the MR waiver that provides community services to people with developmental disabilities. Our report focuses on the Task Force's work in assessing the level of these rates and the potential "gap" between the current rates and market-level rates. We also propose how to address the rate levels and rate setting methodology for these two services in the future.

## APPROACH TO "GAP" ANALYSIS

The work being completed by EP&P Consulting, Inc. (EP&P) in support of the Provider Rates Task Force and development of the Task Force's strategic plans falls into the following five analyses areas.

Stakeholder Input: The Task Force recognizes that while costs are important in studying the rates, additional factors need to be taken into consideration in order to study service rates completely. In this spirit, a survey capturing qualitative information from providers, individuals accessing services, and family members of individuals accessing services was developed. The Appendix to this report contains the detailed findings of the stakeholder survey as well as a copy of the stakeholder survey instrument. Summary data is captured in the Background of Sections II and II of this report.

Interstate Survey: Information was gathered from a review of community services offered by other states. This is referred to as the "Interstate Survey". The potential strengths of the Interstate Survey include providing:

- A source of ideas regarding how to structure rates and rate setting methodologies
- Information about rate levels in other states

The limitations of the Interstate Survey are that:

- Comparability of services across states in terms of delivery system, service definitions, provider requirements, etc. are not uniform
- Other states' rates also may not reflect "market-level" rates

States were selected for inclusion in the survey of other states based on:

- Population
  - Total residents
  - Distribution by age, gender, and race/ethnicity
- Population in Poverty
  - Distribution by Federal Poverty Limit
  - Poverty rate by age, gender and race/ethnicity
- Median Family Income
  - Total income and income by race/ethnicity
- Geography
  - Distribution of population (urban vs. rural)
- Employment and unemployment status

The survey of other state information was completed based on both telephone interviews and review of written information obtained from the states. The Interstate Survey data was strongest for those services that are hourly services provided in a non-group setting. Gathering information from other sates for services similar to CTC services was particularly problematic because of comparability of service definitions across states. Specifically, the mix of vocational training and job activities that are included within the service definition as well as the staffing ratio and setting in which the service is provided were found to be quite different. In addition, several of the states contacted have provider-specific negotiated rates in which the per-unit rate reflects the mix of services provided by a particular provider or at a particular program site. This variability in the services covered when rates are negotiated was reinforced when we gathered CTC rate information from the corporate office of a Task Force provider who operates in multiple states.

The review of state survey findings shows that there is no "magic" or standard methodology used by other states for computing rates for home- and community-based service rates. Rates for these services tended to be set on a per unit fee-for-service basis with little standardization of the methodology from year-to-year or across services. Very few states reported using cost-based reimbursement methodologies. Legislatures in all states have influence over increasing the rates in times of fiscal constraint. State programs for people with developmental disabilities are often based on provider-specific negotiated rates. Very few states were found to require providers to submit cost reports. However, this may change in the future. The majority of the states surveyed reported that their rates were not keeping pace with the "going wage" and thus recruiting and retaining direct care staff was a significant problem.

Summary data on rates paid for CTC and SLA services are shown in Sections II and III of this report. In the Appendix, we provide more detailed matrices on not only the rates paid in other states but also service definitions, certification and licensure requirements, training requirements, and quality assurance measures.

Intrastate Survey: An "Intrastate Survey", a review of rates for similar services across Nevada programs, was undertaken during the development of the Strategic Plans. This review provides a comparison of rate setting methodologies, rate levels and licensing requirements.

The strength of the Intrastate Survey is that it is a source of ideas regarding how to structure rates and rate setting methodologies and also provides insight regarding the potential "ripple effect" of rate changes across programs. Unfortunately, the shortcomings of the Intrastate Survey are similar to the shortcomings of the Interstate Survey – the comparability of services across the programs in terms of service definitions and provider requirements. For this report, the Intrastate Survey was not applicable because there is only one state agency that pays CTC and SLA providers, the Division of Mental Health and Developmental Services under the Department of Human Resources. This survey will be more applicable in our second strategic plan document for other home- and community-based services. However, we did collect information on wages paid to State employees that have job responsibilities similar in nature to those that work for CTC and SLA providers. Detailed information on comparable state staffing categories is provided in the Appendix to this report.

Cost Collection: A survey tool was designed to collect both quantitative historical cost information as well as qualitative input directly from service providers. The strengths of gathering information about the cost of providing services is that it provides information about the distribution of costs across various cost centers (e.g., direct care wages, employee benefits, transportation, administrative costs, etc.) Surveying the providers is also an opportunity to get broad provider input regarding the rate system. The key limitation of the cost collection process is that since the State is the purchaser of the vast majority of home- and community-services, provider costs may tend to be linked to the rate levels. In other words, because there is only one purchaser of these services, provider costs may tend to reflect the level of the rates. Another limitation of the cost collection survey process is that if providers have not been required to submit financial reports to the State on a regular basis, the collection of cost data requires providers to submit information that they have not historically maintained in a uniform manner. Therefore, some providers may not have the resources to commit to completing the cost survey, some providers may not have the information available and, finally, there may be definitional issues that affect the comparability of costs across providers.

Our findings from the data received from CTC and SLA providers on their cost structures is presented in Sections II and III of this report. The actual cost surveys administered to providers, as well

as an overview of the methodology used to analyze costs, is provided in the Appendix to this report.

Independent Models: Independent Models will be developed that attempt to reflect the wage, benefit, programmatic and administrative costs associated with service delivery. The goal of the Independent Models is to build the cost of the service from "the ground up", breaking the link between historical payment levels and cost data. The Independent Model attempts to introduce a "market rate" perspective to the process and can provide a structure within which to evaluate the current rate and cost levels necessary to support the activities included in the service definition. The shortcoming of the Independent Model approach is that there is no "standard accepted model".

The independent models for CTC and SLA services that were considered by the Task Force, along with the assumptions made under each option, are presented in Sections II and III of this report. A comparison of hourly staffing wages considered by the Task Force as derived from the Bureau of Labor Statistics are shown in a presentation in the Appendix to this report. This presentation factors in Nevada-specific wages, comparisons against states bordering Nevada, and cost of living adjustments by state.

The remainder of this report provides more detail on CTC and SLA services.

- In Section II, we provide information on the various ways we collected CTC information and the potential gaps from current rates paid in Nevada.
- In Section III, we provide information on the various ways we collected SLA information and the potential gaps from current rates paid in Nevada.
- In Section IV, we provide recommendations for CTC and SLA rates as well as operational changes to lay the groundwork for future updates of the rates.

**SECTION II**
**CERTIFIED COMMUNITY TRAINING CENTERS**

## Background

Community Training Center (CTC) services include a range of employment services offered to people with developmental disabilities. What are CTC services? Under the present payment structure for CTC services there are multiple levels of services, each with their own description, staffing requirements and payment rates. These levels point out the range of services offered within the CTC service definition. Services range from vocational habilitation and support to actual job services to job skills training and coaching.

**Level 0** **Individual Service- Job Support (Staffing ratio 1:1).** Level 0 services are for supported employment in the community. This service is currently reimbursed at an hourly rate. The CTC is reimbursed for each hour that a CTC direct care staff provides job support to a person with disabilities in a community (non-center-based) setting. The staffing ratio for Level 1 is one-to-one staffing, so the hourly rate paid for Level 1 is intended to cover the direct care staff person plus any related supervisory, program-related and administrative costs.

**Level 1** **Individual Service - Habilitation (Staffing ratio 1:1).** Level 1 services are for supported employment in a center-based setting at the CTC site. This service is reimbursed at an hourly rate by the State for each hour that a CTC direct care staff provides support to a person with employment in a center-based setting. The staffing ratio for Level 1 is a one-to-one staffing ratio, so the hourly rate paid for Level 1 is intended to cover the direct care staff person plus any related supervisory, program-related and capital costs. Currently the State Fiscal Year 2002 (SFY 02) hourly payment rate for Level 1 CTC services is $20.14 per person.

**Level 2** **Intensive - Habilitation (Staffing ratio 1:2).** Level 2 services are for supported employment in a center-based setting at the CTC site. The reimbursement rate for this service is a daily reimbursement rate and assumes a 6-hour day. In addition, the staffing ratio for Level 2 is one direct care worker for every two people receiving CTC services. It is important to understand the staffing ratios because there is a relationship between the staffing ratios and the design of the reimbursement rate. With a staffing ratio of one staff person to two employees, the daily reimbursement rate is intended to cover 0.5 of a direct care staff

person. For example, if two people were receiving Level 2 CTC services for 1 day, the CTC provider would submit an invoice for two service units. Therefore, each service unit is for one-half of a CTC direct care worker (as well as any related supervisory, program-related and capital costs). In SFY 02, the daily rate for Level 2 services is $80.54 per person per day. This translates into a per person per hour rate of $13.42. (Assuming an hourly billing unit, at the staffing ratio of 1:2, the CTC provider would bill two hourly units at $13.42 per hourly unit, or $26.84 per hour across all clients.)

**Level 3** **Habilitation (Staffing ratio 1:5).** Level 3 services are for supported employment in a center-based setting at the CTC site. The reimbursement rate for this service is a daily reimbursement rate and assumes a 6-hour day. In addition, the staffing ratio for Level 3 is one direct care worker for every five people receiving CTC services. With a staffing ratio of one direct care worker for five people receiving CTC employment services, the daily reimbursement rate is intended to cover 0.2 of a direct care staff person. For example, if five people were receiving Level 3 CTC services for 1 day, the CTC provider would submit an invoice for five service units. Therefore, each service unit is for one-fifth (or twenty percent) of a CTC direct care worker (as well as any related supervisory, program-related and capital costs). In SFY 02, the daily rate for Level 3 services is $32.22 per person per day. This translates into a per person per hour rate of $5.37. (Assuming an hourly billing unit, at a staffing ratio of 1:5, the CTC provider would bill five units at $5.37 an hour, or $26.85 per hour across all clients.)

**Level 4** **Job Training/Training Center (Staffing ration 1:8)** Level 4 services are for supported employment in a center-based setting at the CTC site. The reimbursement rate for this service is a daily reimbursement rate and assumes a 6-hour day. In addition, the staffing ratio for Level 4 is one direct care worker for every eight people receiving CTC services. The daily reimbursement rate is intended to cover 0.125 of a direct care staff person. For example, if eight people were receiving Level 4 CTC services for 1 day, the CTC provider would submit an invoice for eight service units. Therefore, each service unit is for one-eighth of a CTC direct care worker (as well as any related supervisory, program-related and capital costs). This translates into a per person per hour rate of $3.36. (Assuming an hourly billing unit, at a staffing ratio of 1:8,

the CTC provider would bill eight units at $3.36 an hour, or $26.88 per hour across all clients.)

**Level 5** **Jobs-Supported Jobs.** Level 5 is for the time that CTC staff spends looking for community-integrated employment for people. This is reimbursed on an hourly basis.

**Level 6** **Jobs-Intensive Follow Along**. Level 6 is an hourly-based service designed to reimburse CTC direct care staff for job support services provided to people after they have begun community-based employment. Level 6 may only be billed for the first 65 days after a person has begun a community-based employment position. Level 6 is being phased out as a billing option. Most services previously billed under Level 6 are now billed as Level 0 services.

**Level 7** **Jobs-Follow Along.** Level 7 is an hourly-based service designed to reimburse CTC direct care staff for job support services provided to people on an ongoing basis after the first 65 days they have been in a community-based employment position. Level 7 is being phased out as a billing option. Most services previously billed under Level 7 are now billed as Level 0 services.

Exhibit II.1 is a summary overview of the billing units and current rates per service unit. Our Strategic Plan focused on Levels 1 – 4 services (center-based employment) provided by Certified CTCs. The additional supported employment opportunities available in non center-based settings will be addressed in the next Strategic Plan to be released on August 15, 2002.

As discussed above, Level 1 is currently billed at an hourly rate while the remaining levels, Levels 2 – 4, are billed on a daily rate. For the purpose of this report, all CTC service analysis will be completed at ***the per hour per client*** level. What does this mean? The payment figures displayed represent what the CTC provider can bill per hour per person served. The cost figures shown represent the CTC's costs divided by the number of hours of service billed for all people receiving Levels 1 – 4 services. *(Again, please note that all days, or daily billing units, have been converted to hours based on a "day" equaling six hours.)*

**Stakeholder Input**

The majority of input received on CTC services were from a qualitative questionnaire that was included with the cost survey sent to CTC providers. Twelve providers submitted qualitative input.

The most common answer among providers was the need for a rate increase and the need for more schedule flexibility. Regarding the rate increases, providers were given the opportunity to explain in detail why they thought the rates were inadequate, but most declined to do so.

The areas that providers wanted to make sure were maintained on an ongoing basis were a periodic rate increase and the way they handled program operation and management.

With regards to measuring quality, providers indicated that they measure individual outcomes and use service plans to ensure quality of services.

Additional information on stakeholder input is included in the Appendix to this report.

**Gap Analysis**

The Provider Rates Task Force work has focused on gathering information that allows an assessment of the "gap" between the current rate levels and the cost of providing services. Four methods were used to measure benchmarks in determining this gap:

- A comparison against findings from the interstate survey
- A comparison against findings from the provider cost survey
- A comparison against findings from the independent market-based models
- A comparison against findings from comparable wages paid to Nevada state employees

Interstate Survey

The range of services that may be offered under the umbrella term CTC raises some difficulties in terms of comparing CTC services both to other states' programs and to independent models. This difficulty stems from variations in the mixture of levels within CTC program site and resulting number of staff per hour as well as the average number of people participating in the program at any given time.

An analysis of the data submitted on the cost surveys indicates that when using a weighted average so that program size is recognized:

- The certified CTC programs reported a weighted average of 2.3 staff per hour
- The certified CTC programs reported a weighted average program size of 5.8 clients per hour
- The weighted average number of staff per client was .43 staff per client

These statistics may vary widely by state. In another program examined by the Task Force's Consultants, the state's comparable CTC service averaged 3 staff per hour, 14 clients per hour and, therefore, a staffing ratio of .21 staff per client. The hourly wages for such a program as well as the overall cost per client hour is very different under this type of staffing model. Both variable staffing costs and fixed capital and administrative costs are much lower per hour because of the relatively large number of clients per hour. It is difficult to identify the underlying factors that explain such programmatic differences. It may reflect the level of support needs of people in the program, the availability of supported living alternatives, or the rural versus urban nature of the program (e.g., small programs in rural areas).

The result of such variations is that the interstate survey data are extremely problematic for comparison purposes. Gathering information from other states for services similar to CTC services was particularly problematic because of comparability of service definitions across states. Specifically, the mix of vocational training and job activities that are included within the service definition as well as the staffing ratio and setting in which the service is provided underlay some of the variation. In addition, several of the states contacted have provider-specific negotiated rates in which the per-unit rate reflects the mix of services provided by a particular provider or at a particular program site. This variability in the services covered when rates are negotiated was reinforced when trying to gather CTC rate information from the corporate office of a Task Force provider who operates in multiple states.

A summary of our findings of CTC rates paid across a sample of states is shown on the following pages. More detailed information from the interstate survey can be found in the Appendix to this report.

**Community Training Centers**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| State | Service | Name | Rate | Per Unit | Standardized to per Hour Unit | Comments |
|---|---|---|---|---|---|---|
| Arizona | Adult Day Health | ALTCS 1115 Waiver | $7.25 | per hour | $7.25 | |
| Colorado | Adult Day Services | Elderly, Blind & Disabled Waiver | $5.01 | per hour | $5.01 | Basic: Converted the per half day rate of $20.03 to $5.01 per hour |
| | | | $6.40 | per hour | $6.40 | Specialized: Converted the per half day rate of $25.59 to $6.40 per hour |
| Idaho | Adult Day Care | 1. Aged and Disabled Waiver<br>2. ISSH Waiver<br>3. DD Waiver | $6.14 | per hour | $6.14 | |
| Indiana | Community Habilitation and Participation | 1. Aged and Disabled Waiver<br>2. MR/DD Waiver | $8.95 | per individual per 15 minutes | $6.17 | |
| | Adult Day Services | 1. Aged and Disabled Waiver<br>2. MR/DD Waiver<br>3. Autism Waiver | $5.58 | per hour | $5.58 | Level 1: Converted the per half day rate of $22.33 to $5.58 per hour |
| | | | $7.33 | per hour | $7.33 | Level 2: Converted the per half day rate of $29.31 to $7.33 per hour |
| | | | $8.72 | per hour | $8.72 | Level 2: Converted the per half day rate of $34.89 to $8.72 per hour |
| Iowa | Adult Day Care | Ill and Handicapped Waiver | $14.06 | per hour | $14.06 | Converted the per full day (defined as up to 8 hours) rate of $112.44 to $14.06 per hour |
| Kentucky | Community Habilitation | MR/DD Waiver | $2.17 | per 15 minutes | $9.56 | 50% Median rate of $2.17 and 50% of 120% Median rate of $2.61 |
| | | | $2.61 | per 15 minutes | | |
| | Adult Day Care | Aged and Disabled Waiver | $9.97 | per hour | $9.97 | Level I: Converted the per half day (defined as a minimum of 3 hours) rate of $29.91 to $9.97 per hour |
| | | | $12.11 | per hour | $12.11 | Level II: Converted the per half day (defined as a minimum of 3 hours) rate of $36.32 to $12.11 per hour |
| Minnesota | Adult Day Care | Physically Disabled Waiver | $6.07 | per 30 minutes | $12.14 | |
| | Adult Day Care | MR/RC Waiver | $5.65 | per 30 minutes | $11.30 | |

**Community Training Centers**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| State | Service | Name | Rate | Per Unit | Standardized to per Hour Unit | Comments |
|---|---|---|---|---|---|---|
| Missouri | Adult Day Care | Aged and Disabled Waiver | $10.08 | per hour | $10.08 | Converted the per day (defined as a minimum of 4 hours) rate of $40.30 to $10.08 per hour |
| | Adult Day Care | State Plan | $8.34 | per hour | $8.34 | Converted the per half day (defined as 3 to less than 6 hours) rate of $25.03 to $8.34 per hour |
| New Mexico | Adult Habilitation Services | DD Waiver | $14.30 | per hour | $14.30 | Level I |
| | | | $10.20 | per hour | $10.20 | Level II |
| | | | $8.20 | per hour | $8.20 | Level III |
| Oklahoma | Adult Day Health Care | Aged and Disabled Waiver (Advantage Program) | $6.31 | per hour | $6.31 | |
| Oregon | Adult Day Care | Aged and Disabled Waiver | $16.95 | per hour | $16.95 | Converted the per day (defined as more than 5 hours) rate of $84.75 to $16.95 per hour |
| Tennessee | Day Habilitation | MR/DD Waiver for Adults and Children | $12.85 | per hour | $12.85 | |
| Utah | Day Supports - Adults | MR/DD Waiver | $12.36 | per hour | $12.36 | Converted the per day (defined as more than 6 hours) rate of $74.14 to $12.36 per hour |
| | Day Supports - Children | MR/DD Waiver | $12.07 | per hour | $12.07 | Converted the per day (defined as more than 6 hours) rate of $72.40 to $12.07 per hour |

| | |
|---|---|
| **Mean** | **$10.23** |
| **Median** | **$10.08** |

Certified CTC Cost Information

There are seventeen Certified CTC providers in Nevada. In SFY 01, payments by the State to these seventeen Certified providers for all CTC services, both center-based and community-based, totaled approximately $7.8 million. The Task Force surveyed all seventeen Certified CTCs requesting historical cost and billing unit data. We received cost data from twelve of the seventeen providers. As shown on Exhibit II.2:

- Five of the seventeen providers received $500,000 or more in State CTC service payments in SFY 01. Of these five providers, three returned surveys.

- In total, twelve Certified CTCs returned cost information. These twelve Certified CTCs received approximately 65 percent of SFY 01 Certified CTC payments. Therefore, while the cost data presented in this Strategic Plan represents a significant portion of the cost structure that underlies the provision of CTC services in Nevada, there is still a significant amount of the cost structure that remains unknown at this time.

- While twelve providers did return cost information, only 10 Certified CTC providers are included in the cost analysis. Information from one provider could not be included because outstanding data issues could not be resolved. An additional CTC was excluded from the analysis because it did not provide center-based CTC services. The 10 Certified CTC providers included in the cost analysis represent approximately 62 percent of SFY 01 payments to Certified CTC providers.

Exhibit II.3 shows the characteristics of the 10 Certified CTC providers that are included in the analysis. Some of the analysis of Certified CTC cost data is at the provider level; however, some of our analysis also focuses at the program level. As shown on Exhibit II.3, approximately half of the providers operate only one center-based program, while the remaining CTC providers offer center-based services in two or more programs. In total, the 10 providers in the analysis represent fifteen center-based program sites. Five program sites are located in the North (Washoe County), five program sites are located in the South (Clark County) and five program sites are Rural (the remaining counties).

The cost information reported by the 10 Certified CTC providers is from provider fiscal years ending in 2001. Exhibit II.4 shows the time period of the data collected from each of the CTC providers included in the analysis. The time period from which the data is reported is important to understand because the "gap" analysis will be looked at from two different perspectives:

- Perspective 1- Cost Coverage Gap: How well do payment rates cover provider costs? In order to complete this analysis, the rates that were in effect between July 2000 and December 2001 need to be compared to the provider

costs that were reported during this time period. In order to do this, actual provider costs as reported on the cost survey (in other words, uninflated costs) were compared with a blended payment based on the rates actually in effect during the CTC cost reporting period. This comparison yields a historical "point in time" comparison of the difference between costs and payments.

- The weighted average per hour per client uninflated costs (with outliers removed) reported by Certified CTC providers was: $8.25
- The weighted average per hour per client payment corresponding to this cost data (blending the SFY 01 and SFY 02 rates) was: $5.66
- The resulting cost coverage is 68 percent. This indicates that for their fiscal years ending in 2001, on average the Certified CTC responding to this cost survey received a weighted average payment for CTC service levels 1 – 4 that was 68 percent of costs.

- Perspective 2- Potential Rate Increase Gap. How much would the current SFY 02 rates potentially need to increase to cover costs that have been inflated through the midpoint of SFY 04 (in other words, inflated through the end of December 2003)? In order to complete this gap analysis, cost data was inflated from the midpoint of each provider's cost reporting period to the end of December 2003. The McGraw Hill Data Resources Incorporated (DRI) inflation factors for home health services were used to inflate costs forward to this future point in time. The per hour per person hourly cost was then compared with the current SFY 02 per hour per person rate.

  - The weighted average per hour per client cost reported by Certified CTC providers, when inflated to the end of December 2003 costs is $9.05 (outliers removed). (See Exhibit II.6)
  - The weighted average per hour per client payment based on the current SFY 02 rates is $5.75. (See Exhibit II.5)
  - Comparison of these two figures shows a cost coverage of 64 percent and indicates that the weighted average SFY 02 payment rates for CTC service Levels 1 – 4 would potentially need to increase 57 percent in order to cover the anticipated cost of providing Level 1 – 4 CTC services during SFY 04.

There are several caveats that should be noted regarding the above analysis and findings.

- These findings are based on 10 of the 17 Certified CTC providers, representing approximately 62 percent of all CTC payments in SFY 01. It is not known if the remaining CTCs would have a higher or lower cost per unit and how the inclusion of their data would affect these findings.

- These findings are based on the distribution of clients across CTC levels reported by certified providers on their cost survey. Each CTC level has a different staffing ratio and a change in the distribution of clients across CTC levels affects the average staffing level and the weighted cost and payment per hour per client. As shown on Exhibit II.5, the weighted average client to staff ratio reported by the Certified CTCs for their 2001 fiscal years was 1:5.8; however, this client to staff ratio across providers ranged from 1:2.8 to 1:7.7. An analysis by region (Exhibits II.5 a – c) find similar variations in program size in the North, South and Rural Regions.

In analyzing the types of cost incurred by Certified CTC providers indicates that in most cases the weighed average payment rate across levels does cover the CTC staffing costs and employee related expenses (ERE). Exhibit II.6 shows the cost per hour per client broken out into three categories: Program Staff Wages, Program Staff ERE and Indirect Program Costs. The weighted average program cost for Program Staff Wages and ERE is $5.31 when outliers are removed and costs are inflated to December 2003 (see Exhibit II.6 columns A and B). The current SFY 02 payment rate of $5.75 covers these costs. However, the remaining $.44 of payment do not cover the remaining per hour per client cost of $3.74 (outliers removed, inflated to December 2003). Indirect Program Costs accounts for approximately 43 percent of costs reported by Certified CTC providers.

The per hour per client weighted average costs do vary some by region (Exhibits II.6 a – c and II.7 a – c). The programs in the South have a relatively lower per person per client cost and a slightly lower portion of Indirect Program Costs.

A further examination of Indirect Program Costs may be of interest since it appears that only a small portion of these costs are covered by the current weighted average payment rate. Indirect Program Costs as defined in this report includes three types of costs:

- Approximately 34 percent of Indirect Program Costs consist of component costs that may be generally categorized as Program Costs (Exhibit II.8)

- Approximately 35 percent of Indirect Program Costs may be generally categorized as Administrative Costs (Exhibit II.9), and

- Approximately 29 percent of Indirect Program Costs (Exhibit II.10) may be generally categorized as Capital Costs.[1]

As stated above, Indirect Program Costs is approximately 43 percent of the costs reported by Certified CTCs. In the above gap analysis, total cost (current and inflated forward)

[1] Exhibit II.11 provides a complete cross-walk between the actual provider cost survey used to collect the data and each of the cost components presented in Exhibits II.5 – II.10. The actual CTC cost survey is found in the Appendix of this report.

were compared to corresponding payment levels and a significant gap between costs and payments were identified. However, current Nevada regulations limit the amount of Certified CTC payments that go to non-direct care staff costs. This limit is currently 20 percent. Therefore, current regulations would limit the amount of Indirect Program Costs that could be covered by the rate and slightly more than half of Indirect Program Costs could not be recognized.

Nevada policymakers will need to evaluate the amount that the CTC rates should exceed direct care costs for center-based CTC services. Center-based CTC services are somewhat unique in the realm of services being evaluated by the Task Force. The delivery of community-based long-term support services is undergoing significant change and development both in terms of the volume and spectrum of services available and in terms of the philosophy underlying service availability.

There is an increasing focus for employment opportunities for people with developmental disabilities that are not center-based but that are integrated into the community. While the appropriate and desired mix of center-based and community-integrated employment opportunities for Nevada is not within the scope of the Task Force, it is a consideration that will affect how the recommendations of the Task Force will be evaluated by policymakers. Both the short and long-term role of center-based employment options for people with developmental disabilities and the availability of community integrated options are being addressed by other Task Forces. The Provider Rates Task Force has not projected CTC center-based program growth trends as a result of overall population growth in Nevada or general programmatic development.

Independent Models

The cost data discussed above reflects the current manner in which center-based CTC services are provided. An alternative approach is to design an Independent Model that is driven by and reflects what the State wants to purchase within each of the CTC service levels. The Independent Models presented in this Strategic Plan reflect various assumptions and the level of "independent" data used to develop other models. All models presented are based on a staffing ratio of 1 staff: 5 clients. From these models, rates can be extrapolated for the 1:1, 1:2, and 1:8 staffing ratios.

Four versions of the Independent Model (Options 1 - 4) have been developed. Exhibit II.12 summarizes the assumptions that are built into each of these models and Exhibit II.13 is an actual overview of the models themselves. The Independent Model costs per hour per client at the bottom of Exhibit II.12 correspond to the Independent Model costs per hour per client at the bottom of Exhibit II.13. The difference between these two exhibits is the detail provided regarding how the Independent Model costs were derived.

Based on the preliminary Independent Models in Exhibits II.12 and II.13, the range of the "gap" between current payment and modeled payment varies based on the assumptions:

- The Independent Models yield a per hour per client cost ranging from 35 percent above actual per hour per client costs reported by providers to 24 percent below per hour per client costs.

- The Independent Models yield a per hour per client cost ranging from between 28 percent and 128 percent higher than the weighted average SFY 02 payment rate of $5.75 per hour per client.

As highlighted on Exhibit II.12, the results of the Independent Model vary based on the underlying assumptions. When developing the Independent Model, key decisions include:

- The level of staffing (the number of full-time equivalents or FTEs) per billing unit. In this case the billing unit is per hour per client. The staffing level assumptions assume a weighted average of five clients per hour. In the Independent Models presented in Exhibit II.13, the models assume reflect one of two staffing assumptions: (1) Options #1 and #2 reflect the actual number of FTEs per hour reported by the Certified CTCs or (2) Options #3 and #4 reflect an independent assumption that the staffing level should be 1 supervisor per 10 clients and 1 direct care staff person per 5 clients).

- The wage level for supervisory and direct care staff. Wage information from the Bureau of Labor Statistics (BLS) was used to evaluate the appropriate staffing wages. Assumptions were made to base wages on (1) wages for similar occupations reported by BLS and identified by Task Force Members as comparable to their CTC staffing descriptions or (2) wages for occupations that compete for direct care workers (e.g., retail workers). All options assume a Direct Care Supervisor using the BLS Rehabilitation Counselor labor category. The options vary on the Direct Care Staff assumption. Option #2 assumes the BLS Social and Human Service Assistant labor category at $12.15 per hour. Option #3 assumes a Retail Worker labor category at $10.50 per hour. Option #4 assumes a blending of the two at $11.33 per hour.

- The amount of employee related expenses (ERE) built into the rate. All models assume an ERE percentage of 27% based on input from Task Force members and State staff serving as Task Force Coordinators. This percentage would included benefits such as paid vacation, paid sick leave, holiday pay, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.

- The amount of non-billable time spent by staff (referred to in the Independent Models as a "productivity adjustment"). Productivity adjustments were assumed equally across all model options and include the time that staff is

completing required documentation and record keeping as well as staff training time. We have also included the cost of "no show" days when a CTC provider must staff the center based upon a certain census but clients do not show up and the CTC cannot bill the State. Historically, the State has built into its rates that clients would attend 235 of 250 possible days per year. However, in discussions with Dr. David Luke of the Sierra Regional Center he reported that the recent 12-month census reporting by providers showed that clients missed 29 days out of a possible 250 days per year or 12% of all available days. The lower attendance in the most recent year may stem from the growing distribution of higher need clients attending center-based CTC programs. This model, therefore, assumes 29 no-show days per year.

- The amount of Non-Direct Care Costs (Indirect Program Cost) that should be included in the Independent Models. The Independent Model options reflect one of two placeholder amounts for Non-Direct Care Costs: (1) Option #1 assumes the actual amount of non-direct care costs reported by the Certified CTCs or (2) Options #2, #3, and #4 reflect a dollar amount that caps at 20 percent the amount allocated to non-direct care costs based on the current Nevada Administrative Code (NAC 435.270).

The Independent Model is best used as a methodology to price out what the State wants to purchase when they contract for a specific service. The four options presented have been reviewed with staff liaisons from the Department of Human Resources and the Division of Mental Health and Developmental Services.

Comparable Wages Paid to Nevada State Employees

The Task Force heard from many in the provider community that one of the barriers they have to retaining employees is the competitive hourly rates paid by comparable State of Nevada employees as well as the benefits package offered by the State. In considering appropriate hourly wages for the independent models, the Task Force researched the hourly wages paid for staffing categories in the State that were similar to those hired by CTC providers. Of the six categories reviewed that appeared most similar (each having multiple levels within the category), the Task Force, in consultation with Dr. Luke of Sierra Regional Center, determined that the Developmental Support Tech position at the State best represented the staff hired by CTC providers. Of the four levels within this category, Level I most suited the direct care worker and Level IV most suited the direct care supervisor. The current hourly range for a Level I Developmental Support Tech is $11.65 - $16.06 per hour; for Level IV, the range is $14.79 - $20.74. These wages are in effect as of July 1, 2002.

The Task Force selected the midpoint of each of these ranges and input these into the independent model (inflation was added to December 2003 to match the other independent models). With all other assumptions remaining the same, the model using

comparable state wages was $7.66 per client per hour, or 43% higher than the current weighted hourly payment in SFY 02 (see Exhibit II.14). The hourly rate in this model is in the middle of the four independent model options studied using Bureau of Labor Statistics wage data.

# Community Training Center (CTC) Exhibits

# Community Training Centers (CTCs)
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**Exhibit II.1**
**Community Training Center (CTCs) Billing Units**
**Rates Per Person Per Hour in State Fiscal Year 2001 (SFY01) and State Fiscal Year 2002 (SFY02)**

| Level | Description | Unit | Staff Ratio | SFY01 Per Person Payment Rate | SFY02 Per Person Payment Rate | SFY01-02 % Increase | Hourly Payment Rate Per Person * |
|---|---|---|---|---|---|---|---|
| 1 | Individual Service - Habilitation | Hour | 1:1 | $19.55 | $20.14 | 3.0% | $20.14 |
| 2 | Intensive - Habilitation | Day (6-hr day) | 1:2 | $78.19 | $80.54 | 3.0% | $13.42 |
| 3 | Habilitation | Day (6-hr day) | 1:5 | $31.28 | $32.22 | 3.0% | $5.37 |
| 4 | Job Training/Training Center | Day (6-hr day) | 1:8 | $19.55 | $20.14 | 3.0% | $3.36 |

There are also the following CTC levels that are not center-based:

Level 0 Individual Service Job Support - Non Center-Based
Level 5 Limit of 65 days (Job Search - not working with client directly)
Level 6 Limit of 65 days (Working with client directly)
Level 7 Jobs - Follow Along

* Daily rates converted to hourly rates by dividing the daily rate by 6.

## Exhibit II.2
## Certified Community Training Centers (CTCs)
## Historical Payments and Participation in Cost Surveys

| Aggregate State Fiscal Year 2001 (SFY 01) Payments | Number of Certified CTC Providers | Aggregate Historical SFY 01 Payments | Number of Certified CTC Providers That Submitted Cost Data |
|---|---|---|---|
| $500,000 or more | 5 | $5.9 million | 3 |
| $100, 000 - $499,999 | 6 | $1.4 million | 6 |
| Less than $100,000 | 6 | $0.5 million | 3 |
| **Total** | **17** | **$7.8 million** | **12** |

| | | |
|---|---|---|
| Number of Certified CTCs Responding to Cost Survey and Their Aggregate Historical Payments | **$5.0 million** | **12** |
| Percentage of Historical Payments Represented by Reporting Certified CTCs | **65%**** | |

| | | |
|---|---|---|
| Number of Certified CTCs Included in Analysis and Their Aggregate Historical Payments | **$4.8 million** | **10*** |
| Percentage of Historical Payments Included in Analysis | **62%**** | |

* One provider submitted cost survey data but not in analysis because issues could not be resolved. Second provider not in analysis because it did not have a Center-Based program.

** Includes all programs (Center-Based, Enclave and Supported Employment)

## Exhibit II.3
## Certified Community Training Center (CTCs) Programs Included in Analysis
## Distribution by Number of Center-Based Programs and Location

| | |
|---|---|
| Number of Certified CTC Providers with: | |
| 1 Center-Based Program | 6 |
| 2 Center-Based Programs | 3 |
| 3 Center-Based Programs | 1 |
| **Total Providers** | **10** |
| Center-Based Program Locations: | |
| North Region | 5 |
| South Region | 5 |
| Rural Region | 5 |
| **Total Providers** | **15** |

## Exhibit II.4
## Certified Community Training Centers (CTCs) Providers Included in Analysis
## Distribution of Time Periods for Which Cost Data Was Reported

| Time Period of Cost Data from Certified CTCs Included in Analysis | | | Number of Certified CTCs |
|---|---|---|---|
| Start Date | | End Date | |
| July 1, 2000 | to | June 30, 2001 | 4 |
| September 1, 2000 | to | August 31, 2001 | 1 |
| January 1, 2001 | to | December 31, 2001 | 5 |

## Exhibit II.5
## Certified Community Training Centers (CTCs) Included in Analysis
## Distribution of Billed Hours by CTC Staffing Categories/Payment Levels
## All Regions

| Level | Level 1 | Level 2 | Level 3 | Level 4 |
|---|---|---|---|---|
| Required Staffing Ratio | 1:1 | 1:2 | 1:5 | 1:8 |
| Hourly Payment Rate Per Person (SFY02) | $20.14 | $13.42 | $5.37 | $3.36 |

| | Distribution Of Billed Hours By Program | | | | | Program Specific Weighted Average Staffing Ratio | Program Specific Weighted Average Hourly Payment |
|---|---|---|---|---|---|---|---|
| Program Number | Level 1 | Level 2 | Level 3 | Level 4 | Total | Clients: 1 Employee | Payment Per Client |
| Program 1 | 0% | 11% | 51% | 38% | 100% | 5.8 | $5.50 |
| Program 2 | 0% | 3% | 30% | 68% | 100% | 7.0 | $4.21 |
| Program 3 | 7% | 37% | 57% | 0% | 100% | 3.6 | $9.30 |
| Program 4 | 0% | 74% | 26% | 0% | 100% | 2.8 | $11.34 |
| Program 5 | 3% | 5% | 31% | 61% | 100% | 6.6 | $4.92 |
| Program 6 | 4% | 46% | 51% | 0% | 100% | 3.5 | $9.60 |
| Program 7 | 0% | 6% | 0% | 94% | 100% | 7.7 | $3.93 |
| Program 8 | 0% | 14% | 61% | 24% | 100% | 5.3 | $6.08 |
| Program 9 | 0% | 15% | 85% | 0% | 100% | 4.5 | $6.62 |
| Program 10 | 0% | 49% | 51% | 0% | 100% | 3.5 | $9.32 |
| Program 11 | 0% | 58% | 42% | 0% | 100% | 3.3 | $10.04 |
| Program 12 | 0% | 8% | 44% | 48% | 100% | 6.2 | $5.01 |
| Program 13 | 0% | 8% | 14% | 78% | 100% | 7.1 | $4.41 |
| Program 14 | 0% | 35% | 65% | 0% | 100% | 3.9 | $8.20 |
| Program 15 | 0% | 0% | 100% | 0% | 100% | 5.0 | $5.37 |
| **Weighted Average** | **1%** | **14%** | **42%** | **43%** | **100%** | **5.8** | **$5.75** |

## Exhibit II.5a
## Certified Community Training Centers (CTCs) Included in Analysis
## Distribution of Billed Hours by CTC Staffing Categories/Payment Levels
## North Region

| Level | Level 1 | Level 2 | Level 3 | Level 4 |
|---|---|---|---|---|
| Required Staffing Ratio | 1:1 | 1:2 | 1:5 | 1:8 |
| Hourly Payment Rate Per Person (SFY02) | $20.14 | $13.42 | $5.37 | $3.36 |

| Program Number | Distribution Of Billed Hours By Program | | | | | Program Specific Weighted Average Staffing Ratio | Program Specific Weighted Average Hourly Payment |
|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 4 | Total | Clients: 1 Employee | Payment Per Client |
| Program 1 | 0% | 11% | 51% | 38% | 100% | 5.8 | $5.50 |
| Program 3 | 7% | 37% | 57% | 0% | 100% | 3.6 | $9.30 |
| Program 4 | 0% | 74% | 26% | 0% | 100% | 2.8 | $11.34 |
| Program 13 | 0% | 8% | 14% | 78% | 100% | 7.1 | $4.41 |
| Program 15 | 0% | 0% | 100% | 0% | 100% | 5.0 | $5.37 |
| **Weighted Average** | **1%** | **19%** | **45%** | **36%** | **100%** | **5.5** | **$6.30** |

## Exhibit II.5b
## Certified Community Training Centers (CTCs) Included in Analysis
## Distribution of Billed Hours by CTC Staffing Categories/Payment Levels
## South Region

| Level | Level 1 | Level 2 | Level 3 | Level 4 |
|---|---|---|---|---|
| Required Staffing Ratio | 1:1 | 1:2 | 1:5 | 1:8 |
| Hourly Payment Rate Per Person (SFY02) | $20.14 | $13.42 | $5.37 | $3.36 |

| Program Number | Distribution Of Billed Hours By Program | | | | | Program Specific Weighted Average Staffing Ratio | Program Specific Weighted Average Hourly Payment |
|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 4 | Total | Clients: 1 Employee | Payment Per Client |
| Program 2 | 0% | 3% | 30% | 68% | 100% | 7.0 | $4.21 |
| Program 6 | 4% | 46% | 51% | 0% | 100% | 3.5 | $9.60 |
| Program 7 | 0% | 6% | 0% | 94% | 100% | 7.7 | $3.93 |
| Program 10 | 0% | 49% | 51% | 0% | 100% | 3.5 | $9.32 |
| Program 12 | 0% | 8% | 44% | 48% | 100% | 6.2 | $5.01 |
| **Weighted Average** | **0%** | **9%** | **38%** | **53%** | **100%** | **6.3** | **$5.02** |

## Exhibit II.5c
## Certified Community Training Centers (CTCs) Included in Analysis
## Distribution of Billed Hours by CTC Staffing Categories/Payment Levels
## Rural Region

| Level | Level 1 | Level 2 | Level 3 | Level 4 |
|---|---|---|---|---|
| Required Staffing Ratio | 1:1 | 1:2 | 1:5 | 1:8 |
| Hourly Payment Rate Per Person (SFY02) | $20.14 | $13.42 | $5.37 | $3.36 |

| Program Number | Distribution Of Billed Hours By Program | | | | | Program Specific Weighted Average Staffing Ratio | Program Specific Weighted Average Hourly Payment |
|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 4 | Total | Clients: 1 Employee | Payment Per Client |
| Program 5 | 3% | 5% | 31% | 61% | 100% | 6.6 | $4.92 |
| Program 8 | 0% | 14% | 61% | 24% | 100% | 5.3 | $6.08 |
| Program 9 | 0% | 15% | 85% | 0% | 100% | 4.5 | $6.62 |
| Program 11 | 0% | 58% | 42% | 0% | 100% | 3.3 | $10.04 |
| Program 14 | 0% | 35% | 65% | 0% | 100% | 3.9 | $8.20 |
| **Weighted Average** | **1%** | **19%** | **48%** | **31%** | **100%** | **5.3** | **$6.45** |

## Exhibit II.6
## Certified Community Training Centers (CTCs)
## Inflated Cost Overall and at the Program Level
## Center-Based Programs Only
## All Regions

| | A | | B | | C | | A+B+C |
|---|---|---|---|---|---|---|---|
| **Program Number** | **Program Staff Wages Per Hour Per Person Served*** | | **Program Staff ERE Cost Per Hour Per Person Served*** | | **Indirect Cost Per Hour Per Person Served*** | | **Total Cost Per Hour Per Person Served*** |
| Program 1 | $6.80 | | $1.44 | | $3.97 | | $12.22 |
| Program 2 | $5.32 | | $1.24 | | $2.47 | | $9.03 |
| Program 3 | $3.99 | | $0.74 | | $3.45 | | $8.17 |
| Program 4 | $4.88 | | $0.96 | | $8.04 | | $13.88 |
| Program 5 | $4.84 | | $0.93 | | $3.27 | | $9.03 |
| Program 6 | $4.17 | | $0.97 | | $3.23 | | $8.38 |
| Program 7 | $3.47 | | $0.81 | | $4.92 | | $9.20 |
| Program 8 | $4.27 | | $1.09 | | $1.06 | | $6.41 |
| Program 9 | $8.97 | x | $1.00 | | $19.66 | x | $29.64 |
| Program 10 | $4.70 | | $1.00 | | $2.61 | | $8.31 |
| Program 11 | $4.38 | | $1.11 | | $3.70 | | $9.19 |
| Program 12 | $2.80 | | $1.55 | | $1.89 | | $6.24 |
| Program 13 | $8.59 | | $1.68 | x | $2.43 | | $12.70 |
| Program 14 | $9.52 | x | $1.64 | x | $11.17 | | $22.33 |
| Program 15 | $3.65 | | $0.92 | | $4.92 | | $9.49 |
| **Weighted Average Per Client Hour: Outliers Included** | **$4.47** | | **$1.01** | | **$4.08** | | **$9.56** |
| **Weighted Average Per Client Hour: Outliers Excluded** | **$4.32** | | **$0.99** | | **$3.74** | | **$9.05** |
| Program Count | 15 | | 15 | | 15 | | 15 |
| Highest Value | $9.52 | | $1.68 | | $19.66 | | $29.64 |
| Lowest Value | $2.80 | | $0.74 | | $1.06 | | $6.24 |
| 25th Percentile | $3.99 | | $0.93 | | $2.47 | | $8.31 |
| Median | $4.70 | | $1.00 | | $3.45 | | $9.19 |
| 75th Percentile | $6.80 | | $1.44 | | $4.92 | | $12.70 |
| 95th Percentile | $9.52 | | $1.68 | | $19.66 | | $29.64 |
| Program Average | $5.36 | | $1.14 | | $5.12 | | $11.62 |
| Upper Threshold | $8.92 | | $1.61 | | $12.97 | | |
| Lower Threshold | $0.49 | | $0.40 | | -$6.08 | | |
| Number of Outliers | 2 | | 2 | | 1 | | |

x = Indicates program is an outlier in this category
ERE = Employee Related Expenses
* Inflated to end of December 2003

**Definitions of Calculation Terms Used in Exhibit II.6**

| | |
|---|---|
| **Program Count/Provider Count** | The number of programs (on CTC exhibits) or providers (on SLA exhibits) in the sample. |
| **Highest Value** | Of the values shown for all programs/providers in the column, the number that is the highest value. |
| **Lowest Value** | Of the values shown for all programs/providers in the column, the number that is the lowest value. |
| **25th Percentile** | When the values shown for all programs/providers in the column are divided into four quartiles, the value that is at the top of the first quartile. |
| **Median** | When the values shown for all programs/providers in the column are divided into four quartiles, the value that is at the top of the second quartile. This is also the midpoint of all of the values. |
| **75th Percentile** | When the values shown for all programs/providers in the column are divided into four quartiles, the value that is at the top of the third quartile. |
| **95th Percentile** | When the values shown for all programs/providers in the column are ranked from highest to lowest, the value that is 95% higher than all others in the sample. |
| **Average Per Program/Provider** | Each value in the column represents an average cost per client hour. This value takes an average of all of these averages. Each program/provider carries an equal weight in the average. |
| **Average Per Client Hour** | For the value being calculated in the column, this average is derived by summing the total costs across all providers and dividing by the total client hours across all providers. This value gives higher weight to those providers with more costs and more client hours. |
| **Upper Threshold** | In determining values that fall outside two standard deviations from the mean, any program/provider with an average above this number will be considered a high outlier. |
| **Lower Threshold** | In determining values that fall outside two standard deviations from the mean, any program/provider with an average below this number will be considered a low outlier. |
| **Number of Outliers** | The number of programs/providers that have values that fall above the upper threshold or below the lower threshold. |

**Exhibit II.6a**
**Certified Community Training Centers (CTCs)**
**Inflated Cost Overall and at the Program Level**
**Center-Based Programs Only**
**North Region**

| | A | B | C | A+B+C |
|---|---|---|---|---|
| **Program Number** | **Program Staff Wages Per Hour Per Person Served*** | **Program Staff ERE Cost Per Hour Per Person Served*** | **Indirect Cost Per Hour Per Person Served*** | **Total Cost Per Hour Per Person Served*** |
| Program 1 | $6.80 | $1.44 | $3.97 | $12.22 |
| Program 3 | $3.99 | $0.74 | $3.45 | $8.17 |
| Program 4 | $4.88 | $0.96 | $8.04 | $13.88 |
| Program 13 | $8.59 | $1.68 | $2.43 | $12.70 |
| Program 15 | $3.65 | $0.92 | $4.92 | $9.49 |
| **Weighted Average Per Client Hour: Outliers Included** | **$4.69** | **$0.99** | **$4.44** | **$10.12** |
| **Weighted Average Per Client Hour: Outliers Excluded** | **$4.69** | **$0.99** | **$4.44** | **$10.12** |
| Program Count | 5 | 5 | 5 | 5 |
| Highest Value | $8.59 | $1.68 | $8.04 | $13.88 |
| Lowest Value | $3.65 | $0.74 | $2.43 | $8.17 |
| 25th Percentile | $3.99 | $0.92 | $3.45 | $9.49 |
| Median | $4.88 | $0.96 | $3.97 | $12.22 |
| 75th Percentile | $6.80 | $1.44 | $4.92 | $12.70 |
| 95th Percentile | $8.59 | $1.68 | $8.04 | $13.88 |
| Program Average | $5.58 | $1.15 | $4.56 | $11.29 |
| Upper Threshold | $9.04 | $1.75 | $8.25 | |
| Lower Threshold | $0.72 | $0.17 | -$0.31 | |
| Number of Outliers | 0 | 0 | 0 | |

x = Indicates program is an outlier in this category
ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit II.6b
## Certified Community Training Centers (CTCs)
## Inflated Cost Overall and at the Program Level
## Center-Based Programs Only
## South Region

| Program Number | A<br>Program Staff Wages Per Hour Per Person Served* | B<br>Program Staff ERE Cost Per Hour Per Person Served* | C<br>Indirect Cost Per Hour Per Person Served* | A+B+C<br>Total Cost Per Hour Per Person Served* |
|---|---|---|---|---|
| Program 2 | $5.32 | $1.24 | $2.47 | $9.03 |
| Program 6 | $4.17 | $0.97 | $3.23 | $8.38 |
| Program 7 | $3.47 | $0.81 | $4.92 | $9.20 |
| Program 10 | $4.70 | $1.00 | $2.61 | $8.31 |
| Program 12 | $2.80 | $1.55 | $1.89 | $6.24 |
| **Weighted Average Per Client Hour: Outliers Included** | **$4.03** | **$1.01** | **$3.30** | **$8.35** |
| **Weighted Average Per Client Hour: Outliers Excluded** | **$4.03** | **$1.01** | **$3.30** | **$8.35** |
| Program Count | 5 | 5 | 5 | 5 |
| Highest Value | $5.32 | $1.55 | $4.92 | $9.20 |
| Lowest Value | $2.80 | $0.81 | $1.89 | $6.24 |
| 25th Percentile | $3.47 | $0.97 | $2.47 | $8.31 |
| Median | $4.17 | $1.00 | $2.61 | $8.38 |
| 75th Percentile | $4.70 | $1.24 | $3.23 | $9.03 |
| 95th Percentile | $5.32 | $1.55 | $4.92 | $9.20 |
| Program Average | $4.09 | $1.12 | $3.02 | $8.23 |
| Upper Threshold | $6.16 | $1.58 | $4.94 | |
| Lower Threshold | $2.18 | $0.42 | $0.28 | |
| Number of Outliers | 0 | 0 | 0 | |

x = Indicates program is an outlier in this category
ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit II.6c
## Certified Community Training Centers (CTCs)
## Inflated Cost Overall and at the Program Level
## Center-Based Programs Only
## Rural Region

| | A | B | C | | A+B+C |
|---|---|---|---|---|---|
| **Program Number** | **Program Staff Wages Per Hour Per Person Served*** | **Program Staff ERE Cost Per Hour Per Person Served*** | **Indirect Cost Per Hour Per Person Served*** | | **Total Cost Per Hour Per Person Served*** |
| Program 5 | $4.84 | $0.93 | $3.27 | | $9.03 |
| Program 8 | $4.27 | $1.09 | $1.06 | | $6.41 |
| Program 9 | $8.97 | $1.00 | $19.66 | x | $29.64 |
| Program 11 | $4.38 | $1.11 | $3.70 | | $9.19 |
| Program 14 | $9.52 | $1.64 | $11.17 | | $22.33 |
| **Weighted Average Per Client Hour: Outliers Included** | **$5.72** | **$1.09** | **$6.56** | | **$13.36** |
| **Weighted Average Per Client Hour: Outliers Excluded** | **$5.72** | **$1.09** | **$3.38** | | **$10.19** |
| Program Count | 5 | 5 | 5 | | 5 |
| Highest Value | $9.52 | $1.64 | $19.66 | | $29.64 |
| Lowest Value | $4.27 | $0.93 | $1.06 | | $6.41 |
| 25th Percentile | $4.38 | $1.00 | $3.27 | | $9.03 |
| Median | $4.84 | $1.09 | $3.70 | | $9.19 |
| 75th Percentile | $8.97 | $1.11 | $11.17 | | $22.33 |
| 95th Percentile | $9.52 | $1.64 | $19.66 | | $29.64 |
| Program Average | $6.39 | $1.16 | $7.77 | | $15.32 |
| Upper Threshold | $10.07 | $1.65 | $19.03 | | |
| Lower Threshold | -$0.40 | $0.52 | -$11.63 | | |
| Number of Outliers | 0 | 0 | 1 | | |

x = Indicates program is an outlier in this category
ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit II.7
## Certified Community Training Centers (CTCs)
## Distribution of Costs Across Cost Centers on Program Level
## Center-Based Programs Only
## All Regions

| Program Number | A<br>Program Staff Wages Per Hour Per Person Served* | B<br>Program Staff ERE Cost Per Hour Per Person Served* | C<br>Indirect Cost Per Hour Per Person Served* | A+B+C<br>Total Cost Per Hour Per Person Served* |
|---|---|---|---|---|
| Program 1 | 56% | 12% | 33% | 100% |
| Program 2 | 59% | 14% | 27% | 100% |
| Program 3 | 49% | 9% | 42% | 100% |
| Program 4 | 35% | 7% | 58% | 100% |
| Program 5 | 54% | 10% | 36% | 100% |
| Program 6 | 50% | 12% | 39% | 100% |
| Program 7 | 38% | 9% | 54% | 100% |
| Program 8 | 67% | 17% | 17% | 100% |
| Program 9 | 30% | 3% | 66% | 100% |
| Program 10 | 57% | 12% | 31% | 100% |
| Program 11 | 48% | 12% | 40% | 100% |
| Program 12 | 45% | 25% | 30% | 100% |
| Program 13 | 68% | 13% | 19% | 100% |
| Program 14 | 43% | 7% | 50% | 100% |
| Program 15 | 38% | 10% | 52% | 100% |
| **Weighted Average Per Client Hour: Outliers Included** | **47%** | **11%** | **43%** | **100%** |

ERE = Employee Related Expenses
* Inflated to end of December 2003

**Exhibit II.7a**
**Certified Community Training Centers (CTCs)**
**Distribution of Costs Across Cost Centers on Program Level**
**Center-Based Programs Only**
**North Region**

| | A | B | C | A+B+C |
|---|---|---|---|---|
| **Program Number** | **Program Staff Wages Per Hour Per Person Served*** | **Program Staff ERE Cost Per Hour Per Person Served*** | **Indirect Cost Per Hour Per Person Served*** | **Total Cost Per Hour Per Person Served*** |
| Program 1 | 56% | 12% | 33% | 100% |
| Program 3 | 49% | 9% | 42% | 100% |
| Program 4 | 35% | 7% | 58% | 100% |
| Program 13 | 68% | 13% | 19% | 100% |
| Program 15 | 38% | 10% | 52% | 100% |
| **Weighted Average Per Client Hour: Outliers Included** | **46%** | **10%** | **44%** | **100%** |

ERE = Employee Related Expenses
* Inflated to end of December 2003

**Exhibit II.7b**
**Certified Community Training Centers (CTCs)**
**Distribution of Costs Across Cost Centers on Program Level**
**Center-Based Programs Only**
**South Region**

| Program Number | A<br>Program Staff Wages Per Hour Per Person Served* | B<br>Program Staff ERE Cost Per Hour Per Person Served* | C<br>Indirect Cost Per Hour Per Person Served* | A+B+C<br>Total Cost Per Hour Per Person Served* |
|---|---|---|---|---|
| Program 2 | 59% | 14% | 27% | 100% |
| Program 6 | 50% | 12% | 39% | 100% |
| Program 7 | 38% | 9% | 54% | 100% |
| Program 10 | 57% | 12% | 31% | 100% |
| Program 12 | 45% | 25% | 30% | 100% |
| **Weighted Average Per Client Hour: Outliers Included** | **48%** | **12%** | **40%** | **100%** |

ERE = Employee Related Expenses
* Inflated to end of December 2003

**Exhibit II.7c**
**Certified Community Training Centers (CTCs)**
**Distribution of Costs Across Cost Centers on Program Level**
**Center-Based Programs Only**
**Rural Region**

| Program Number | A<br>Program Staff Wages Per Hour Per Person Served* | B<br>Program Staff ERE Cost Per Hour Per Person Served* | C<br>Indirect Cost Per Hour Per Person Served* | A+B+C<br>Total Cost Per Hour Per Person Served* |
|---|---|---|---|---|
| Program 5 | 54% | 10% | 36% | 100% |
| Program 8 | 67% | 17% | 17% | 100% |
| Program 9 | 30% | 3% | 66% | 100% |
| Program 11 | 48% | 12% | 40% | 100% |
| Program 14 | 43% | 7% | 50% | 100% |
| **Weighted Average Per Client Hour: Outliers Included** | **43%** | **8%** | **49%** | **100%** |

ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit II.8
## Certified Community Training Centers (CTCs) Included in Analysis
## Inflated Program Costs Per Client Hour
## All Regions

| Program Number | Property Insurance | Property Tax | Interest Expense | Trans-portation Expense | Utilities Expense | Telephone/ Comm-unications | Travel, Training, Development | Maintenance/ Repairs | Equipment Purchases | Program/ Office Supplies | Other Expenses | Total Program Costs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Program 1 | $0.05 | $0.00 | $0.00 | $0.04 | $0.18 | $0.06 | $0.02 | $0.03 | $0.00 | $0.20 | $0.00 | $0.58 |
| Program 2 | $0.00 | $0.00 | $0.00 | $0.36 | $0.00 | $0.00 | $0.02 | $0.00 | $0.00 | $0.60 | $0.00 | $0.99 |
| Program 3 | $0.30 | $0.06 | $0.38 | $0.22 | $0.41 | $0.18 | $0.09 | $0.20 | $0.20 | $0.12 | $0.15 | $2.30 |
| Program 4 | $0.07 | $0.00 | $0.00 | $0.25 | $0.51 | $0.21 | $0.00 | $0.00 | $0.00 | $0.17 | $0.35 | $1.55 |
| Program 5 | $0.07 | $0.00 | $0.00 | $0.36 | $0.14 | $0.05 | $0.00 | $0.00 | $0.00 | $0.12 | $0.05 | $0.81 |
| Program 6 | $0.13 | $0.00 | $0.00 | $0.14 | $0.30 | $0.04 | $0.07 | $0.26 | $0.12 | $0.08 | $0.03 | $1.16 |
| Program 7 | $0.18 | $0.00 | $0.00 | $0.11 | $0.58 | $0.10 | $0.20 | $0.27 | $0.06 | $0.20 | $0.06 | $1.75 |
| Program 8 | $0.00 | $0.00 | $0.00 | $0.03 | $0.26 | $0.03 | $0.01 | $0.04 | $0.00 | $0.07 | $0.00 | $0.44 |
| Program 9 | $0.45 | $0.13 | $0.00 | $0.00 | $0.74 | $0.28 | $0.04 | $2.43 | $0.06 | $0.78 | $0.00 | $4.90 |
| Program 10 | $0.00 | $0.00 | $0.00 | $0.30 | $0.08 | $0.05 | $0.02 | $0.09 | $0.00 | $0.11 | $0.00 | $0.65 |
| Program 11 | $0.00 | $0.00 | $0.00 | $0.74 | $0.18 | $0.04 | $0.01 | $0.14 | $0.00 | $0.14 | $0.00 | $1.25 |
| Program 12 | $0.00 | $0.00 | $0.00 | $0.00 | $0.11 | $0.01 | $0.03 | $0.00 | $0.00 | $0.02 | $0.00 | $0.17 |
| Program 13 | $0.02 | $0.00 | $0.00 | $0.05 | $0.09 | $0.11 | $0.06 | $0.10 | $0.00 | $0.23 | $0.00 | $0.66 |
| Program 14 | $0.06 | $0.00 | $0.00 | $0.23 | $0.71 | $0.33 | $0.05 | $0.39 | $0.00 | $0.97 | $0.00 | $2.75 |
| Program 15 | $0.12 | $0.02 | $0.00 | $0.00 | $0.41 | $0.07 | $0.04 | $0.39 | $0.05 | $0.08 | $0.48 | $1.67 |
| **All Programs** | **$0.12** | **$0.01** | **$0.05** | **$0.15** | **$0.32** | **$0.08** | **$0.06** | **$0.24** | **$0.07** | **$0.15** | **$0.11** | **$1.38** |
| **Percent of Total** | **9%** | **1%** | **3%** | **11%** | **24%** | **6%** | **5%** | **18%** | **5%** | **11%** | **8%** | **100%** |

Note: Small differences in totals due to rounding.

## Exhibit II.8a
## Certified Community Training Centers (CTCs) Included in Analysis
## Inflated Program Costs Per Client Hour
## North Region

| Program Number | Property Insurance | Property Tax | Interest Expense | Trans-portation Expense | Utilities Expense | Telephone/ Comm-unications | Travel, Training, Development | Maintenance/ Repairs | Equipment Purchases | Program/ Office Supplies | Other Expenses | Total Program Costs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Program 1 | $0.05 | $0.00 | $0.00 | $0.04 | $0.18 | $0.06 | $0.02 | $0.03 | $0.00 | $0.20 | $0.00 | $0.58 |
| Program 3 | $0.30 | $0.06 | $0.38 | $0.22 | $0.41 | $0.18 | $0.09 | $0.20 | $0.20 | $0.12 | $0.15 | $2.30 |
| Program 4 | $0.07 | $0.00 | $0.00 | $0.25 | $0.51 | $0.21 | $0.00 | $0.00 | $0.00 | $0.17 | $0.35 | $1.55 |
| Program 13 | $0.02 | $0.00 | $0.00 | $0.05 | $0.09 | $0.11 | $0.06 | $0.10 | $0.00 | $0.23 | $0.00 | $0.66 |
| Program 15 | $0.12 | $0.02 | $0.00 | $0.00 | $0.41 | $0.07 | $0.04 | $0.39 | $0.05 | $0.08 | $0.48 | $1.67 |
| **All Programs** | **$0.16** | **$0.03** | **$0.13** | **$0.11** | **$0.36** | **$0.12** | **$0.05** | **$0.21** | **$0.08** | **$0.13** | **$0.25** | **$1.65** |
| **Percent of Total** | **10%** | **2%** | **8%** | **7%** | **22%** | **8%** | **3%** | **13%** | **5%** | **8%** | **15%** | **100%** |

Note: Small differences in totals due to rounding.

## Exhibit II.8b
## Certified Community Training Centers (CTCs) Included in Analysis
## Inflated Program Costs Per Client Hour
## South Region

| Program Number | Property Insurance | Property Tax | Interest Expense | Trans-portation Expense | Utilities Expense | Telephone/ Comm-unications | Travel, Training, Development | Maintenance/ Repairs | Equipment Purchases | Program/ Office Supplies | Other Expenses | Total Program Costs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Program 2 | $0.00 | $0.00 | $0.00 | $0.36 | $0.00 | $0.00 | $0.02 | $0.00 | $0.00 | $0.60 | $0.00 | $0.99 |
| Program 6 | $0.13 | $0.00 | $0.00 | $0.14 | $0.30 | $0.04 | $0.07 | $0.26 | $0.12 | $0.08 | $0.03 | $1.16 |
| Program 7 | $0.18 | $0.00 | $0.00 | $0.11 | $0.58 | $0.10 | $0.20 | $0.27 | $0.06 | $0.20 | $0.06 | $1.75 |
| Program 10 | $0.00 | $0.00 | $0.00 | $0.30 | $0.08 | $0.05 | $0.02 | $0.09 | $0.00 | $0.11 | $0.00 | $0.65 |
| Program 12 | $0.00 | $0.00 | $0.00 | $0.00 | $0.11 | $0.01 | $0.03 | $0.00 | $0.00 | $0.02 | $0.00 | $0.17 |
| **All Programs** | **$0.10** | **$0.00** | **$0.00** | **$0.15** | **$0.29** | **$0.05** | **$0.08** | **$0.20** | **$0.07** | **$0.12** | **$0.02** | **$1.10** |
| **Percent of Total** | **9%** | **0%** | **0%** | **14%** | **26%** | **4%** | **7%** | **18%** | **7%** | **11%** | **2%** | **100%** |

Note: Small differences in totals due to rounding.

## Exhibit II.8c
## Certified Community Training Centers (CTCs) Included in Analysis
## Inflated Program Costs Per Client Hour
## Rural Region

| Program Number | Property Insurance | Property Tax | Interest Expense | Trans-portation Expense | Utilities Expense | Telephone/ Comm-unications | Travel, Training, Development | Maintenance/ Repairs | Equipment Purchases | Program/ Office Supplies | Other Expenses | Total Program Costs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Program 5 | $0.07 | $0.00 | $0.00 | $0.36 | $0.14 | $0.05 | $0.00 | $0.00 | $0.00 | $0.12 | $0.05 | $0.81 |
| Program 8 | $0.00 | $0.00 | $0.00 | $0.03 | $0.26 | $0.03 | $0.01 | $0.04 | $0.00 | $0.07 | $0.00 | $0.44 |
| Program 9 | $0.45 | $0.13 | $0.00 | $0.00 | $0.74 | $0.28 | $0.04 | $2.43 | $0.06 | $0.78 | $0.00 | $4.90 |
| Program 11 | $0.00 | $0.00 | $0.00 | $0.74 | $0.18 | $0.04 | $0.01 | $0.14 | $0.00 | $0.14 | $0.00 | $1.25 |
| Program 14 | $0.06 | $0.00 | $0.00 | $0.23 | $0.71 | $0.33 | $0.05 | $0.39 | $0.00 | $0.97 | $0.00 | $2.75 |
| **All Programs** | **$0.11** | **$0.03** | **$0.00** | **$0.29** | **$0.34** | **$0.11** | **$0.02** | **$0.55** | **$0.01** | **$0.31** | **$0.01** | **$1.76** |
| **Percent of Total** | **6%** | **1%** | **0%** | **16%** | **19%** | **6%** | **1%** | **31%** | **1%** | **17%** | **1%** | **100%** |

Note: Small differences in totals due to rounding.

**Exhibit II.9**
**Certified Community Training Centers (CTCs) Included in Analysis**
**Inflated Administrative Costs Per Client Hour**
**All Regions**

| Program Number | Administrative Personnel | Administrative Employee Related Expenses | Administrative General Expenses | Total Administrative Costs |
|---|---|---|---|---|
| Program 1 | $1.32 | $0.26 | $0.12 | $1.71 |
| Program 2 | $0.00 | $0.00 | $0.02 | $0.02 |
| Program 3 | $0.00 | $0.00 | $0.00 | $0.00 |
| Program 4 | $2.12 | $0.51 | $1.11 | $3.75 |
| Program 5 | $1.20 | $0.29 | $0.63 | $2.12 |
| Program 6 | $0.62 | $0.16 | $0.87 | $1.65 |
| Program 7 | $0.68 | $0.18 | $0.96 | $1.81 |
| Program 8 | $0.00 | $0.00 | $0.00 | $0.00 |
| Program 9 | $0.64 | $0.08 | $0.83 | $1.56 |
| Program 10 | $0.77 | $0.17 | $0.42 | $1.36 |
| Program 11 | $0.84 | $0.19 | $0.46 | $1.49 |
| Program 12 | $0.71 | $0.15 | $0.39 | $1.25 |
| Program 13 | $0.58 | $0.13 | $0.24 | $0.95 |
| Program 14 | $1.03 | $0.24 | $0.42 | $1.69 |
| Program 15 | $1.40 | $0.49 | $0.76 | $2.66 |
| **All Programs** | **$0.75** | **$0.20** | **$0.59** | **$1.53** |
| **Percent of Total** | **49%** | **13%** | **38%** | **100%** |

Note: Small differences in totals due to rounding.

## Exhibit II.9a
## Certified Community Training Centers (CTCs) Included in Analysis
## Inflated Administrative Costs Per Client Hour
## North Region

| Program Number | Administrative Personnel | Administrative Employee Related Expenses | Administrative General Expenses | Total Administrative Costs |
|---|---|---|---|---|
| Program 1 | $1.32 | $0.26 | $0.12 | $1.71 |
| Program 3 | $0.00 | $0.00 | $0.00 | $0.00 |
| Program 4 | $2.12 | $0.51 | $1.11 | $3.75 |
| Program 13 | $0.58 | $0.13 | $0.24 | $0.95 |
| Program 15 | $1.40 | $0.49 | $0.76 | $2.66 |
| **All Programs** | **$0.93** | **$0.27** | **$0.42** | **$1.63** |
| **Percent of Total** | **57%** | **17%** | **26%** | **100%** |

Note: Small differences in totals due to rounding.

## Exhibit II.9b
## Certified Community Training Centers (CTCs) Included in Analysis
## Inflated Administrative Costs Per Client Hour
## South Region

| Program Number | Administrative Personnel | Administrative Employee Related Expenses | Administrative General Expenses | Total Administrative Costs |
|---|---|---|---|---|
| Program 2 | $0.00 | $0.00 | $0.02 | $0.02 |
| Program 6 | $0.62 | $0.16 | $0.87 | $1.65 |
| Program 7 | $0.68 | $0.18 | $0.96 | $1.81 |
| Program 10 | $0.77 | $0.17 | $0.42 | $1.36 |
| Program 12 | $0.71 | $0.15 | $0.39 | $1.25 |
| **All Programs** | **$0.63** | **$0.16** | **$0.74** | **$1.53** |
| **Percent of Total** | **41%** | **10%** | **49%** | **100%** |

Note: Small differences in totals due to rounding.

## Exhibit II.9c
## Certified Community Training Centers (CTCs) Included in Analysis
## Inflated Administrative Costs Per Client Hour
## Rural Region

| Program Number | Administrative Personnel | Administrative Employee Related Expenses | Administrative General Expenses | Total Administrative Costs |
|---|---|---|---|---|
| Program 5 | $1.20 | $0.29 | $0.63 | $2.12 |
| Program 8 | $0.00 | $0.00 | $0.00 | $0.00 |
| Program 9 | $0.64 | $0.08 | $0.83 | $1.56 |
| Program 11 | $0.84 | $0.19 | $0.46 | $1.49 |
| Program 14 | $1.03 | $0.24 | $0.42 | $1.69 |
| **All Programs** | **$0.66** | **$0.14** | **$0.44** | **$1.23** |
| **Percent of Total** | **53%** | **11%** | **35%** | **100%** |

Note: Small differences in totals due to rounding.

**Exhibit II.10**
**Certified Community Training Centers (CTCs) Included in Analysis**
**Inflated Cost of Capital Per Client Hour**
**All Regions**

| Program Number | Mortgage Interest | Rent Payments | Depreciation Expense | Financing Costs | Total Cost of Capital |
|---|---|---|---|---|---|
| Program 1 | $0.00 | $1.47 | $0.22 | $0.00 | $1.68 |
| Program 2 | $0.00 | $1.33 | $0.06 | $0.06 | $1.45 |
| Program 3 | $0.55 | $0.08 | $0.45 | $0.06 | $1.14 |
| Program 4 | $0.00 | $2.59 | $0.16 | $0.00 | $2.74 |
| Program 5 | $0.00 | $0.33 | $0.01 | $0.00 | $0.34 |
| Program 6 | $0.00 | $0.00 | $0.42 | $0.00 | $0.42 |
| Program 7 | $0.00 | $0.00 | $1.36 | $0.00 | $1.36 |
| Program 8 | $0.00 | $0.62 | $0.00 | $0.00 | $0.62 |
| Program 9 | $0.00 | $0.00 | $13.21 | $0.00 | $13.21 |
| Program 10 | $0.00 | $0.57 | $0.03 | $0.00 | $0.60 |
| Program 11 | $0.00 | $0.90 | $0.06 | $0.00 | $0.96 |
| Program 12 | $0.00 | $0.42 | $0.04 | $0.00 | $0.46 |
| Program 13 | $0.00 | $0.76 | $0.07 | $0.00 | $0.83 |
| Program 14 | $0.00 | $6.64 | $0.08 | $0.01 | $6.74 |
| Program 15 | $0.13 | $0.00 | $0.46 | $0.00 | $0.59 |
| **All Programs** | **$0.09** | **$0.40** | **$0.67** | **$0.01** | **$1.17** |
| **Percent of Total** | **7%** | **34%** | **58%** | **1%** | **100%** |

Note: Small differences in totals due to rounding.

**Exhibit II.10a**
**Certified Community Training Centers (CTCs) Included in Analysis**
**Inflated Cost of Capital Per Client Hour**
**North Region**

| Program Number | Mortgage Interest | Rent Payments | Depreciation Expense | Financing Costs | Total Cost of Capital |
|---|---|---|---|---|---|
| Program 1 | $0.00 | $1.47 | $0.22 | $0.00 | $1.68 |
| Program 3 | $0.55 | $0.08 | $0.45 | $0.06 | $1.14 |
| Program 4 | $0.00 | $2.59 | $0.16 | $0.00 | $2.74 |
| Program 13 | $0.00 | $0.76 | $0.07 | $0.00 | $0.83 |
| Program 15 | $0.13 | $0.00 | $0.46 | $0.00 | $0.59 |
| **All Programs** | **$0.23** | **$0.55** | **$0.36** | **$0.02** | **$1.16** |
| **Percent of Total** | **20%** | **47%** | **31%** | **2%** | **100%** |

Note: Small differences in totals due to rounding.

**Exhibit II.10b**
**Certified Community Training Centers (CTCs) Included in Analysis**
**Inflated Cost of Capital Per Client Hour**
**South Region**

| Program Number | Mortgage Interest | Rent Payments | Depreciation Expense | Financing Costs | Total Cost of Capital |
|---|---|---|---|---|---|
| Program 2 | $0.00 | $1.33 | $0.06 | $0.06 | $1.45 |
| Program 6 | $0.00 | $0.00 | $0.42 | $0.00 | $0.42 |
| Program 7 | $0.00 | $0.00 | $1.36 | $0.00 | $1.36 |
| Program 10 | $0.00 | $0.57 | $0.03 | $0.00 | $0.60 |
| Program 12 | $0.00 | $0.42 | $0.04 | $0.00 | $0.46 |
| **All Programs** | **$0.00** | **$0.18** | **$0.49** | **$0.00** | **$0.67** |
| **Percent of Total** | **0%** | **26%** | **73%** | **0%** | **100%** |

Note: Small differences in totals due to rounding.

**Exhibit II.10c**
**Certified Community Training Centers (CTCs) Included in Analysis**
**Inflated Cost of Capital Per Client Hour**
**Rural Region**

| Program Number | Mortgage Interest | Rent Payments | Depreciation Expense | Financing Costs | Total Cost of Capital |
|---|---|---|---|---|---|
| Program 5 | $0.00 | $0.33 | $0.01 | $0.00 | $0.34 |
| Program 8 | $0.00 | $0.62 | $0.00 | $0.00 | $0.62 |
| Program 9 | $0.00 | $0.00 | $13.21 | $0.00 | $13.21 |
| Program 11 | $0.00 | $0.90 | $0.06 | $0.00 | $0.96 |
| Program 14 | $0.00 | $6.64 | $0.08 | $0.01 | $6.74 |
| **All Programs** | **$0.00** | **$0.96** | **$2.60** | **$0.00** | **$3.56** |
| **Percent of Total** | **0%** | **27%** | **73%** | **0%** | **100%** |

Note: Small differences in totals due to rounding.

**Exhibit II.11**
**Certified Community Training Centers (CTCs)**
**Crosswalk of CTC Costs Included in the Analyses of Survey Data and Independent Models**

| | | |
|---|---|---|
| **Program Staff Wages Per Hour** | Total Wages for the following staff categories have been included here: | |
| | *Program Coordinator/Supervisor* | *Audiologist* |
| | *Personal Care Attendant* | *Psychologist* |
| | *Case Manager* | *Respiratory Therapist* |
| | *Vocational Supervisor* | *Other Direct Care Personnel* |
| | *Vocational Trainer* | *Retail Manager* |
| | *Vocational Aide/Job Coach* | *Cashier* |
| | *Job Developers* | *Driver* |
| | *Physical Therapist* | *Housekeeping* |
| | *Occupational Therapist* | *Maintenance/Janitorial* |
| | *Speech Therapist* | *Administrative Assistant* |
| | | *Other Non-Direct Care Personnel* |

| | | |
|---|---|---|
| **Program Staff ERE Per Hour** | Total Employee Related Expenses (ERE) for the same staff categories named above: | |
| | *Required Payroll Taxes* | *Unemployment Compensation* |
| | *Health Insurance* | *Other Fringe Benefits or Employee Start-up Costs* |
| | *Workers Compensation* | |

| | | |
|---|---|---|
| **Indirect Cost Per Hour** | Indirect Costs Per Hour can be divided into three sub-categories: | |
| | ***Program Related Costs*** | ***Administrative Office Costs*** |
| | *Property Insurance* | *Administrator/Owner Wages* |
| | *Real Estate & Property Taxes* | *Adminstrator/Owner Payroll Taxes* |
| | *Interest Expense- Property & Equip.* | *Administrator/Owner Fringe Benefits* |
| | *Maintenance & Repairs* | *Case Mgmt Staff Not Assigned Wages* |
| | *Minor Equipment Purchases* | *Case Mgmt Staff Not Assigned Payroll Taxes* |
| | *Program and Office Supplies* | *Case Mgmt Staff Not Assigned Fringe Benefits* |
| | *Staff Travel, Training, & Development* | *All Other Administrative Staff Wages* |
| | *Telephone & Communications* | *All Other Administrative Staff Payroll Taxes* |
| | *Transportation Expense* | *All Other Administrative Staff Fringe Benefits* |
| | *Utilities* | *Admin Office Rent or Mortgage Interest* |
| | *Other Program Related Costs* | *Admin Office Real Estate & Property Taxes* |
| | | *Admin Office Interest Expense* |
| | | *Admin Office Depreciation Expense* |
| | | *Admin Office Minor Equipment Purchases* |
| | | *Admin Office Staff Travel and Conferences* |
| | | *Admin Office Supplies* |
| | | *Admin Office Utilities* |
| | ***Capital Costs*** | *Communications Expense* |
| | *Mortgage Interest* | *Consulting and Management Fees* |
| | *Rental Payments* | *Contracted Accounting Services* |
| | *Depreciation Expense* | *Contracted Data Services* |
| | *Financing Costs* | *Dues, Subscriptions, Licenses and Fees* |
| | | *Help Wanted/Informational Advertising* |
| | | *Insurance (Business Property and Liability)* |
| | | *Legal Services* |
| | | *Postage/Shipping* |
| | | *Repairs & Maintenance/Cleaning Services* |
| | | *Other Admin Office Expenses* |

**Exhibit II.12**
**Certified Community Training Centers (CTCs)**
**Independent Model Options**
**Summary of Assumptions**

| Assumptions Underlying Independent Model Options | Option 1 | Option 2 | Option 3 | Option 4 (Recommend) |
|---|---|---|---|---|
| **(1) Level of Staffing** | | | | |
| (a) Staffing levels set at the actual FTE level reported by Certified CTCs | YES | YES | | |
| (b) Staffing level assumes 1 direct care staff per 5 clients and 1 supervisor per 10 clients | | | YES | YES |
| **(2) Supervisor Wages** | | | | |
| Supervisor wage is based on Rehabilitation Counselor wage from BLS of $15.31 as of Dec 2000 | YES | YES | YES | YES |
| **(3) Direct Care Wages** | | | | |
| (a) Direct care staff wage based on Social and Human Service Assistants wage from BLS of $12.15 as of Dec 2000 | YES | YES | | |
| (b) Direct care staff wage set equal to the average hourly wage for retail workers in Nevada ($10.50) | | | YES | |
| (c ) Direct care staff wage based on midpoint between Social Service Assistant and Retail workers ($11.33) | | | | YES |
| **(4) Level of Employee Related Expenses (ERE)** | | | | |
| (a) ERE set at 27% based on BLS data | YES | YES | YES | YES |
| **(5) Productivity Adjustment** | | | | |
| (a) Productivity Adjustment for record keeping | YES | YES | YES | YES |
| (b) Productivity Adjustment for training | YES | YES | YES | YES |
| (c) Productivity Adjustment for "no shows" (29 days out of 250) | YES | YES | YES | YES |
| **(6) Non Direct Care Costs (Indirect Program Costs)** | | | | |
| (a) Reflects reported Certified CTC Indirect Program Costs | YES | | | |
| (b) Limited to 20 percent (per Nevada Administrative Code 435.270) | | YES | YES | YES |
| ***Resulting Per Hour Per Client "Cost" (1:5 staffing ratio)*** | **$ 12.25** | **$ 9.89** | **$ 6.85** | **$ 7.16** |

**Exhibit II.13**
**Certified Community Training Centers (CTCs)**
**Independent Model Options**

| | | Option 1: Model based on cost survey data | Option 2: Option 1 with 20% Cap on Admin Costs |
|---|---|---|---|
| | ***** All rates modeled below are based upon a 1:5 staff/client ratio. These rates are then converted at the bottom of the page for 1:1, 1:2, and 1:8 staffing ratios. *****| | |
| ***Part A*** | ***Wages per Hour (BLS wages as of December 2000)*** | | |
| A-1 | **Direct Care Supervisor** | | |
| A-1.1 | Number of Staff per Hour | 0.68 | 0.68 |
| A-1.2 | Hourly Wage [BLS: Rehabilitation Counselor, Nevada statewide] | $ 15.31 | $ 15.31 |
| A-1.3 | Inflated Wages (thru Dec. '03) | $ 17.01 | $ 17.01 |
| A-1.4 | Wage * Staffing Level | $ 11.56 | $ 11.56 |
| A-2 | **Habilitation/Direct Care Staff** | | |
| A-2.1 | Number of Staff per Hour | 1.3 | 1.3 |
| A-2.2 | Hourly Wage [BLS: Soc. & Human Serv Asst, Nevada statewide] | $ 12.15 | $ 12.15 |
| A-2.3 | Hourly Wage [BLS: Retail Worker, Nevada statewide] | | |
| A-2.4 | Hourly Wage [BLS: 50% Soc & Human Serv + 50% Retail Work] | | |
| A-2.5 | Inflated Wages (thru Dec. '03) | $ 13.50 | $ 13.50 |
| A-2.6 | Wage * Staffing Level | $ 17.55 | $ 17.55 |
| A-2.7 | ***Total Wages per Hour*** | ***$ 29.11*** | ***$ 29.11*** |
| ***Part B*** | ***Employee Related Benefits as a Percentage of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | 27% | 27% |
| B-1 | **Direct Care Supervisor** | $ 3.12 | $ 3.12 |
| B-2 | **Habilitation/Direct Care Staff** | $ 4.74 | $ 4.74 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$ 7.86*** | ***$ 7.86*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$ 36.97*** | ***$ 36.97*** |
| ***Part C*** | ***Productivity Assumptions*** | | |
| C-1 | Total hours | 6.00 | 6.00 |
| C-2 | Records/Documentation | 0.25 | 0.25 |
| C-3 | Training | 0.02 | 0.02 |
| C-4 | "No Shows" | 0.12 | 0.12 |
| C-5 | Average on-site "billable hours" | 5.61 | 5.61 |
| C-6 | Productivity Adjustment | 1.07 | 1.07 |
| C-7 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$ 39.54*** | ***$ 39.54*** |
| ***Part D*** | ***Administrative Overhead (as a % of Hourly Wage and ERE)*** | | |
| D-1 | ***Using Actual Program Costs Reported (inflated to Dec 2003)*** | ***$ 21.69*** | |
| D-2 | ***Using Cap of 20% of Total Rate for Administrative Costs*** | | ***$ 9.89*** |
| ***Part E*** | ***Total Cost per Hour*** | ***$ 61.23*** | ***$ 49.43*** |
| | ***Average Cost per Client Hour*** ***(assume average of 5 client hours to 1 staff hour in a 6 hour day)*** | ***$ 12.25*** | ***$ 9.89*** |
| ***Part F*** | **Model Relative to Current Payment Rate** The Percentage that the Independent Model Cost Calculation (Options 1-4) is Above the Current Payment of $5.37 (based on a per client hour and a 1:5 staff-to-client ratio) | 128% | 84% |
| | ***Average Cost per Client Hour (1 client hour to 1 staff hour)*** | ***$ 45.92*** | ***$ 37.07*** |
| | ***Average Cost per Client Hour (2 client hours to 1 staff hour)*** | ***$ 30.62*** | ***$ 24.71*** |
| | ***Average Cost per Client Hour (8 client hours to 1 staff hour)*** | ***$ 7.65*** | ***$ 6.18*** |

**Exhibit II.13**
**Certified Community Training Centers (CTCs)**
**Independent Model Options**

| | | | | *Recommended* | |
|---|---|---|---|---|---|
| | ***** All rates modeled below are based upon a 1:5 staff/client ratio. These rates are then converted at the bottom of the page for 1:1, 1:2, and 1:8 staffing ratios. ***** | **Option 3:** Option 2 with different wage assumption | | **Option 4:** **Blended wage from Options 2 & 3** | |
| ***Part A*** | ***Wages per Hour (BLS wages as of December 2000)*** | | | | |
| A-1 | **Direct Care Supervisor** | | | | |
| A-1.1 | Number of Staff per Hour | | 0.5 | | 0.5 |
| A-1.2 | Hourly Wage [BLS: Rehabilitation Counselor, Nevada statewide] | $ | 15.31 | $ | 15.31 |
| A-1.3 | Inflated Wages (thru Dec. '03) | $ | 17.01 | $ | 17.01 |
| A-1.4 | Wage * Staffing Level | $ | 8.50 | $ | 8.50 |
| A-2 | **Habilitation/Direct Care Staff** | | | | |
| A-2.1 | Number of Staff per Hour | | 1 | | 1 |
| A-2.2 | Hourly Wage [BLS: Soc. & Human Serv Asst, Nevada statewide] | | | | |
| A-2.3 | Hourly Wage [BLS: Retail Worker, Nevada statewide] | $ | 10.50 | | |
| A-2.4 | Hourly Wage [BLS: 50% Soc & Human Serv + 50% Retail Work] | | | $ | 11.33 |
| A-2.5 | Inflated Wages (thru Dec. '03) | $ | 11.66 | $ | 12.58 |
| A-2.6 | Wage * Staffing Level | $ | 11.66 | $ | 12.58 |
| A-2.7 | ***Total Wages per Hour*** | ***$*** | ***20.17*** | ***$*** | ***21.08*** |
| ***Part B*** | ***Employee Related Benefits as a Percentage of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | | 27% | | 27% |
| B-1 | **Direct Care Supervisor** | $ | 2.30 | $ | 2.30 |
| B-2 | **Habilitation/Direct Care Staff** | $ | 3.15 | $ | 3.40 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$*** | ***5.45*** | ***$*** | ***5.69*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$*** | ***25.61*** | ***$*** | ***26.78*** |
| ***Part C*** | ***Productivity Assumptions*** | | | | |
| C-1 | Total hours | | 6.00 | | 6.00 |
| C-2 | Records/Documentation | | 0.25 | | 0.25 |
| C-3 | Training | | 0.02 | | 0.02 |
| C-4 | "No Shows" | | 0.12 | | 0.12 |
| C-5 | Average on-site "billable hours" | | 5.61 | | 5.61 |
| C-6 | Productivity Adjustment | | 1.07 | | 1.07 |
| C-7 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$*** | ***27.39*** | ***$*** | ***28.64*** |
| ***Part D*** | ***Administrative Overhead*** ***(as a % of Hourly Wage and ERE)*** | | | | |
| D-1 | ***Using Actual Program Costs Reported (inflated to Dec 2003)*** | | | | |
| D-2 | ***Using Cap of 20% of Total Rate for Administrative Costs*** | ***$*** | ***6.85*** | ***$*** | ***7.16*** |
| ***Part E*** | ***Total Cost per Hour*** | ***$*** | ***34.24*** | ***$*** | ***35.80*** |
| | ***Average Cost per Client Hour*** ***(assume average of 5 client hours to 1 staff hour in a 6 hour day)*** | ***$*** | ***6.85*** | ***$*** | ***7.16*** |
| ***Part F*** | **Model Relative to Current Payment Rate** | | | | |
| | The Percentage that the Independent Model Cost Calculation (Options 1-4) is Above the Current Payment of $5.37 (based on a per client hour and a 1:5 staff-to-client ratio) | | 28% | | 33% |
| | ***Average Cost per Client Hour*** ***(1 client hour to 1 staff hour)*** | ***$*** | ***25.68*** | ***$*** | ***26.85*** |
| | ***Average Cost per Client Hour*** ***(2 client hours to 1 staff hour)*** | ***$*** | ***17.12*** | ***$*** | ***17.90*** |
| | ***Average Cost per Client Hour*** ***(8 client hours to 1 staff hour)*** | ***$*** | ***4.28*** | ***$*** | ***4.47*** |

**Exhibit II.14**
**Certified Community Training Centers (CTCs)**
**Independent Model if a Comparable State Wage Was Used**

| | | | Comparison State Staff Level for Direct Care Workers |
|---|---|---|---|
| | ***** All rates modeled below are based upon a 1:5 staff/client ratio. These rates are then converted at the bottom of the page for 1:1, 1:2, and 1:8 staffing ratios. ***** | | |
| ***Part A*** | ***Wages per Hour*** | | |
| A-1 | **Direct Care Supervisor** | | |
| A-1.1 | Number of Staff per Hour | | 0.5 |
| A-1.2 | Hourly Wage [Midpoint of Level IV Developmental Support Tech] | $ | 15.31 |
| A-1.3 | Inflated Wages (from July 2002 - Dec 2003) | $ | 16.07 |
| A-1.4 | Wage * Staffing Level | $ | 8.03 |
| A-2 | **Habilitation/Direct Care Staff** | | |
| A-2.1 | Number of Staff per Hour | | 1 |
| A-2.2 | Hourly Wage [Midpoint of Level I Developmental Support Tech] | $ | 13.85 |
| A-2.3 | | | |
| A-2.4 | | | |
| A-2.5 | Inflated Wages (from July 2002 - Dec 2003) | $ | 14.53 |
| A-2.6 | Wage * Staffing Level | $ | 14.53 |
| A-2.7 | ***Total Wages per Hour*** | ***$*** | ***22.57*** |
| ***Part B*** | ***Employee Related Benefits as a Percentage of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | | 27% |
| B-1 | **Direct Care Supervisor** | $ | 2.17 |
| B-2 | **Habilitation/Direct Care Staff** | $ | 3.92 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$*** | ***6.09*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$*** | ***28.66*** |
| ***Part C*** | ***Productivity Assumptions*** | | |
| C-1 | Total hours | | 6.00 |
| C-2 | Records/Documentation | | 0.25 |
| C-3 | Training | | 0.02 |
| C-4 | "No Shows" | | 0.12 |
| C-5 | Average on-site "billable hours" | | 5.61 |
| C-6 | Productivity Adjustment | | 1.07 |
| C-7 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$*** | ***30.65*** |
| ***Part D*** | ***Administrative Overhead*** ***(as a % of Hourly Wage and ERE)*** | | |
| D-1 | ***Using Actual Program Costs Reported (inflated to Dec 2003)*** | | |
| D-2 | ***Using Cap of 20% of Total Rate for Administrative Costs*** | ***$*** | ***7.66*** |
| ***Part E*** | ***Total Cost per Hour*** | ***$*** | ***38.32*** |
| | ***Average Cost per Client Hour*** ***(assume average of 5 client hours to 1 staff hour in a 6 hour day)*** | ***$*** | ***7.66*** |
| ***Part F*** | **Model Relative to Current Payment Rate** | | |
| | The Percentage that the Independent Model Cost Calculation (Options 1-4) is Above the Current Payment of $5.37 (based on a per client hour and a 1:5 staff-to-client ratio) | | 43% |
| | ***Average Cost per Client Hour*** ***(1 client hour to 1 staff hour)*** | ***$*** | ***28.74*** |
| | ***Average Cost per Client Hour*** ***(2 client hours to 1 staff hour)*** | ***$*** | ***19.16*** |
| | ***Average Cost per Client Hour*** ***(8 client hours to 1 staff hour)*** | ***$*** | ***4.79*** |

**SECTION III**
**SUPPORTED LIVING ARRANGEMENTS**

## Background

In State Fiscal Year (SFY) 2001, Nevada paid $16 million for Supported Living Arrangement (SLA) services. These services provide support to people with developmental disabilities so that they can live independently in the community. Direct service hours are paid for by the State on an hour-by-hour basis within three service levels: SLA, Intensive SLA (ISLA) and ISLA+. Exhibit III.1 is an overview of the billing units and current rates per service unit. There are currently 12 different billing units for direct care labor categories that may work at a SLA site. In addition to hourly direct care payments, administrative and transportation costs are reimbursed on a monthly basis. Transportation billing codes are currently in place both to reimburse the cost of provider staff transportation between SLA sites as well as the cost to transport SLA clients to destinations as required in their service plans. The administration billing code is designed to reimburse providers for other programmatic and operational expenses for serving SLA clients that are not related to the direct care worker or to transportation.

## Stakeholder Input

The majority of input received on SLA services were from a qualitative questionnaire that was included with the cost survey sent to SLA providers. Eleven providers submitted qualitative input.

Responses to qualitative questions among SLA providers were similar to those of CTC providers. The most common response among providers was the need for a rate increase and the need for more schedule flexibility. Regarding the rate increases, providers were given the opportunity to explain in detail why they thought the rates were inadequate, but most declined to do so. One area that was mentioned was the need to obtain better reimbursement for client transportation costs and administrative costs.

With regards to measuring quality, providers indicated that they measure individual outcomes and use service plans to ensure quality of services.

Additional information on stakeholder input is included in the Appendix to this report.

## Gap Analysis

The Task Force's evaluation of SLA services has focused on the same gap analysis methodology used for CTC services and discussed in Section II of this report. This included gathering information that allows an assessment of the "gap" between the

current rate levels and the cost of providing services. Four methods were used to measure benchmarks in determining this gap:

- A comparison against findings from the interstate survey
- A comparison against findings from the provider cost survey
- A comparison against findings from the independent market-based models
- A comparison against findings from comparable wages paid to Nevada state employees

These benchmarks are described in more detail below.

Interstate Survey

A significant amount of information was gathered using a survey of other state supported living programs. As was true of CTC services, SLA program statistics may vary widely by state. Rates for supported living services in other states ranged from $6 per hour to over $25 per hour. The lack of standardization in service definitions and programmatic structure is a limiting factor when comparing service rates across states. The scope of SLA services definitions is less broad than that found for CTC services, however, the service structure can have a meaningful impact in rate levels. For instance, Nevada appears to be one of the few states with a monthly add-on amount for the administrative portion of SLA services. Many states include the administrative component in the hourly rate. In addition, the number of homes that a SLA direct care provider visits during the day may influence the hourly payment rates because while costs remain the same, they are distributed across fewer direct care billing hours.

Yet another structural approach to SLA services is the amount of bundling that has occurred. For example, Oklahoma has a bundled-based service amount for the first six hours of service per day. But for those people requiring more than six hours of service per day, an additional per hour service rate may be billed.

A summary of the rates collected from other states is shown in the table on the following page.

**Supported Living Arrangements**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| State | Service | Name | Rate | Per Unit | Standardized to per Hour Unit | Comments |
|---|---|---|---|---|---|---|
| Idaho | Supported Living - Agency | 1. DD Waiver<br>2. ISSH Waiver | $13.02 | per hour | $16.29 | 33% 1 person rate of $13.02 and 33% 2 person rate of $15.96 and 34% 3 person rate of $19.77 |
| | | | $7.98 | per hour | | |
| | | | $6.59 | per hour | | |
| | Supported Living - Independent | DD Waiver | $8.68 | per hour | $9.33 | 50% 1 person rate of $8.68 and 50% 2 person rate of $9.98 |
| | | | $4.99 | per hour | | |
| | Supported Living - Independent | ISSH Waiver | $9.42 | per hour | $10.11 | 50% 1 person rate of $9.42 and 50% 2 person rate of $10.80 |
| | | | $5.40 | per hour | | |
| Indiana | Adult Day Habilitation | Autism Waiver | $8.95 | per individual per 15 minutes | $35.80 | |
| | Residential Habilitation and Support | 1. MR/DD Waiver<br>2. Autism Waiver | $7.47 | per 15 minutes | $29.88 | |
| Kentucky | Community Living Supports | MR/DD Waiver | $8.59 | per 15 minutes | $37.80 | 50% Median rate of $8.59 and 50% of 120% Median rate of $10.31 |
| | | | $10.31 | per 15 minutes | | |
| Minnesota | Residential Habilitation: Supported Living - Children | MR/RC Waiver | $22.33 | per 30 minutes | $44.66 | |
| | Residential Habilitation: In-Home Family Support | MR/RC Waiver | $30.36 | per 30 minutes | $60.72 | |
| Oklahoma | Habilitation Training Specialist (HTS) | 1. DD Waiver<br>2. In-Home Support Waivers (Adults and Children) | $13.82 | per hour | $11.02 | 50% Agency-Based rate of $13.82 and 50% of Independent rate of $8.21 |
| | | | $8.21 | per hour | | |
| | Intensive Personal Supports | 1. DD Waiver<br>2. In-Home Support Waiver (Adults) | $13.82 | per hour | $13.82 | |
| Oregon | In-Home Supports | Aged and Disabled Waiver | $8.06 | per hour | $8.06 | |
| Utah | Community Living Supports | MR/DD Waiver | $337.85 | per day | $28.15 | Converted the per day (assuming per day is equal to 12 hours) rate of $337.85 to $28.15 per hour |

| | |
|---|---|
| **Mean** | **$25.47** |
| **Median** | **$22.22** |

SLA Provider Cost Survey Information

Another data source for the completion of this gap analysis is the cost data that has been collected from a subset of SLA providers. As shown in Exhibit III.2:

- Forty-five of the 57 SLA providers paid by the State in SFY 01 were relatively small providers with payments of less than $100,000. Three of these providers responded to the cost survey.

- Of the twelve providers receiving more than $100,000 during this time period, eight providers completed the cost survey.

- In total, eleven SLA providers responded to the Provider Rate Task Force's cost survey. These eleven providers represent approximately 82 percent of the SLA payments made in SFY 01.

- Data from three of the eleven providers that responded to the cost survey had outstanding issues that prevented it from being included in this report. Therefore, in total, cost data for eight SLA providers was used as the basis for the cost analysis; these providers represent 77 percent of the SLA payments made in SFY 01.

Each SLA provider has multiple sites at which they provide services. Exhibit III.3 is an overview of the geographical distribution of the sites represented by those providers that responded to the cost survey and were included in our analysis. In addition, Exhibit III.3 shows the average number of individuals per site. Overall, 83 sites are located in the North, 119 in the South and 12 in the Rural region. The average number of clients per site across all program sites is 2.6 people. Overall, the rural site locations appear to have a higher number of individuals per service site than either the North or South regions.

The cost information reported by the eight SLA providers included in the analysis is from provider fiscal years ending in 2001. Two of the providers reported cost data for the twelve months ending in June 2001 and the remaining six providers reported data for calendar year 2001. (See Exhibit III.4).

As discussed in Section II, the gap analysis work of the Provider Rates Task Force has focused on two perspectives. Perspective 1 examines how well payment rates cover provider costs. Perspective 2 examines how much the current SFY 02 rates potentially need to increase to cover costs that have been inflated through the midpoint of SFY 04. The average hourly payment rate (SFY 02 rates) for SLA direct care staff and employee related expenses (ERE) is $12.57. The overall cost of direct care services, inflated to the midpoint of SFY 04, is $12.15. Therefore, from both perspectives, the above comparison of the current weighted payment rate per hour to the weighted cost per hour appears to

indicate that the current payment rate is adequate to cover direct care costs. However, this is complicated by two factors:

- The SLA providers receive payment for direct care staff and ERE on an hourly basis for each unit of service provided. However, payments for administrative and travel costs are reimbursed on a monthly basis. Discussions with some SLA providers indicate that there may be substantial combining of funds between monthly and hourly service payments in order to fully cover all costs. Therefore, an analysis of the direct care portion of services alone is not indicative of actual cost coverage. In fact, the weighted total cost per hour (wages, ERE and administrative), inflated to the midpoint of SFY 04, reported by providers was $15.28. The weighted payment rate per hour was $14.93, indicating that 97% of provider costs are currently being covered in the rates paid.

- The State is the primary purchaser of SLA services. In other words, there is an issue of "sole purchaser" of SLA services. Therefore, SLA providers can only incur expenses up to the State's payment in order to remain financially viable. (Note: This is different than CTC services, in which payment shortfalls may be covered by revenues from items produced in CTC centers.) Therefore, the costs reported by SLA providers may not reflect market rates for wages or ERE.

The second factor, what the market level rate for SLA-type services should be, is addressed in the next portion of this Section – the findings of the market-based independent models. However, before leaving the SLA cost analysis section of this report, it should be noted that a detailed analysis of the SLA cost data underlying these weighted average per unit figures was undertaken:

- Exhibit III.5 shows the distribution of SLA direct care billing units by type of staff. This information was used to help evaluate any cost variations that were found. For example, Providers 3 and 4 have significant overnight staff while Provider 5 reports using Lead Staff to deliver a significant portion of direct care. An analysis of staff hours to units of services provided indicates an almost 1:1 ratio regardless of staffing level. The exception to this is case management staff ratio hours, which tend to be 1:1.5. Approximately 80 percent of staff hours billed are for non-supervisory direct care; lead staff hours and overnight staff hours each account for approximately six to eight percent of all SLA staffing hours billed. Case management staff hours accounted for almost five percent of the total hours billed, whereas nursing staff hours accounted for only one percent of SLA staff hours billed.

- The amount of direct care staff provided by Lead Staff varied significantly by region, with a high of 9.5 percent of all direct care hours being provided by

Lead Staff in the South to a low of 1.2 percent of Lead Staff providing direct care staff in the North. (see Exhibits III.5 a – c)

- Exhibit III.6 shows the per hour unit cost for each of the cost components for SLA services. It should be noted that transportation costs and administrative costs, while billed on a monthly basis, are reported here per hour of service delivered. Eighty percent of SLA costs are related to direct care wages and ERE (Exhibit III.7). Of the remaining 20 percent of costs, the majority (16 percent) was reported as Administrative Office costs. The percentage of Administrative costs ranged from nine percent in the South to 27 percent in the Rural Region. However, while this variation was noticeable, the number of providers per region was extremely small and as a result such differences may not be meaningful.

- Exhibits III.8 and III.9 show the cost components that are categorized into non-direct care "Program" costs and non-direct care "Administrative" costs. The data shows that program costs are $0.27 per hour of direct care service and administrative costs are $2.87 per hour of direct care service provided.

Independent Models

As was the case with CTC services, the SLA independent model data presented in this Strategic Plan reflects various assumptions on what the State wants to purchase under this service.

The Independent Models presented in this Strategic Plan (see Exhibit III.11) are based on the assumption that the State will simplify its billing structure for SLA services. Specifically, two key assumptions in the model are different than how the State currently purchases SLA services.

- The 12 hourly billing codes currently in place for direct care workers have been decreased to three—general direct care staff (which includes assumptions for supervisory and case management time), nursing staff, and staff that work at the SLA overnight but remain awake during their shift. The general direct care staff and nursing staff models assume a 1:1 staff/client ratio as was reported by providers in cost survey results. The overnight staff model assumes a 1:3 staffing ratio due to the nature of the time of day that the service is performed.

- The costs of administration and travel incurred by provider staff to travel between SLA sites have been included in the hourly rate proposed in the models.

- The cost of travel incurred transporting clients has not been included in the independent models. Task Force members discussed with the State the developing a reimbursement method for these costs outside of an hourly SLA rate.

The independent models considered by the Task Force assumed the same service delivery structure reported by the providers of SLA services but replaces the wages and benefit levels supported by the current payment rates with market-level wages and benefits. Relative to the CTC Independent Models, the SLA Independent Models are much less complicated because there is no need to address staffing ratios and industry production costs. When this is done, the payment rate for SLA services varies based on the model studied as compared to current payment rates:

- In Option #1 of the general direct care service labor category, the independent model builds an hourly payment of $22.01 that is 45% higher than the current blended SFY 02 payment rate for similar staffing categories. In Option #2 of this labor category, the model builds an hourly payment of $20.75 that is 37% higher. The only difference in the assumptions between Options #1 and #2 lie in the direct care worker staffing hourly wage. In Option #1, the assumption built in is the Bureau of Labor Statistics' (BLS) assumption for a Nevada-specific hourly wage for a Social and Human Services Assistant. In Option #2, the labor category used was a blend of this Social and Human Services Assistant and a Retail Worker. (Exhibit III.11)

- The model built for nursing staff also contains the same assumptions as the general direct care service model with the exception of the hourly rate for the direct care worker. In this case, the assumption is the BLS Nevada-specific hourly rate for a registered nurse. The hourly payment of $42.74 that was built is 52% higher than the current blended payment in SFY 02 (includes $25.75 per hour for direct care and $2.36 for administration). (Exhibit III.12)

- The model built for overnight staff is similar to Option #2 except that the staffing hour built here assumes 100% to the direct service worker category instead of 88% direct care and 12% supervisory as built in Option #2. However, the hourly wage for the direct care worker assumed in the overnight staff model is the same as in Option #2. It is important to note again that the main difference assumed in the overnight model is a 1:3 staffing ratio versus a 1:1 staffing ratio that is assumed in the other models. In other words, this model assumes a SLA home that has three clients overnight will only require one staff person to remain in the home overnight. Currently, providers' staff in some SLA homes may sleep during the overnight shift while others must remain awake. This model assumes that the staff member must stay awake. If in the past the staff must stay awake, they were paid the regular daytime direct care rate during the overnight hours. Consequently, for this model, the

proposed model rate would be 38% lower than the current blended payment in SFY 02 (includes $8.24 per hour for direct care and $2.36 for administration). (Exhibit III.12)

Other considerations SLA services that are parallel to those considered for CTC services in the development of all of the models mentioned above are described below.

- The level of staffing (the number of full-time equivalents or FTEs) per billing unit. In this case the billing unit is per hour per client. For the general direct care worker models, the staffing level assumptions assume a weighted average of 88% of every hour will be performed by direct care staff and 12% of every hour will be performed by a direct care supervisor or case manager. These percentages were based upon information reported by SLA providers on the cost surveys that were submitted to the Task Force (reported under the current structure as "Lead Staff" or "Case Manager" billing units).

- The wage level for supervisory and direct care staff. Wage information from the Bureau of Labor Statistics (BLS) was used to evaluate the appropriate staffing wages. Assumptions were made to base wages on either (1) wages for similar occupations to SLA reported by BLS and identified by Task Force Members as comparable to their SLA staffing descriptions and (2) wages for occupations that compete for direct care workers (e.g., retail workers).

- The amount of employee related expenses (ERE) built into the rate. All models assume an ERE percentage of 27% based on input from Task Force members and State staff serving as Task Force Coordinators. This percentage would included benefits such as paid vacation, paid sick leave, holiday pay, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.

- The amount of non-billable time spent by staff (referred to in the Independent Models as a "productivity adjustment". Productivity adjustments were made to reflect the time that staff is completing required documentation and record keeping (30 minutes per day) as well as staff training time.

- The percentage of the service cost that should result from non-direct care activities. In every model proposed, this percentage was held at 15% of the hourly direct care and ERE costs.

The Independent Model is best used as a methodology to price out what the State wants to purchase when they contract for a specific service. The options presented have been reviewed with staff liaisons from the Department of Human Resources and the Division of Mental Health and Developmental Services.

Comparable Wages Paid to Nevada State Employees

Just as was reported by CTC providers, the Task Force heard from many SLA providers that one of the barriers they have to retaining employees is the competitive hourly rates paid by comparable State of Nevada employees as well as the benefits package offered by the State. In considering appropriate hourly wages for the independent models, the Task Force researched the hourly wages paid for staffing categories in the State that were similar to those hired by SLA providers. Of the six categories reviewed that appeared most similar, the Task Force, in consultation with Dr. Luke of Sierra Regional Center, determined that the Developmental Support Tech position at the State best represented the staff hired by SLA providers. Of the four levels within this category, Level I most suited the direct care staff and Level IV most suited the direct care supervisor. The current hourly range for a Level I Developmental Support Tech is $11.65 - $16.06 per hour; for Level IV, the range is $14.79 - $20.74. These wages are in effect as of July 1, 2002.

The Task Force selected the midpoint of each of these ranges and input these into the independent model (inflation was added to December 2003 to match the other independent models). With all other assumptions remaining the same, the model using comparable state wages was $23.48 per client per hour, or 55% higher than the current weighted hourly payment in SFY 02 (see Exhibit III.13). The hourly rate in this model is higher than the two independent model options studied using Bureau of Labor Statistics wage data for the general direct care worker labor category.

# Supported Living Arrangement (SLA) Exhibits

# Supported Living Arrangement (SLA)
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**Exhibit III.1**
**Supported Living Arrangement (SLA) Billing Units**

| LEVEL | REQUIREMENTS | EFF. 10/1/01 3% of FY 01 RATES | FY 01 RATES | UNIT |
|---|---|---|---|---|
| Direct Contact Staff | HS degree | $ 12.64 | $ 12.27 | Hour |
| Direct Contact Staff | Training 30 hrs | $ 12.89 | $ 12.51 | Hour |
| Supervisory Lead Staff | HS degree & 30 hrs trng | $ 13.65 | $ 13.25 | Hour |
| Certified Direct Contact Staff-CNA* | CNA certification | $ 13.58 | $ 13.18 | Hour |
| Certified Direct Contact Staff* | MRT certified or comm equiv 175 hrs +1 yr exp For direct contact staff in intensive supported living arrangements | $ 14.67 | $ 14.24 | Hour |
| Supervisory Lead Staff or LPN* | Certified MRT equiv Licensed LPN | $ 16.57 | $ 16.09 | Hour |
| Casemanager | High school, see waiver | $ 16.22 | $ 15.75 | Hour |
| BA Casemanager* | BA with QMRP qualifications | $ 21.31 | $ 20.69 | Hour |
| Nursing | | $ 25.75 | $ 25.04 | Hour |
| "Laura the Nurse" (Psych Clinic) | | $ 25.75 | $ 25.00 | Hour |
| Overnight (Asleep Coverage) | | $ 8.24 | $ 8.00 | Hour |
| Zone Coverage | | $ 12.89 | $ 12.51 | Hour |
| Administrative Rates | AAMR Levels 1-3 | $ 186.56 | $ 181.13 | Month |
| Administrative Rates* | AAMR Level 4 (Pervasive supports) determined by regional center assessment using NC-SNAP | $ 348.14 | $ 338.00 | Month |
| Personal Needs | | $ 134.93 | $ 131.00 | Month |
| Staff Travel | | $ 13.39 | $ 13.00 | Month |

* Added FY 00

## Exhibit III.2
## Supported Living Arrangement (SLA)
## Historical Payments and Participation in Cost Surveys

| Aggregate State Fiscal Year 2001 (SFY 01) Payments | Number of SLA Providers | Aggregate Historical SFY 01 Payments | Number of SLA Providers That Submitted Cost Data |
|---|---|---|---|
| $1,000,000 or more | 4 | $10.6 million | 4 |
| $100, 000 - $999,999 | 8 | $4.1 million | 4 |
| Less than $100,000 | 45 | $1.3 million | 3 |
| **Total** | **57** | **$16.0 million** | **11** |

| | | |
|---|---|---|
| Number of SLA Providers Responding to Cost Survey and Their Aggregate Historical Payments | **$13.2 million** | **11** |
| Percentage of Historical Payments Represented by Reporting SLA Providers | **82%** | |

| | | |
|---|---|---|
| Number of SLA Providers Included in Analysis and Their Aggregate Historical Payments | **$12.3 million** | **8*** |
| Percentage of Historical Payments Included in Analysis | **77%** | |

* Three providers submitted cost survey data but are not in analysis because data issues could not be resolved.

## Exhibit III.3
## Supported Living Arrangement (SLA) Providers Included in Analysis
## Distribution by SLA Program Type and Location

| Region | SLA | | | ISLA | | | ISLA+ | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sites | Individuals Served | Individuals per Site | Sites | Individuals Served | Individuals per Site | Sites | Individuals Served | Individuals per Site | Sites | Individuals Served | Individuals per Site |
| **North** | 79 | 178 | 2.3 | 4 | 10 | 2.5 | 0 | 0 | 0.0 | 83 | 188 | 2.3 |
| **South** | 77 | 119 | 1.5 | 37 | 151 | 4.1 | 5 | 20 | 4.0 | 119 | 290 | 2.4 |
| **Rural** | 7 | 63 | 9.0 | 4 | 15 | 3.8 | 1 | 4 | 4.0 | 12 | 82 | 6.8 |
| **All Regions** | **163** | **360** | **2.2** | **45** | **176** | **3.9** | **6** | **24** | **4.0** | **214** | **560** | **2.6** |

## Exhibit III.4
## Supported Living Arrangement (SLA) Providers Included in Analysis
## Distribution of Time Periods For Which Cost Data Was Reported

| Time Period of Cost Data from SLAs Included in Analysis | | | Number of SLAs |
|---|---|---|---|
| **Start Date** | | **End Date** | |
| July 1, 2000 | to | June 30, 2001 | 2 |
| January 1, 2001 | to | December 31, 2001 | 6 |

## Exhibit III.5
## Percent Distribution of Supported Living Arrangement (SLA) Labor Billing Units (Staffing Hours) Reported
## All Regions

| Provider Number | Lead Staff | Direct Services | Overnight Staff | Nursing Staff | Case Management | Total |
|---|---|---|---|---|---|---|
| Provider 1 | 4.8% | 90.0% | 0.2% | 1.0% | 4.0% | **100.0%** |
| Provider 2 | 8.4% | 75.4% | 9.9% | 1.1% | 5.1% | **100.0%** |
| Provider 3 | 0.0% | 69.7% | 25.4% | 0.6% | 4.3% | **100.0%** |
| Provider 4 | 8.8% | 66.7% | 16.5% | 0.9% | 7.2% | **100.0%** |
| Provider 5 | 38.4% | 60.7% | 0.9% | 0.0% | 0.0% | **100.0%** |
| Provider 6 | 4.9% | 94.4% | 0.0% | 0.6% | 0.1% | **100.0%** |
| Provider 7 | 0.0% | 86.1% | 0.0% | 1.7% | 12.2% | **100.0%** |
| Provider 8 | 3.4% | 81.4% | 2.5% | 1.3% | 11.4% | **100.0%** |
| **Total** | **6.6%** | **79.9%** | **7.9%** | **1.0%** | **4.6%** | **100.0%** |

## Exhibit III.5a
## Percent Distribution of Supported Living Arrangement (SLA) Labor Billing Units (Staffing Hours) Reported
## North Region

| Provider Number | Lead Staff | Direct Services | Overnight Staff | Nursing Staff | Case Management | Total |
|---|---|---|---|---|---|---|
| Provider 1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 2 | 0.0% | 72.0% | 21.8% | 2.2% | 4.0% | **100.0%** |
| Provider 3 | 0.0% | 69.7% | 25.4% | 0.6% | 4.3% | **100.0%** |
| Provider 4 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 5 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 6 | 5.1% | 94.2% | 0.0% | 0.6% | 0.1% | **100.0%** |
| Provider 7 | 0.0% | 86.1% | 0.0% | 1.7% | 12.2% | **100.0%** |
| Provider 8 | 3.4% | 81.4% | 2.5% | 1.3% | 11.4% | **100.0%** |
| **Total** | **1.2%** | **75.5%** | **16.4%** | **1.5%** | **5.4%** | **100.0%** |

## Exhibit III.5b
## Percent Distribution of Supported Living Arrangement (SLA) Labor Billing Units (Staffing Hours) Reported
## South Region

| Provider Number | Lead Staff | Direct Services | Overnight Staff | Nursing Staff | Case Management | Total |
|---|---|---|---|---|---|---|
| Provider 1 | 4.8% | 90.0% | 0.2% | 1.0% | 4.0% | **100.0%** |
| Provider 2 | 18.2% | 74.2% | 2.3% | 0.2% | 5.2% | **100.0%** |
| Provider 3 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 4 | 8.8% | 66.7% | 16.5% | 0.9% | 7.2% | **100.0%** |
| Provider 5 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 6 | 4.7% | 94.5% | 0.0% | 0.8% | 0.0% | **100.0%** |
| Provider 7 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 8 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| **Total** | **9.5%** | **80.5%** | **4.9%** | **0.7%** | **4.4%** | **100.0%** |

## Exhibit III.5c
## Percent Distribution of Supported Living Arrangement (SLA) Labor Billing Units (Staffing Hours) Reported
## Rural Region

| Provider Number | Lead Staff | Direct Services | Overnight Staff | Nursing Staff | Case Management | Total |
|---|---|---|---|---|---|---|
| Provider 1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 2 | 5.1% | 83.5% | 3.2% | 1.2% | 7.0% | **100.0%** |
| Provider 3 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 4 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 5 | 38.4% | 60.7% | 0.9% | 0.0% | 0.0% | **100.0%** |
| Provider 6 | 5.1% | 94.3% | 0.0% | 0.2% | 0.4% | **100.0%** |
| Provider 7 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| Provider 8 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | **0.0%** |
| **Total** | **6.4%** | **86.8%** | **1.9%** | **0.8%** | **4.2%** | **100.0%** |

## Exhibit III.6
## Supported Living Arrangement (SLA)
## Inflated Cost Overall and at the Provider Level
## All SLA Program Types Combined
## All Regions

| Provider Number | A<br>Total Wages*<br>Cost Per Unit | B<br>ERE*<br>Cost Per Unit | | C = A+B<br>Personnel Total*<br>Cost Per Unit | D<br>Staff Travel*<br>Cost Per Unit | | E<br>Trans-portation*<br>Cost Per Unit | F<br>Program*<br>Cost Per Unit | G<br>Admin Office*<br>Cost Per Unit | | H = D+E+F+G<br>Non-Personnel Total*<br>Cost Per Unit | I = C+H<br>Total Costs*<br>Cost Per Unit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Provider 1 | $9.56 | $2.71 | | $12.27 | $0.22 | | $0.26 | $0.18 | $2.85 | | $3.50 | $15.77 |
| Provider 2 | $10.36 | $1.63 | | $11.99 | $0.24 | | $0.05 | $0.16 | $2.63 | | $3.07 | $15.07 |
| Provider 3 | $9.36 | $1.46 | | $10.82 | $0.11 | | $0.06 | $0.15 | $1.57 | | $1.89 | $12.70 |
| Provider 4 | $10.63 | $2.07 | | $12.70 | $0.28 | | $0.46 | $0.31 | $2.53 | | $3.58 | $16.28 |
| Provider 5 | $11.50 | $2.31 | | $13.82 | $1.39 | x | | $0.52 | $0.98 | | $2.89 | $16.71 |
| Provider 6 | $9.41 | $1.99 | | $11.40 | $0.14 | | $0.13 | $0.44 | $2.12 | | $2.83 | $14.23 |
| Provider 7 | $12.92 | $1.95 | | $14.88 | | | | $0.51 | $1.20 | | $1.72 | $16.59 |
| Provider 8 | $12.96 | $6.97 | x | $19.93 | $0.34 | | $0.33 | $0.64 | $8.75 | x | $10.06 | $30.00 |
| **Weighted Average with Outliers Included** | **$10.21** | **$2.26** | | **$12.48** | **$0.23** | | **$0.17** | **$0.27** | **$2.87** | | **$3.54** | **$16.02** |
| **Weighted Average with Outliers Excluded** | **$10.21** | **$1.94** | | **$12.15** | **$0.22** | | **$0.17** | **$0.27** | **$2.46** | | **$3.13** | **$15.28** |
| Provider Count | 8 | 8 | | 8 | 7 | | 6 | 8 | 8 | | 8 | 8 |
| Highest Value | $12.96 | $6.97 | | $19.93 | $1.39 | | $0.46 | $0.64 | $8.75 | | $9.39 | $30.00 |
| Lowest Value | $9.36 | $1.46 | | $10.82 | $0.11 | | $0.05 | $0.15 | $0.98 | | $1.51 | $12.70 |
| 25th Percentile | $9.48 | $1.79 | | $11.70 | $0.14 | | $0.06 | $0.17 | $1.38 | | $1.72 | $14.65 |
| Median | $10.50 | $2.03 | | $12.48 | $0.24 | | $0.19 | $0.37 | $2.33 | | $2.68 | $16.03 |
| 75th Percentile | $12.21 | $2.51 | | $14.35 | $0.34 | | $0.33 | $0.52 | $2.74 | | $2.93 | $16.65 |
| 95th Percentile | $12.96 | $6.97 | | $19.93 | $1.39 | | $0.46 | $0.64 | $8.75 | | $9.39 | $30.00 |
| Provider Average | $10.84 | $2.64 | | $13.47 | $0.39 | | $0.21 | $0.37 | $2.83 | | $3.19 | $17.17 |
| Upper Threshold | $13.47 | $5.62 | | | $1.13 | | $0.52 | $0.76 | $7.30 | | | |
| Lower Threshold | $7.53 | -$1.56 | | | -$0.66 | | -$0.14 | -$0.01 | -$2.65 | | | |
| Number of Outliers | 0 | 1 | | | 1 | | 0 | 0 | 1 | | | |

x = Indicates program is an outlier in this category
ERE = Employee Related Expenses
* Inflated to end of December 2003

**Definitions of Calculation Terms Used in Exhibit III.6**

| | |
|---|---|
| **Program Count/Provider Count** | The number of programs (on CTC exhibits) or providers (on SLA exhibits) in the sample. |
| **Highest Value** | Of the values shown for all programs/providers in the column, the number that is the highest value. |
| **Lowest Value** | Of the values shown for all programs/providers in the column, the number that is the lowest value. |
| **25th Percentile** | When the values shown for all programs/providers in the column are divided into four quartiles, the value that is at the top of the first quartile. |
| **Median** | When the values shown for all programs/providers in the column are divided into four quartiles, the value that is at the top of the second quartile. This is also the midpoint of all of the values. |
| **75th Percentile** | When the values shown for all programs/providers in the column are divided into four quartiles, the value that is at the top of the third quartile. |
| **95th Percentile** | When the values shown for all programs/providers in the column are ranked from highest to lowest, the value that is 95% higher than all others in the sample. |
| **Average Per Program/Provider** | Each value in the column represents an average cost per client hour. This value takes an average of all of these averages. Each program/provider carries an equal weight in the average. |
| **Average Per Client Hour** | For the value being calculated in the column, this average is derived by summing the total costs across all providers and dividing by the total client hours across all providers. This value gives higher weight to those providers with more costs and more client hours. |
| **Upper Threshold** | In determining values that fall outside two standard deviations from the mean, any program/provider with an average above this number will be considered a high outlier. |
| **Lower Threshold** | In determining values that fall outside two standard deviations from the mean, any program/provider with an average below this number will be considered a low outlier. |
| **Number of Outliers** | The number of programs/providers that have values that fall above the upper threshold or below the lower threshold. |

# Exhibit III.6a
# Supported Living Arrangement (SLA)
# Inflated Cost Overall and at the Provider Level
# All SLA Program Types Combined
# North Region

| | A | B | | C = A+B | D | E | F | G | | H = D+E+F+G | I = C+H |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Provider Number** | **Total Wages*** **Cost Per Unit** | **ERE*** **Cost Per Unit** | | **Personnel Total*** **Cost Per Unit** | **Staff Travel*** **Cost Per Unit** | **Trans-portation*** **Cost Per Unit** | **Program*** **Cost Per Unit** | **Admin Office*** **Cost Per Unit** | | **Non-Personnel Total*** **Cost Per Unit** | **Total Costs*** **Cost Per Unit** |
| Provider 2 | $9.32 | $1.51 | | $10.83 | $0.14 | $0.11 | $0.05 | $2.35 | | $2.65 | $13.48 |
| Provider 3 | $9.36 | $1.46 | | $10.82 | $0.11 | $0.06 | $0.15 | $1.57 | | $1.89 | $12.70 |
| Provider 6 | $9.93 | $2.13 | | $12.07 | $0.19 | | $0.43 | $2.22 | | $2.84 | $14.90 |
| Provider 7 | $12.92 | $1.95 | | $14.88 | | | $0.51 | $1.20 | | $1.72 | $16.59 |
| Provider 8 | $12.96 | $6.97 | x | $19.93 | $0.34 | $0.33 | $0.64 | $8.75 | x | $10.06 | $30.00 |
| **Weighted Average with Outliers Included** | **$10.18** | **$2.73** | | **$12.92** | **$0.18** | **$0.15** | **$0.23** | **$3.55** | | **$4.12** | **$17.03** |
| **Weighted Average with Outliers Excluded** | **$10.18** | **$1.56** | | **$11.75** | **$0.18** | **$0.15** | **$0.23** | **$2.12** | | **$2.68** | **$14.43** |
| Provider Count | 5 | 5 | | 5 | 4 | 3 | 5 | 5 | | 5 | 5 |
| Highest Value | $12.96 | $6.97 | | $19.93 | $0.34 | $0.33 | $0.64 | $8.75 | | $9.39 | $30.00 |
| Lowest Value | $9.32 | $1.46 | | $10.82 | $0.11 | $0.06 | $0.05 | $1.20 | | $1.72 | $12.70 |
| 25th Percentile | $9.36 | $1.51 | | $10.83 | $0.12 | $0.06 | $0.15 | $1.57 | | $1.72 | $13.48 |
| Median | $9.93 | $1.95 | | $12.07 | $0.16 | $0.11 | $0.43 | $2.22 | | $2.40 | $14.90 |
| 75th Percentile | $12.92 | $2.13 | | $14.88 | $0.26 | $0.33 | $0.51 | $2.35 | | $2.65 | $16.59 |
| 95th Percentile | $12.96 | $6.97 | | $19.93 | $0.34 | $0.33 | $0.64 | $8.75 | | $9.39 | $30.00 |
| Provider Average | $10.90 | $2.80 | | $13.70 | $0.19 | $0.17 | $0.36 | $3.22 | | $3.58 | $17.54 |
| Upper Threshold | $13.69 | $6.65 | | | $0.37 | $0.40 | $0.93 | $8.48 | | | |
| Lower Threshold | $6.17 | -$2.75 | | | -$0.04 | -$0.18 | -$0.07 | -$4.03 | | | |
| Number of Outliers | 0 | 1 | | | 0 | 0 | 0 | 1 | | | |

x = Indicates program is an outlier in this category
ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit III.6b
## Supported Living Arrangement (SLA)
## Inflated Cost Overall and at the Provider Level
## All SLA Program Types Combined
## South Region

| Provider Number | A<br>Total Wages*<br>Cost Per Unit | B<br>ERE*<br>Cost Per Unit | C = A+B<br>Personnel Total*<br>Cost Per Unit | D<br>Staff Travel*<br>Cost Per Unit | E<br>Trans-portation*<br>Cost Per Unit | F<br>Program*<br>Cost Per Unit | G<br>Admin Office*<br>Cost Per Unit | H = D+E+F+G<br>Non-Personnel Total*<br>Cost Per Unit | I = C+H<br>Total Costs*<br>Cost Per Unit |
|---|---|---|---|---|---|---|---|---|---|
| Provider 1 | $9.56 | $2.71 | $12.27 | $0.22 | $0.26 | $0.18 | | $0.66 | $12.93 |
| Provider 2 | $11.00 | $1.78 | $12.78 | $0.23 | $0.01 | $0.22 | $1.53 | $1.99 | $14.77 |
| Provider 4 | $10.63 | $2.07 | $12.70 | $0.28 | $0.46 | $0.31 | | $1.05 | $13.75 |
| Provider 6 | $9.53 | $1.98 | $11.51 | $0.10 | $0.22 | $0.49 | $1.06 | $1.87 | $13.38 |
| **Weighted Average with Outliers Included** | **$10.23** | **$2.15** | **$12.37** | **$0.22** | **$0.23** | **$0.28** | **$1.33** | **$2.07** | **$14.44** |
| **Weighted Average with Outliers Excluded** | **$10.23** | **$2.15** | **$12.37** | **$0.22** | **$0.23** | **$0.28** | **$1.33** | **$2.07** | **$14.44** |
| Provider Count | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 4 | 4 |
| Highest Value | $11.00 | $2.71 | $12.78 | $0.28 | $0.46 | $0.49 | $1.53 | $1.75 | $14.77 |
| Lowest Value | $9.53 | $1.78 | $11.51 | $0.10 | $0.01 | $0.18 | $1.06 | $0.18 | $12.93 |
| 25th Percentile | $9.54 | $1.88 | $11.89 | $0.16 | $0.12 | $0.20 | $1.06 | $0.24 | $13.15 |
| Median | $10.09 | $2.02 | $12.48 | $0.23 | $0.24 | $0.26 | $1.29 | $0.93 | $13.56 |
| 75th Percentile | $10.81 | $2.39 | $12.74 | $0.26 | $0.36 | $0.40 | $1.53 | $1.65 | $14.26 |
| 95th Percentile | $11.00 | $2.71 | $12.78 | $0.28 | $0.46 | $0.49 | $1.53 | $1.75 | $14.77 |
| Provider Average | $10.18 | $2.13 | $12.31 | $0.21 | $0.24 | $0.30 | $1.29 | $0.94 | $13.71 |
| Upper Threshold | $11.59 | $2.83 | | $0.38 | $0.61 | $0.54 | $1.96 | | |
| Lower Threshold | $8.60 | $1.21 | | $0.08 | -$0.13 | -$0.01 | $0.62 | | |
| Number of Outliers | 0 | 0 | | 0 | 0 | 0 | 0 | | |

ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit III.6c
## Supported Living Arrangement (SLA)
## Inflated Cost Overall and at the Provider Level
## All SLA Program Types Combined
## Rural Region

| | A | B | C = A+B | D | E | F | G | H = D+E+F+G | I = C+H |
|---|---|---|---|---|---|---|---|---|---|
| **Provider Number** | **Total Wages*** | **ERE*** | **Personnel Total*** | **Staff Travel*** | **Trans-portation*** | **Program*** | **Admin Office*** | **Non-Personnel Total*** | **Total Costs*** |
| | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** |
| Provider 2 | $10.99 | $1.57 | $12.56 | $0.42 | $0.00 | $0.25 | $5.11 | $5.77 | $18.33 |
| Provider 5 | $11.50 | $2.31 | $13.82 | $1.39 | | $0.52 | | $1.91 | $15.73 |
| Provider 6 | $8.93 | $1.95 | $10.88 | $0.18 | $0.01 | $0.36 | $4.09 | $4.65 | $15.53 |
| **Weighted Average with Outliers Included** | **$10.22** | **$1.75** | **$11.96** | **$0.36** | **$0.01** | **$0.30** | **$4.70** | **$5.37** | **$17.33** |
| **Weighted Average with Outliers Excluded** | **$10.22** | **$1.75** | **$11.96** | **$0.36** | **$0.01** | **$0.30** | **$4.70** | **$5.37** | **$17.33** |
| Provider Count | 3 | 3 | 3 | 3 | 2 | 3 | 2 | 3 | 3 |
| Highest Value | $11.50 | $2.31 | $13.82 | $1.39 | $0.01 | $0.52 | $5.11 | $5.35 | $18.33 |
| Lowest Value | $8.93 | $1.57 | $10.88 | $0.18 | $0.00 | $0.25 | $4.09 | $0.52 | $15.53 |
| 25th Percentile | $8.93 | $1.57 | $10.88 | $0.18 | $0.00 | $0.25 | $4.09 | $0.52 | $15.53 |
| Median | $10.99 | $1.95 | $12.56 | $0.42 | $0.01 | $0.36 | $4.60 | $4.46 | $15.73 |
| 75th Percentile | $11.50 | $2.31 | $13.82 | $1.39 | $0.01 | $0.52 | $5.11 | $5.35 | $18.33 |
| 95th Percentile | $11.50 | $2.31 | $13.82 | $1.39 | $0.01 | $0.52 | $5.11 | $5.35 | $18.33 |
| Provider Average | $10.47 | $1.94 | $12.42 | $0.66 | $0.01 | $0.38 | $4.60 | $3.45 | $16.53 |
| Upper Threshold | $13.72 | $2.70 | | $1.70 | $0.02 | $0.64 | $6.04 | | |
| Lower Threshold | $8.27 | $1.21 | | -$0.87 | $0.00 | $0.08 | $3.17 | | |
| Number of Outliers | 0 | 0 | | 0 | 0 | 0 | 0 | | |

ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit III.7
## Supported Living Arrangement (SLA)
## Inflated Total Cost by Categories
## All SLA Program Types Combined
## All Regions

| Provider Number | A<br>Total Wages*<br>Cost Per Unit | B<br>ERE*<br>Cost Per Unit | C = A+B<br>Personnel Total*<br>Cost Per Unit | D<br>Staff Travel*<br>Cost Per Unit | E<br>Trans-portation*<br>Cost Per Unit | F<br>Program*<br>Cost Per Unit | G<br>Admin Office*<br>Cost Per Unit | H = D+E+F+G<br>Non-Personnel Total*<br>Cost Per Unit | I = C+H<br>Total Costs*<br>Cost Per Unit |
|---|---|---|---|---|---|---|---|---|---|
| Provider 1 | 61% | 17% | 78% | 1% | 2% | 1% | 18% | 22% | 100% |
| Provider 2 | 69% | 11% | 80% | 2% | 0% | 1% | 17% | 20% | 100% |
| Provider 3 | 74% | 11% | 85% | 1% | 0% | 1% | 12% | 15% | 100% |
| Provider 4 | 65% | 13% | 78% | 2% | 3% | 2% | 16% | 22% | 100% |
| Provider 5 | 69% | 14% | 83% | 8% | 0% | 3% | 6% | 17% | 100% |
| Provider 6 | 66% | 14% | 80% | 1% | 1% | 3% | 15% | 20% | 100% |
| Provider 7 | 78% | 12% | 90% | 0% | 0% | 3% | 7% | 10% | 100% |
| Provider 8 | 43% | 23% | 66% | 1% | 1% | 2% | 29% | 34% | 100% |
| **Weighted Average with Outliers Included** | **64%** | **14%** | **78%** | **1%** | **1%** | **2%** | **18%** | **22%** | **100%** |
| **Weighted Average with Outliers Excluded** | **67%** | **13%** | **80%** | **1%** | **1%** | **2%** | **16%** | **20%** | **100%** |

ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit III.7a
## Supported Living Arrangement (SLA)
## Inflated Total Cost by Categories
## All SLA Program Types Combined
## North Region

| Provider Number | A<br>Total Wages*<br>Cost Per Unit | B<br>ERE*<br>Cost Per Unit | C = A+B<br>Personnel Total*<br>Cost Per Unit | D<br>Staff Travel*<br>Cost Per Unit | E<br>Trans-portation*<br>Cost Per Unit | F<br>Program*<br>Cost Per Unit | G<br>Admin Office*<br>Cost Per Unit | H = D+E+F+G<br>Non-Personnel Total*<br>Cost Per Unit | I = C+H<br>Total Costs*<br>Cost Per Unit |
|---|---|---|---|---|---|---|---|---|---|
| Provider 2 | 69% | 11% | 80% | 1% | 1% | 0% | 17% | 20% | 100% |
| Provider 3 | 74% | 11% | 85% | 1% | 0% | 1% | 12% | 15% | 100% |
| Provider 6 | 67% | 14% | 81% | 1% | 0% | 3% | 15% | 19% | 100% |
| Provider 7 | 78% | 12% | 90% | 0% | 0% | 3% | 7% | 10% | 100% |
| Provider 8 | 43% | 23% | 66% | 1% | 1% | 2% | 29% | 34% | 100% |
| **Weighted Average with Outliers Included** | **60%** | **16%** | **76%** | **1%** | **1%** | **1%** | **21%** | **24%** | **100%** |
| **Weighted Average with Outliers Excluded** | **71%** | **11%** | **81%** | **1%** | **1%** | **2%** | **15%** | **19%** | **100%** |

ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit III.7b
## Supported Living Arrangement (SLA)
## Inflated Total Cost by Categories
## All SLA Program Types Combined
## South Region

| Provider Number | A<br>Total Wages*<br>Cost Per Unit | B<br>ERE*<br>Cost Per Unit | C = A+B<br>Personnel Total*<br>Cost Per Unit | D<br>Staff Travel*<br>Cost Per Unit | E<br>Trans-portation*<br>Cost Per Unit | F<br>Program*<br>Cost Per Unit | G<br>Admin Office*<br>Cost Per Unit | H = D+E+F+G<br>Non-Personnel Total*<br>Cost Per Unit | I = C+H<br>Total Costs*<br>Cost Per Unit |
|---|---|---|---|---|---|---|---|---|---|
| Provider 1 | 74% | 21% | 95% | 2% | 2% | 1% | 0% | 5% | 100% |
| Provider 2 | 74% | 12% | 87% | 2% | 0% | 1% | 10% | 13% | 100% |
| Provider 4 | 77% | 15% | 92% | 2% | 3% | 2% | 0% | 8% | 100% |
| Provider 6 | 71% | 15% | 86% | 1% | 2% | 4% | 8% | 14% | 100% |
| **Weighted Average with Outliers Included** | **71%** | **15%** | **86%** | **2%** | **2%** | **2%** | **9%** | **14%** | **100%** |
| **Weighted Average with Outliers Excluded** | **71%** | **15%** | **86%** | **2%** | **2%** | **2%** | **9%** | **14%** | **100%** |

ERE = Employee Related Expenses
* Inflated to end of December 2003

**Exhibit III.7c**
**Supported Living Arrangement (SLA)**
**Inflated Total Cost by Categories**
**All SLA Program Types Combined**
**Rural Region**

| | A | B | C = A+B | D | E | F | G | H = D+E+F+G | I = C+H |
|---|---|---|---|---|---|---|---|---|---|
| **Provider Number** | **Total Wages*** | **ERE*** | **Personnel Total*** | **Staff Travel*** | **Trans-portation*** | **Program*** | **Admin Office*** | **Non-Personnel Total*** | **Total Costs*** |
| | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** | **Cost Per Unit** |
| Provider 2 | 60% | 9% | 69% | 2% | 0% | 1% | 28% | 31% | 100% |
| Provider 5 | 73% | 15% | 88% | 9% | 0% | 3% | 0% | 12% | 100% |
| Provider 6 | 57% | 13% | 70% | 1% | 0% | 2% | 26% | 30% | 100% |
| **Weighted Average with Outliers Included** | **59%** | **10%** | **69%** | **2%** | **0%** | **2%** | **27%** | **31%** | **100%** |
| **Weighted Average with Outliers Excluded** | **59%** | **10%** | **69%** | **2%** | **0%** | **2%** | **27%** | **31%** | **100%** |

ERE = Employee Related Expenses
* Inflated to end of December 2003

## Exhibit III.8
## Supported Living Arrangements (SLA)
## Inflated Program Costs Per Staff Direct Care Hour

| Provider Number | Program and Office Supplies | Laundry and Cleaning Supplies | Telephone/ Communications | Maintenance and Repairs | Universal Precautions | Total Program Costs |
|---|---|---|---|---|---|---|
| Provider 1 | $0.13 | $0.00 | $0.04 | $0.01 | $0.00 | $0.18 |
| Provider 2 | $0.07 | $0.00 | $0.03 | $0.05 | $0.00 | $0.16 |
| Provider 3 | $0.10 | $0.01 | $0.04 | $0.00 | $0.01 | $0.15 |
| Provider 4 | $0.00 | $0.06 | $0.09 | $0.15 | $0.00 | $0.31 |
| Provider 5 | $0.22 | $0.00 | $0.30 | $0.00 | $0.00 | $0.52 |
| Provider 6 | $0.30 | $0.00 | $0.06 | $0.08 | $0.00 | $0.44 |
| Provider 7 | $0.00 | $0.00 | $0.51 | $0.00 | $0.00 | $0.51 |
| Provider 8 | $0.20 | $0.05 | $0.18 | $0.09 | $0.14 | $0.64 |
| **All Providers** | **$0.13** | **$0.01** | **$0.06** | **$0.06** | **$0.01** | **$0.27** |
| **Percent of Total** | **47%** | **5%** | **22%** | **23%** | **4%** | **100%** |

Note: Small differences in totals due to rounding.

## Exhibit III.9
## Supported Living Arrangements (SLA)
## Inflated Administrative Costs Per Staff Direct Care Hour

| Provider Number | Administrative Personnel | Administrative Employee Related Expenses | Administrative General Expenses | Total Administrative Costs |
|---|---|---|---|---|
| Provider 1 | $1.34 | $0.26 | $1.24 | $2.85 |
| Provider 2 | $1.01 | $0.20 | $1.41 | $2.63 |
| Provider 3 | $0.25 | $0.02 | $1.29 | $1.57 |
| Provider 4 | $1.14 | $0.20 | $1.19 | $2.53 |
| Provider 5 | $0.00 | $0.00 | $0.98 | $0.98 |
| Provider 6 | $0.78 | $0.16 | $1.18 | $2.12 |
| Provider 7 | $0.73 | $0.17 | $0.30 | $1.20 |
| Provider 8 | $3.13 | $0.51 | $5.11 | $8.75 |
| **All Providers** | **$1.12** | **$0.21** | **$1.54** | **$2.87** |
| **Percent of Total** | **39%** | **7%** | **54%** | **100%** |

Note: Small differences in totals due to rounding.

**Exhibit III.10**
**Supported Living Arrangement (SLA)**
**Crosswalk of SLA Costs Included in the Analyses of Survey Data and Independent Models**

| | | |
|---|---|---|
| **Program Staff Wages Per Hour** | Total Wages for the following staff categories have been included here: | |
| | *Lead Staff* | *Physical Therapist* |
| | *Direct Services/Zone Staff* | *Occupational Therapist* |
| | *Overnight Staff* | *Speech Therapist* |
| | *Nursing Staff* | *Audiologist* |
| | *Case Management Staff* | *Psychologist* |
| | | *Respiratory Therapist* |
| | | *Other Therapist* |

| | | |
|---|---|---|
| **Program Staff ERE Per Hour** | Total Employee Related Expenses (ERE) for the same staff categories named above: | |
| | *Required Payroll Taxes* | *Workers Compensation* |
| | *Fringe Benefits* | *Employee Startup Costs & Ongoing Requirements* |

| | |
|---|---|
| **Staff Travel** | *Mileage Reimbursement to Employees* |

| | |
|---|---|
| **Individual Transport** | *Transportation Expense for Agency-Owned Vehicles* |

| | | |
|---|---|---|
| **Indirect Cost Per Hour** | Indirect Costs Per Hour can be divided into two sub-categories: | |
| | ***Program Related Costs*** | ***Administrative Office Costs*** |
| | *Program Supplies/Medical Supplies* | *Administrator/Owner Wages* |
| | *Laundry and Cleaning Supplies* | *Case Mgmt Staff Not Assigned Wages* |
| | *Communications (pagers, cell phones)* | *All Other Administrative Staff Wages* |
| | *Repairs and Maintenance* | *All Admin Staff Payroll Taxes* |
| | *Universal Precautions & Incontinence Supplies* | *All Admin Staff Fringe Benefits* |
| | | *All Admin Staff Workers Compensation* |
| | | *All Admin Staff Mileage Reimbursement* |
| | | *All Admin Staff Employee Startup Costs* |
| | | *Admin Office Rent or Mortgage Interest* |
| | | *Admin Office Real Estate & Property Taxes* |
| | | *Admin Office Interest Expense* |
| | | *Admin Office Depreciation Expense* |
| | | *Admin Office Minor Equipment Purchases* |
| | | *Admin Office Staff Travel and Conferences* |
| | | *Admin Office Supplies* |
| | | *Admin Office Utilities* |
| | | *Communications Expense* |
| | | *Consulting and Management Fees* |
| | | *Contracted Accounting Services* |
| | | *Contracted Data Services* |
| | | *Dues, Subscriptions, Licenses and Fees* |
| | | *Help Wanted/Informational Advertising* |
| | | *Insurance (Business Property and Liability)* |
| | | *Legal Services* |
| | | *Postage/Shipping* |
| | | *Repairs & Maintenance/Cleaning Services* |
| | | *Other Admin Office Expenses* |

**Exhibit III.11**
**Supported Living Arrangements (SLA)**
**Independent Model Options for Direct Care Workers**

***Recommended***

| | | Option 1: Soc & Hum Services Direct Care Worker | Option 2: Blended Hourly Rate Direct Care Worker |
|---|---|---|---|
| | *****The rates shown in Options #1 and #2 reflect a staffing ratio of 1 staff hour to 1 client hour served.***** | | |
| ***Part A*** | ***Wages per Hour (BLS wages as of December 2000)*** | | |
| A-1 | **Direct Care Supervisors and Case Managers** | | |
| A-1.1 | Percent of Staffing Level Used in an Hour | 12% | 12% |
| A-1.2 | Hourly Wage [BLS: Licensed Practical Nurse, Nevada statewide] | $ 16.56 | $ 16.56 |
| A-1.3 | Inflated Wages (from Jan 2001 - Dec 2003) | $ 18.40 | $ 18.40 |
| A-1.4 | Wage * Staffing Level | $ 2.21 | $ 2.21 |
| A-2 | **Direct Care Staff** | | |
| A-2.1 | Percent of Staffing Level Used in an Hour | 88% | 88% |
| A-2.2 | Hourly Wage Opt #1 [BLS: Soc. & Human Serv Asst, Nevada statewide] | $ 12.15 | ----- |
| A-2.3 | Hourly Wage Opt #2 [BLS: 50% Soc & Human Serv + 50% Retail Work] | ----- | $ 11.33 |
| A-2.4 | Hourly Wage [BLS: Registered Nurse, Nevada Statewide] | ----- | ----- |
| A-2.5 | Hourly Wage [BLS: 50% Soc & Human Serv + 50% Retail Work] | ----- | ----- |
| A-2.6 | Inflated Wages (from Jan 2001 - Dec 2003) | $ 13.50 | $ 12.58 |
| A-2.7 | Wage * Staffing Level | $ 11.88 | $ 11.07 |
| A-3 | ***Total Wages per Hour*** | ***$ 14.08*** | ***$ 13.28*** |
| ***Part B*** | ***Employee Related Benefits as a Percent of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | 27% | 27% |
| B-1 | **Direct Care Supervisor** | $ 0.60 | $ 0.60 |
| B-2 | **Direct Care Staff** | $ 3.21 | $ 2.99 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$ 3.80*** | ***$ 3.59*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$ 17.89*** | ***$ 16.86*** |
| ***Part C*** | ***Productivity Assumptions*** | | |
| C-1 | Standard Shift Per Employee | 8.00 | 8.00 |
| C-2 | Time to Account for Records/Documentation/Breaks | 0.50 | 0.50 |
| C-3 | Training [weighted between new staff training (60 hrs/year) & ongoing staff training (40 hrs/year)] | 0.02 | 0.02 |
| C-4 | Average on-site "billable hours" | 7.48 | 7.48 |
| C-5 | Productivity Adjustment | 1.07 | 1.07 |
| C-6 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$ 19.14*** | ***$ 18.05*** |
| ***Part D*** | ***Administrative Overhead ( as a % of Hourly Wage & ERE )*** | 15% | 15% |
| D-1 | [Includes program expenses and admin office expenses] | ***$ 2.87*** | ***$ 2.71*** |
| ***Part E*** | ***Total Per Unit Costs (1 staff hour : 1 client hour)*** | ***$ 22.01*** | ***$ 20.75*** |
| ***Part F*** | ***Model Relative to Current Payment Rate*** The Percentage that the Independent Model Cost Calculation is Above/Below the Current Payment ($15.18 is weighted across Lead Staff, Direct Staff, Zone Coverage, and Case Mgmt) | *$ 15.18* 45% | *$ 15.18* 37% |

**Exhibit III.12**
**Supported Living Arrangements (SLA)**
**Independent Models for Nursing and Overnight Staff**

| | | *Recommend* Separate Rate for Nursing Staff | *Recommend* Separate Rate for Overnight Rate |
|---|---|---|---|
| | ***Model for Nursing Staff reflects a 1:1 staffing ratio and Model for Overnight Staff reflects a 1:3 staffing ratio.*** | | |
| ***Part A*** | ***Wages per Hour (BLS wages as of December 2000)*** | | |
| A-1 | **Direct Care Supervisors and Case Managers** | | |
| A-1.1 | Percent of Staffing Level Used in an Hour | 0% | 0% |
| A-1.2 | Hourly Wage [BLS: Licensed Practical Nurse, Nevada statewide] | $ 16.56 | $ 16.56 |
| A-1.3 | Inflated Wages (from Jan 2001 - Dec 2003) | $ 18.40 | $ 18.40 |
| A-1.4 | Wage * Staffing Level | $ - | $ - |
| A-2 | **Direct Care Staff** | | |
| A-2.1 | Percent of Staffing Level Used in an Hour | 100% | 100% |
| A-2.2 | Hourly Wage Opt #1 [BLS: Soc. & Human Serv Asst, Nevada statewide] | ----- | ----- |
| A-2.3 | Hourly Wage Opt #2 [BLS: 50% Soc & Human Serv + 50% Retail Work] | ----- | ----- |
| A-2.4 | Hourly Wage [BLS: Registered Nurse, Nevada Statewide] | $ 24.62 | ----- |
| A-2.5 | Hourly Wage [BLS: 50% Soc & Human Serv + 50% Retail Work] | ----- | $ 11.33 |
| A-2.6 | Inflated Wages (from Jan 2001 - Dec 2003) | $ 27.35 | $ 12.59 |
| A-2.7 | Wage * Staffing Level | $ 27.35 | $ 12.59 |
| A-3 | ***Total Wages per Hour*** | ***$ 27.35*** | ***$ 12.59*** |
| ***Part B*** | ***Employee Related Benefits as a Percent of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | 27% | 27% |
| B-1 | **Direct Care Supervisor** | $ - | $ - |
| B-2 | **Direct Care Staff** | $ 7.38 | $ 3.40 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$ 7.38*** | ***$ 3.40*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$ 34.73*** | ***$ 15.98*** |
| ***Part C*** | ***Productivity Assumptions*** | | |
| C-1 | Standard Shift Per Employee | 8.00 | 8.00 |
| C-2 | Time to Account for Records/Documentation/Breaks | 0.50 | 0.50 |
| C-3 | Training [weighted between new staff training (60 hrs/year) & ongoing staff training (40 hrs/year)] | 0.02 | 0.02 |
| C-4 | Average on-site "billable hours" | 7.48 | 7.48 |
| C-5 | Productivity Adjustment | 1.07 | 1.07 |
| C-6 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$ 37.17*** | ***$ 17.10*** |
| ***Part D*** | ***Administrative Overhead ( as a % of Hourly Wage & ERE )*** | 15% | 15% |
| D-1 | [Includes program expenses and admin office expenses] | ***$ 5.58*** | ***$ 2.57*** |
| ***Part E*** | ***Total Per Unit Costs (Nursing 1:1, Overnight 1:3 staff ratio)*** | ***$ 42.74*** | ***$ 6.56*** |
| ***Part F*** | ***Model Relative to Current Payment Rate*** | *$ 28.11* | *$ 10.60* |
| | The Percentage that the Independent Model Cost Calculation is Above/Below the Current Payment | 52% | -38% |

**Exhibit III.13**
**Supported Living Arrangements (SLA)**
**Independent Model if a Comparable State Wage Was Used**

| | | Comparison State Staff Level for Direct Care Worker |
|---|---|---|
| ***Part A*** | ***Wages per Hour*** | |
| A-1 | **Direct Care Supervisors and Case Managers** | |
| A-1.1 | Percent of Staffing Level Used in an Hour | 12% |
| A-1.2 | Hourly Wage [Midpoint of Level IV Developmental Support Tech] | $ 17.76 |
| A-1.3 | Inflated Wages (from July 2002 - Dec 2003) | $ 18.64 |
| A-1.4 | Wage * Staffing Level | $ 2.24 |
| A-2 | **Direct Care Staff** | |
| A-2.1 | Percent of Staffing Level Used in an Hour | 88% |
| A-2.2 | | ----- |
| A-2.3 | Hourly Wage [Midpoint of Level I Developmental Support Tech] | $ 13.85 |
| A-2.4 | | ----- |
| A-2.5 | | ----- |
| A-2.6 | Inflated Wages (from July 2002 - Dec 2003) | $ 14.53 |
| A-2.7 | Wage * Staffing Level | $ 12.79 |
| A-3 | ***Total Wages per Hour*** | ***$ 15.03*** |
| ***Part B*** | ***Employee Related Benefits as a Percent of Wages*** [27% derived from BLS and includes paid leave, supplemental pay, payroll taxes, workers compensation, health insurance] | 27% |
| B-1 | **Direct Care Supervisor** | $ 0.60 |
| B-2 | **Direct Care Staff** | $ 3.45 |
| B-3 | ***Total Employee Related Expenses per Hour*** | ***$ 4.06*** |
| B-4 | ***Total Hourly Compensation (wages & benefits)*** | ***$ 19.08*** |
| ***Part C*** | ***Productivity Assumptions*** | |
| C-1 | Standard Shift Per Employee | 8.00 |
| C-2 | Time to Account for Records/Documentation/Breaks | 0.50 |
| C-3 | Training [weighted between new staff training (60 hrs/year) & ongoing staff training (40 hrs/year)] | 0.02 |
| C-4 | Average on-site "billable hours" | 7.48 |
| C-5 | Productivity Adjustment | 1.07 |
| C-6 | ***Total Hourly Compensation After Productivity Adjustment*** | ***$ 20.42*** |
| ***Part D*** | ***Administrative Overhead ( as a % of Hourly Wage & ERE )*** | 15% |
| D-1 | [Includes program expenses and admin office expenses] | ***$ 3.06*** |
| ***Part E*** | ***Total Per Unit Costs (1 staff hour : 1 client hour)*** | ***$ 23.48*** |
| ***Part F*** | ***Model Relative to Current Payment Rate*** The Percentage that the Independent Model Cost Calculation is Above/Below the Current Payment ($15.18 is weighted across Lead Staff, Direct Staff, Zone Coverage, and Case Mgmt) | *$ 15.18* 55% |

**SECTION IV**
**RECOMMENDATIONS**

The Provider Rates Task Force has developed recommendations for rates, rate setting methodologies, and other operational issues we encountered when examining Certified Community Training Centers (CTC) and Supported Living Arrangements (SLA). These decisions were made at the July 10, 2002 Task Force meeting.

**Certified Community Training Centers**

The following sources for CTC rates were considered in recommending a CTC per person per hour rate assuming a 1:5 staff-to-client ratio:

| Rate Option Studied | Rate Calculated/Collected | Notes on this Rate Option |
|---|---|---|
| Interstate Survey | ***$10.08 (median) per hour*** (See pages II-6 and II-7 for more details) | 24 state programs were surveyed ranging from $5.01 per hour to $16.95 per hour for CTC and adult day health services; state definitions and provider requirements not consistent enough for fair comparison to Nevada. |
| Intrastate Survey | N/A | Only one agency in Nevada pays for this service so there is no other place to compare the rate to. |
| Cost Survey | ***$9.05 per hour*** (See Exhibit II.6 in Section II for more details) | Includes weighted cost per hour for all staff positions (supervisory and direct care) and includes wages, benefits, program, capital and administrative costs. Providers reported paying 5% - 7% less on wages and benefits than comparable health care providers. Hourly wages were also lower than Bureau of Labor statistics averages for comparable services in Nevada. |
| Independent Model #1 | ***$12.25 per hour*** (See Exhibit II.13 in Section II for calculation) | Using a model that based hourly wage and employee benefit assumptions on independent sources but based staffing ratios and administrative costs on the historical experience of Nevada providers. |

| Rate Option Studied | Rate Calculated/Collected | Notes on this Rate Option |
|---|---|---|
| Independent Model #2 | ***$9.89 per hour*** (See Exhibit II.13 in Section II for calculation) | Using a model that based hourly wage and employee benefit assumptions on independent sources, staffing ratios on the historical experience of Nevada providers, and a 20% cap on administrative costs as stated in Nevada Administrative Code. |
| Independent Model #3 | ***$6.85 per hour*** (See Exhibit II.13 in Section II for calculation) | Using a model that based hourly wage, employee benefit assumptions, and staffing ratios on independent sources, and a 20% cap on administrative costs as stated in Nevada Administrative Code. The direct care staff hourly wage used was a Retail Worker. |
| Independent Model #4 | ***$7.16 per hour*** (See Exhibit II.13 in Section II for calculation) | Using a model that based hourly wage, employee benefit assumptions, and staffing ratios on independent sources, and a 20% cap on administrative costs as stated in Nevada Administrative Code. The direct care staff hourly wage used was a blend of a Social and Human Services Assistant and a Retail Worker. |
| Comparable Nevada State Employee Wage | ***$7.66 per hour*** would be the rate if the assumptions for employee benefits, productivity, and administration from the independent model were added to the blended state wages. (See Exhibit II.14 in Section II for calculation) | *Developmental Support Tech Level I* hourly wage range from $11.65 - $16.06 per hour is equivalent to direct care staff (high school diploma, one year of experience).<br><br>*Developmental Support Tech Level* IV hourly wage range of $14.79 - $20.74 is equivalent to a supervisor (high school graduate, four years of experience and certified). |

Rate Recommendation

The Provider Rates Task Force recommends using the Independent Model Option #4 of $7.16 per person per hour. From this rate, additional rates for other staffing ratios would be calculated in the same way as they have been done by the State in the past. Specifically,

- For 1:1 ratio in the centers, the rate would be $26.85 per hour ($7.16 * factor of 3.75)
- For 1:2 ratio in the centers, the rate would be $17.90 per hour ($7.16 * 5) / 2
- For 1:8 ratio in the centers, the rate would be $4.47 per hour ($7.16 * 5) / 8

Additionally, we plan to recommend a rate for supported employment (for individuals that work outside of the centers) in our August 15, 2002 strategic plan.

Justification of Rate Recommendation

The Independent Model rate option will achieve the following objectives:

- Providers will be able to pay staff hourly wages comparable to others in related industries. Additionally, employee benefits can be enhanced. The independent model allocates employee benefits at 27% of the hourly wage. Providers reported that they currently spend 23% of their staff's hourly wages on benefits. We have accounted for pay towards vacation, sick leave, holidays, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.

- The independent model accounts for staff training, record-keeping time, and "no-shows" where the provider is still responsible for paying staff but cannot bill the State because the individual did not come to the center on a given day. We have built in 29 days per year for no-shows which has been the experience reported by the Sierra Regional Center in the last year.

- Administrative costs in the independent model are held at 20% of the total rate proposed. This is due to a limitation in the Nevada Administrative Code and is less than what providers reported on cost surveys.

- The blended direct care wage in the independent model of $21.08 per hour is 7% lower than the blended comparable state employee wage of $22.57 per hour. Therefore, when the model was developed using the comparable state employee wage, the hourly CTC rate developed was 7% higher than the rate we are proposing.

- Providers reported costs of $9.05 per hour on the cost survey. Taking into account the large infrastructures that may have been included in these costs, the independent model rate of $7.16 appears reasonable against the cost data reported.

- The rate of $7.16 takes into account the changing population (i.e. higher intense need individuals) that are now being served in the certified CTCs than a decade ago.

Recommendations for Changes in Operations Going Forward

- Require providers to submit cost information annually to the State so that the State can develop a baseline of information on this industry. The survey instrument will be similar to the one used by the Task Force to collect data for this report.

- The State shall rebase the rates paid to CTC providers no less frequently than every five years.

- For years where rates are not rebased, rates shall be increased by an independent inflation index that will be defined in our next strategic plan. This inflation index may be proposed for other similar home- and community-based services paid by Nevada as well.

**Supported Living Arrangements**

The following sources were considered in recommending SLA rates:

| Rate Option Studied | Rate Calculated/Collected | Notes on this Rate Option |
|---|---|---|
| Interstate Survey | ***$22.22 (median) per hour*** (See page III-3 for more details) | 11 states surveyed ranging from $8.06 per hour to $60.72 per hour; state definitions and provider requirements not consistent enough for fair comparison to Nevada. |
| Intrastate Survey | N/A | Only one agency in Nevada pays for this service so there is no other place to compare the rate to. |
| Cost Survey | ***$15.28 per hour*** (See Exhibit III.6 in Section III for more details) | Includes weighted cost per hour for all staff positions (daytime, overnight, nursing, and case management) and includes wages, benefits, program and administrative costs. Providers reported paying less benefits (19% of wages) than comparable health care providers (27% of wages) nationwide. Hourly wages were also lower than Bureau of Labor Statistics averages for comparable services in Nevada. |
| Independent Model #1 | ***$22.01 per hour*** (See Exhibit III.11 in Section III for calculation) | Using a blended staff for direct care worker (supervisory and non-supervisory) that is based on hourly wage and employee benefit assumptions from independent sources, staffing ratios from historical experience of Nevada providers, productivity assumptions for training and record-keeping, and a 15% cap on administrative costs. The supervisory staff level used was a Licensed Practical Nurse; the non-supervisory staff level used was a Social and Human Services Assistant. |

| Rate Option Studied | Rate Calculated/Collected | Notes on this Rate Option |
|---|---|---|
| Independent Model #2 | ***$20.75 per hour*** (See Exhibit III.11 in Section III for calculation) | Same assumptions as Option #1 above but the non-supervisory staff level used was a blend of a Social and Human Services Assistant and a Retail Worker. |
| Independent Model-Nurse | ***$42.74 per hour*** (See Exhibit III.12 in Section III for calculation) | Using a model for nursing staff that based hourly wage and employee benefit assumptions on independent sources, a 1:1 staffing ratio, productivity assumptions for training and record-keeping, and a 15% cap on administrative costs. The staff level used was a Registered Nurse. |
| Independent Model-Overnight | ***$6.56 per hour*** (See Exhibit III.12 in Section III for calculation) | Using a model for overnight staff that based hourly wage and employee benefit assumptions on independent sources, a 1:3 staffing ratio, productivity assumptions for training and record-keeping, and a 15% cap on administrative costs. The staff level used was a blend of a Social and Human Services Assistant and a Retail Worker. |
| Comparable Nevada State Employee Wage | $15.91 (median) per hour blended between Supervisor and Direct Staff (wage only).<br><br>***$23.48 per hour*** would be the rate if the assumptions for employee benefits, productivity, and administration from the independent model were added. (See Exhibit III.13 in Section III for calculation) | *Developmental Support Tech Level I* hourly wage range from $11.65 - $16.06 per hour is equivalent to direct care staff (high school diploma, one year of experience).<br><br>*Developmental Support Tech Level* IV hourly wage range of $14.79 - $20.74 is equivalent to a supervisor (high school graduate, four years of experience and certified). |

Rate Recommendations

The Provider Rates Task Force recommends using the Independent Model Option #2 of $20.75 per hour for up to 16 hours of service per person per day for direct care staff. A separate rate of $6.56 per hour would be in effect for any hours above 16 for staff that serve individuals in their home during the overnight period (Independent Model-Overnight). Additionally, a separate rate would be paid for nursing services of $42.74 per hour which account for about 1% of all units billed to the State (Independent Model-Nurse).

Justification of Rate Recommendation

The Independent Model rate options will achieve the following objectives:

- Providers will be able to pay staff hourly wages comparable to others in related industries. The portion of the model allocated to hourly wages is $13.28 versus $10.21 as reported by providers in cost surveys. This represents a 30% increase to direct care workers.

- Employee benefits can be enhanced. The independent model allocates employee benefits at 27% of the hourly wage. Providers reported that they currently spend 19% of their staff's hourly wages on benefits. We have accounted for pay towards vacation, sick leave, holidays, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.

- The independent model accounts for staff training and record-keeping time which currently is not accounted for in the SLA rate.

- Administrative costs in the independent model are held at 15% of the total rate proposed. This is much less than what providers reported on their cost surveys (26% of total costs).

- The blended direct care wage in the independent model of $13.28 per hour is 12% lower than the blended comparable state employee wage of $15.03 per hour.

Recommendations for Changes in Operations Going Forward

- Reduce the current billing unit structure of 12 hourly rates down to three hourly rates (direct care, nursing, overnight). Further, eliminate the monthly

administrative and travel rates paid and blend the administrative payment into the hourly rates.

- Allow providers to bill transportation for individuals served outside of the hourly rate using a separate payment schedule. A method for reimbursing mileage has not been proposed by this Task Force.

- Require providers to submit cost information annually to the State so that the State can develop a baseline of information on this industry. The survey instrument will be similar to the one used by the Task Force to collect data for this report.

- The State shall rebase the rates paid to SLA providers no less frequently than every five years.

- For years where rates are not rebased, rates shall be increased by an independent inflation index that will be defined in our next strategic plan. As stated previously, this inflation index may be proposed for other similar home- and community-based services paid by Nevada as well.

- The Task Force took note that the rates proposed, when used in a 24-hour/7 day per week setting by individuals served in single placement settings, will slightly exceed the daily limit as paid for an individual served in an ICF/MR (institutional) setting. This is based on the assumption that the individual served would use 16 hours of service per day at $20.75 per hour and 8 units of service per day at the overnight rate of $6.56 per hour. Payments for an individual under the MR Waiver currently cannot exceed the amount paid as if the person was in an ICF/MR setting. To circumvent this problem, the Task Force took note that the State could make the following policy changes:

    - Revise the MR Waiver so that the payment threshold currently in place is not calculated at the *individual* level but in the *aggregate* across all people served in the waiver.

    - Establish strict policies and procedures so that single placements in SLA settings are not the norm. Exceptions can be established in cases where it is clinically necessary.

# *The Nevada Provider Rates Task Force*
# *Strategic Plan for*
# *Phase II Services*

FINAL VERSION

August 15, 2002

# Provider Rates Task Force
# August 15, 2002 Final Strategic Plan for
# Phase II Services

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August 15, 2002

Interim Finance Committee
Legislative Building
Carson City, NV 89701

Dear Legislators:

Attached for your review is the Provider Rates Task Force August 15, 2002 Final Strategic Plan. This plan is the remaining portion of the A.B. 513 – Strategic Healthcare Plan for Nevada.

Background

The 2001 Legislature approved A.B. 513 which provided the Department of Human Resources the means to prepare four strategic plans related to seniors, persons with disabilities, rural health issues, and rates paid for services.

This included a plan for provider rate methodologies. There was testimony from providers and state officials during the last legislative session and in prior sessions regarding the need for standardized rate methodologies across programs when services are the same, inclusion of providers in the rate setting process, and methodologies which include mechanisms for regular adjustments to those rates. The areas identified for this study are primarily community support services for people with disabilities, mental illness and the elderly.

In accordance with a "letter of intent" from Senator Raggio and Assemblyman Arberry, rates for Community Training Centers (CTC) and Supported Living Arrangements (SLA) were included as high priority items for this study. These services were presented in the strategic plan on July 15, 2002. This final strategic plan addresses the remaining services. While this final strategic plan addresses a number of services, several services were identified by the Legislature as priorities. These are:

- Services to Individuals with Autism
- Targeted Case Management
- Personal Assistance Services

The Provider Rates Task Force urges timely action on these priority areas, as well as the CTC and SLA services delivered in July.

The services addressed in this August 15, 2002 Final Strategic Plan are:

*Home- and Community-Based Services to Seniors and People with Disabilities*

- Supported Employment Services
- Personal Assistance Services
- Group Home Services
- Assisted Living Services
- Adult Day Health Care Services
- Group Residential Services
- Fiscal Intermediary Services
- Services to Persons with Autism
- Case Management

*Treatment Services for Children and Outpatient Rehabilitation Services*

- Intensive Community-Based Services
- Rehabilitation Partial Care/Day Treatment
- Therapeutic Foster Care
- Rehabilitative Skills Training
- Parent/Family Support and Training
- Crisis Mobile
- Residential Treatment Levels I through III
- Independent Living Training
- Psychosocial Rehabilitation

*Therapies*

- Speech Therapy
- Occupational Therapy
- Physical Therapy

<u>Work of Provider Rates Task Force on this Plan</u>

In January of 2002, EP&P Consulting Inc. (EP&P) was selected among bidders to conduct research and analysis for the Provider Rates Task Force. EP&P's methodologies have included a review of current Nevada rate structures and regulations, solicitation of stakeholder input, cost surveys of Nevada providers, survey of other states' Medicaid programs (including differences in service definitions), and development of independent, market-based cost models.

Recommendations

The Executive Summary enclosed provides recommendations for the services listed above as well as operational changes going forward to periodically review the rates for these services. In addition to updating the current rates, the Task Force has made recommendations on policy issues related to these services.

I appreciate any input you may have on this project. You will be provided with copies of the August 15, 2002 Final Strategic Plan for Phase II services.

Sincerely,

Edward R. Guthrie
Chairman, Provider Rates Task Force
Executive Director, Opportunity Village

cc: Michael J. Willden, Director
Department of Human Resources

## INTRODUCTION

The 2001 Legislature approved A.B. 513 that provided the Department of Human Resources the means to prepare four strategic plans related to seniors, persons with disabilities, rural health issues, and rates paid for services.

This included a plan for provider rate methodologies. There was testimony from providers and state officials during the last legislative session and in prior sessions regarding the need for standardized rate methodologies across programs when services are the same, inclusion of providers in the rate setting process, and methodologies that include mechanisms for regular adjustments to those rates. The areas identified for this study are primarily in behavioral health and disabilities.

The rate study has been broken down into Phase I and Phase II services. The final strategic plan for Phase I services, which included Community Training Centers and Supported Living Arrangements, was submitted on July 15, 2002. This strategic plan contains all remaining services including:

*Home- and Community-Based Services to Seniors and People with Disabilities*

- Supported Employment Services
- Personal Assistance Services
- Group Residential Services
- Adult Day Health Care Services
- Assisted Living Services
- Fiscal Intermediary Services (Separate Report)
- Services to Persons with Autism (Separate Report)
- Case Management (Separate Report)

*Children and Adult Mental Health Rehabilitative Services*

- Intensive Community-Based Service
- Rehabilitation Skills Training
- Parent/Family Support and Training
- Attendant Care
- Rehab Partial Care – Day Treatment
- Rehab Partial Care – Psychosocial Rehab
- Rehab Partial Care – Hospital-Based Day Treatment
- Crisis Mobile
- Therapeutic Foster Care
- Residential Care Levels I through III
- Independent Living Training
- Psychosocial Rehabilitation

*Therapies*

- Physical Therapy
- Occupational Therapy
- Speech Therapy

## ANALYSIS

The work completed by EP&P Consulting, Inc. (EP&P), in support of the Provider Rates Task Force and development of the Task Force's strategic plan, falls into one the following five analyses areas.

Stakeholder Input: The Task Force received input from county agencies, providers, individuals accessing services, and family members of individuals accessing services as well as State personnel.

Intrastate Survey: The "Intrastate Survey" reviewed rates for similar services across Nevada programs. The review provides a comparison of rate setting methodologies, rate levels and licensing requirements.

Interstate Survey: The "Interstate Survey" reviewed home- and community-based services offered by other states. Similar to the Intrastate Survey, this review provides a comparison of rate setting methodologies, rate levels and licensing requirements in other states similar to Nevada in proximity, population and income.

Cost Collection: In order to capture the actual cost of providing a specific service, a survey tool was designed to collect both quantitative historical cost information as well as qualitative input directly from service providers. After repeated attempts by both EP&P and the Task Force members, providers across the majority of Phase II services did not submit responses to the cost survey. As a result, the Task Force decided to redirect its efforts and focus on the other methodologies, primarily the Independent Models. The Task Force also concluded that because of the insufficient or lack of data, provider costs could not be included in this strategic plan.

Independent Model: Independent Models were developed to reflect the wage, benefit, programmatic and administrative costs associated with service delivery. The goal of the Independent Models is to build the cost of the service from "the ground up," breaking the link between historical payments and cost data. The Independent Model is a valuable tool to incorporate current policy or develop new policy not currently reflected in the rates.

## RECOMMENDATIONS

The Provider Rates Task Force has developed recommendations for rates, rate setting methodologies, and other operational issues we encountered when examining Phase II services. These decisions were made at the August 13, 2002 Task Force meeting.

### Home- and Community-Based Services to Seniors and People with Disabilities

The following sources were considered in recommending the remaining home- and community-based services rates:

| Service | Cost Data | Independent Model | Intrastate Rates | | Interstate Rate |
|---|---|---|---|---|---|
| Supported Employment | Insufficient Data | $23.50 per Hour | MR/DD Waiver | $20.14 per Hour | $25.20 per Hour |
| Personal Care - Agency | No Data Submitted | $ 18.50 per Hour | State Plan | $17.00 per Hour | $13.72 per Hour |
| | | | CHIP Waiver | $16.00 per Hour | |
| | | | Physically Disabled Waiver | $14.50 per Hour | |
| Personal Care - Individual | Did Not Survey | $15.50 per Hour | State Plan | $14.50 per Hour | |
| | | | Physically Disabled Waiver | $10.00 per Hour | |

Recommendations

There were several recommendations made in the July 15 strategic plan that are applicable to the remaining HCBS services, including:

- Require providers to submit cost information annually to the State so that the State can develop a baseline of information for each service. The survey instrument should be similar to the one used by the Task Force to collect data.

- The State shall rebase the rates paid no less frequently than every five years.

- For years where rates are not rebased, rates shall be increased by an independent inflation index. The July 15 strategic plan indicated a formal recommendation would be made in this strategic plan. At this time, the Task Force recommends using the DRI CMS Home Health Agency Market Basket. This is a nationally recognized inflation index that forecasts growth based on a combination of weighting between

the Consumer Price Index (CPI), Employment Cost Index (ECI), Producer Price Index, as well as other indices.

The Task Force recommends implementing the rates from the Independent Model for Supported Employment and Personal Assistance services. The table below summarizes the assumptions used in building the Independent Models for these services, paid on an hourly basis, along with the recommended rates.

| Service | Beginning Wage[1] | Employee Related Expensed | Billable Hours | Training | Mileage Reim. Included | Overhead | Rate | Unit |
|---|---|---|---|---|---|---|---|---|
| Supported Employment | $17.01 | 27% | 7.67 | No | No | 5% | $23.50 | per Hour |
| Personal Assistance | | | | | | | | |
| Agency | $9.79 | 27% | 6.50 | Yes | Yes | 12% | $18.50 | per Hour |
| Individual | $9.79 | 27% | 7.00 | No | Yes | 7% | $15.50 | per Hour |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

While the Task Force is recommending Supported Employment continue as an hourly rate, as a long term strategy, we also recommend the State develop a Supported Employment service delivery model for MR/DD individuals that can be implemented statewide and move to a per member per month rate. The service delivery model would only apply to individuals under the MR/DD waiver and should be applicable statewide. Should the State decide to provide this service to additional populations, they would have to develop an appropriate service delivery model and provide the service under an existing or new waiver. The State should also develop performance measures and outcomes for the MR/DD population.

For Personal Assistance services, the Task Force would like to caution that while the rate is applicable to all Medicaid programs, it may not be sufficient for programs covered with State funds or grants. Our review showed these programs contained components not included in the Independent Model and billed separately by the Medicaid programs (i.e. assessments). These programs may need an alternative method for compensating these costs since they are not included in the personal assistance rate.

For the remaining HCBS services, the Task Force recommends the following:

- Adult Day Health Care: No rate is recommended as the Task Force received insufficient data and minimal program descriptions and provider qualifications. The Task Force does recommend the State develop service definitions, provider qualifications and service delivery model for social and medical adult day health care. The current rates will need to be reviewed once these tasks have been completed.

- Assisted Living: No change to the rate of $105.00 per day as it bumps up against the 90 percent threshold of the nursing facility rate of $109.50 per day. Given this, it would not be sound policy to increase the rate.

- Group Residential: No recommendation is being made for Group Residential as these services are being phased out and will no longer be provided under the MR Waiver.

*Fiscal Intermediary Services*

The Task Force has included fiscal intermediary as a stand-alone document outside of the Phase II report; however, we have included the recommended approach as part of the Executive Summary. For the complete fiscal intermediary presentation, please see the document titled "The Nevada Provider Rates Task Force Strategic Plan for Fiscal Intermediary."

Recommendation

The recommended strategy for Nevada is to contract with a single fiscal intermediary that may be accessed by all populations including MR/DD, physically disabled, mentally ill, elderly, parents of children with autism, etc. The intermediary will act as the Employer Agent and pay direct service workers employed by individuals and families and ensure that all applicable taxes are paid. The fiscal intermediary should offer a range of services including support/brokerage, help with recruiting direct service providers, and back-up staffing coordination. Individuals and families who choose to self-direct their community supports and employ their workers can also choose among the services offered by the fiscal intermediary. A single fiscal intermediary is recommended at the outset to ensure that the entity is financially viable.

The Task Force further recommends:

- The Medicaid agency file a Section 1115 Independence Plus Waiver

- The waiver include criteria that allows individuals, families and/or their proxy to use the fiscal intermediary

- The State develop an individualized budget including all community supports (state plan, waiver, etc.) that is managed by the fiscal intermediary

- Medicaid be given sufficient resources to submit and operate the waiver as well as to develop the assessments necessary to implement individualized budgets

- The fiscal intermediary pay both agency and direct service workers employed by individuals and families if both types of providers are used

Although the Task Force believes a waiver is the most effective mechanism for providing fiscal intermediary services, we also recognize that there is an administrative cost incurred by the State and additional resources will be required to develop and operate the waiver.

Justification of Recommendation

There are several advantages to employing a single intermediary. They are:

- It is possible to achieve economies of scale with higher volume

- Greater chances of the intermediary being financially viable

- The State will only need to monitor and oversee one contractor rather than several

*Services to Persons with Autism*

The Task Force has included Autism as a stand-alone document outside of the Phase II report; however, we have included the recommended approach as part of the Executive Summary. For the complete Autism report, please see the document "The Nevada Provider Rates Task Force Strategic Plan for Services for Individuals with Autism."

Recommendation

The recommended strategy for Nevada is to develop and submit a 1915(c) home- and community-based waiver specific to individuals with autism. The State should also take steps to ensure that the therapy services it funds under the State plan appropriately support autism services. (The Task Force's recommendations regarding therapy are included under Therapies below). The autism waiver should contain the following components:

- The full continuum of services including:

    - Behavioral Therapy
    - Developmental Therapy
    - Sensory Integration Therapy
    - Speech and Other Therapy Services
    - Support Services (i.e. in-home support, respite)

- A specified number of slots with additional slots opened each year taking into consideration that there are approximately 671 individuals in Nevada diagnosed with autism with a growth rate of approximately 75 individuals per year.

- Pilot program for rural area

- Pilot program for adolescents

- Involvement of the schools, UN-Reno, UNLV, the Special Children's Clinic, outpatient therapy agencies and clinics, Medicaid, and MR/DD in the waiver design and implementation and funding

Although the Task Force believes a waiver is the most effective mechanism for providing needed services to individuals with autism, we also recognize that there is an administrative cost incurred by the State and additional resources will be required to develop and operate the waiver. Children will need to meet the nursing facility or residential treatment facility level of care requirements under the waiver. Two states that currently have autism waivers, Indiana and Maryland, have not had problems qualifying children at this standard.

Justification of Recommendation

The most important advantage of the autism waiver approach is that it offers an opportunity to build a program and an infrastructure in Nevada for autism services. Nevada's parents need to be informed about opportunities for treatment, Nevada needs more providers with specialized expertise in autism services, and even those providers who have expertise need ongoing training as treatment models change. An autism waiver designed with the participation of University of Nevada-Reno, UNLV, outpatient therapists, the Special Children's Clinic, the State, and the school districts playing key roles provides the opportunity for development of a continuum of service.

Nevada can also consider adding to an autism waiver two specific target populations for pilot programs: rural communities and adolescent services. As the number of autistic children increases, so will the number of adolescents and so will the number of adults who need community supports. A waiver can examine whether not only early intervention but interventions during the teen years reduce the demands on the long-term care system over time.

The State must go through the waiver process to provide the services. A waiver must be written and approved by the CMS. One key element of the waiver process is the demonstration of cost effectiveness. The services under the waiver must be cost effective relative to institutional placement.

*Case Management*

The Task Force has decided to include case management as a stand-alone document outside of the Phase II report; however, we have included the recommended approach as part of the Executive Summary. For the complete case management report, please see the document titled "Determining the Strategy for Providing and Reimbursing Case Management in Nevada."

Recommendation

The Task Force recommendations establish a general strategy for moving forward on case management and targeted case management with the expectation that the specific policies and practices will be defined over the next six months. The structure and the capacity of the service delivery system for individuals who are severely mentally ill (SMI) and seriously emotionally disturbed (SED) should develop independently from case management per se and policies and procedures related to case management may need to be altered to accommodate that structure.

- Recommendation One: Medicaid, in partnership with its sister agencies and the counties, should develop and document policies and procedures applicable to case management and targeted case management that are reflected appropriately in the state plan, state Medicaid manual and state policies and procedures. The documented policies and procedures should address:

  - Case management functions in general
  - Lead case manager
  - *Case management functions applicable to target populations*
  - *Provider qualifications*
  - *Caseload expectations (understanding the limits of appropriations)*
  - *Eligible populations and qualifying criteria*
  - *Required assessments to determine case management needs*
  - *Intensity and duration limits that correspond to assessment levels*
  - *Prior authorization requirements*
  - *Admission/continuing stay, discharge and exclusionary criteria for each TCM target group*
  - Client record documentation requirements
  - Medicaid agency reporting and monitoring procedures
  - Rate-setting methodologies, cost reporting format, and frequency

  It is understood that the italicized items may differ by target population.

  Medicaid will need additional resources to assume the oversight of case management functions it is obligated to perform as the single state agency. Medicaid may need contractual support to assist with the oversight of case management functions and services.

- Recommendation Two: Standardize the rate-setting process for public agencies (MHDS, DCFS, counties) that provide case management or targeted case management services. This does not mean establish the same rates. It does mean that rates would change in some cases from those in force today. It also means that the methodology would be the same, rate-setting would occur at the same time, and cost information would be submitted in the format specified by Medicaid.

- Recommendation Three: We recommend that Medicaid establish standards for reporting and claiming case management services that accomplish the following:

  - All claims for case management including per person (or where applicable per unit but not both) are processed by the state Medicaid Management Information System
  - Reporting requirements are the same across programs
  - Record keeping requirements are the same across programs
  - The lead case manager can be tracked and identified

  Reporting requirements and compliance with those requirements will be enhanced if they are developed jointly by Medicaid, sister agencies, and counties.

- Recommendation Four: The Task Force also recommends that the State, in cooperation with the agencies providing targeted case management, develop outcome and performance measures to determine the success of case management in accomplishing its goals.

- Recommendation Five: Pay for case management services on a per member per month basis provided that there is a methodology in place for reporting case management services received by an individual.

- Recommendation Six: Include care coordination as a service provided to SMI adults and SED children at Levels 1 and 2 of the LOCUS and CALOCUS by private specialty rehabilitation clinics and public agencies.

- Recommendation Seven: Finally, in addition to the above overarching recommendations, the Task Force suggests that Medicaid, DCFS, Special Children's Clinic and MHDS explore the applicability of administrative case management to replace targeted case management for individuals with intensive needs (SED and SMI). Medicaid, DCFS, Special Children's Clinic and MHDS should consider:

  - The availability of the 75/25 enhanced match for skilled medical professionals
  - The scope of case management services permitted
  - The documentation requirements

Justification of Recommendation

The Task Force recommendations regarding targeted case management fall under the category of "getting the house in order" which is now needed because of the way these programs have developed over time and because Medicaid has not had the staffing resources to provide needed guidance nor to maintain program documentation. Currently, the rate-setting process and policies differ from program to program. This makes it very difficult for Medicaid to fulfill its oversight responsibilities. Clearly, some structure that recognizes differences in the target population is needed. In general, the Task Force recommends a per member per month structure for case management services (targeted or administrative as defined below). As a general rule, the per service model for reimbursing case management is not very efficient because the case manager must track at a detailed level for billing purposes their contact with the client.

**Children and Adult Mental Health Rehabilitative Services**

As the Task Force began examining the mental health rehabilitative services provided to both children and adults, the Task Force learned that the State was in the process of implementing new services as well as revising current service definitions and updating applicable provider qualifications. As a result, the rates proposed by the Task Force are based on where the State intends to go with their service delivery, not the current delivery structure. The Task Force understands that service definitions and/or provider qualifications may change as the service delivery system is defined. This will mean that the rates may need to be refined. These refinements will build on the models proposed here.

Similar to the HCBS services discussed earlier, the Task Force reviewed a variety of sources before recommending mental health rates. However, the Task Force has opted not to include the cost and comparative information we received either because the data was insufficient, there was no data, or the service definitions were not comparable from state to state. Given this, we felt the data was misleading and did not give an accurate comparison across the various areas of analysis.

Recommendations

The Task Force recommends implementing the rates from the Independent Model for all mental health services. Again, the Task Force would like to caution that the recommended rates are only applicable under the service definition and provider qualifications reviewed by this Task Force. Should the State decide to further modify either the service definition or provider qualifications, the rates would need to be evaluated for appropriateness under the new requirements. The Task Force also makes the following recommendations for all mental health services:

- Establish individual billing codes for each rate.

- Pay a rural travel add-on for providers who travel more than 50 miles in a given day. The State should consider the following:

    - Paraprofessional: $12.43 (wage plus ERE) divided by 65 (on average miles per hour) plus $0.345 for an add-on of $0.54 per mile

    - Professional: $29.04 (wage plus ERE) divided by 65 (on average miles per hour) plus $0.345 for an add-on of $0.79 per mile

    - Professional with License: $35.83 (wage plus ERE) divided by 65 (on average miles per hour) plus $0.345 for an add-on of $0.90 per mile

  This add-on can be applied to other community-based services but should not be billed until the provider has traveled 10 miles more than the assumptions found in the independent models.

- Update policy and procedure manuals to reflect the change in and addition of services.

- Update the billing manual to ensure uniform and consistent billing practices.

- Educate the providers on the importance of maintaining accurate cost data.

- Require providers to submit cost information annually to the State so that the State can develop a baseline of information for each service. The survey instrument should be similar to the one used by the Task Force to collect data.

- The State shall rebase the rates paid no less frequently than every five years.

- For years where rates are not rebased, rates shall be increased by an independent inflation index. The July 15 strategic plan indicated a formal recommendation would be made in this strategic plan, at this time the Task Force recommends using the DRI CMS Home Health Agency Market Basket. This is a nationally recognized inflation index that forecasts growth based on a combination of weighting between the Consumer Price Index (CPI), Employment Cost Index (ECI), Producer Price Index as well as other indices.

*Children's Community-Based Services*

The table below summarizes the assumptions used in building the Independent Models for community-based services paid on an hourly basis, along with the recommended rates.

| Service | Beginning Wage[1] | Employee Related Expensed | Billable Hours | Employee Supervision | Mileage Rim. Included | Overhead | Avg. Group Size | Rate | Unit | Current Intrastate Rates DCFS[2] | Current Intrastate Rates Non-DCFS[3] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Intensive Community-Based Service | | | | | | | | | | $80.00 per Hour Max. | $ 60.00 per Hour Avg. |
| School-Based | $22.87 | 27% | 6.00 | Yes | No | 15% | N/A | $50.50 | per Hour | | |
| Community-Based | $28.22 | 27% | 5.00 | Not Required | Yes | 15% | N/A | $68.50 | per Hour | | |
| Rehabilitation Skills Training | | | | | | | | | | $ 117.00 per Hour Max. | $ 37.75 per Hour Avg. |
| Individual - Paraprofessional | $9.79 | 27% | 5.50 | Yes | Yes | 15% | N/A | $29.00 | per Hour | | |
| Group - Professional | $28.22 | 27% | 4.75 | Not Required | Yes | 15% | 8 | $9.00 | per Person per Hour | | |
| Group - Paraprofessional | $9.79 | 27% | 5.25 | Yes | Yes | 15% | 10 | $3.00 | per Person per Hour | | |
| Parent/Family Support and Training | | | | | | | | | | New Service Not Applicable | New Service Not Applicable |
| Individual | $9.79 | 27% | 6.25 | Yes | Yes | 15% | N/A | $ 22.50 | per Hour | | |
| Group | $9.79 | 27% | 6.00 | Yes | Yes | 15% | 8 | $3.00 | per Hour per Person | | |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

[2] Maximum contracted rate

[3] Average contracted rate

For Attendant Care services, the Task Force recommends using the Personal Care rate and program already established under the State Plan. The State will need to develop a functional assessment for children with behavioral healthcare needs for this purpose.

*Rehab Partial Care*

The table below summarizes the assumptions used in building the Independent Models for Rehab Partial Care services reimbursed on an hourly basis, along with the recommended rates.

| Service | Beginning Wage[1] | Staffing Ratio | Employee Related Expensed | Employee Supervision | Capital | Meals | Trans. | Overhead | Rate | Unit | Current Intrastate Rates DCFS[2] | Current Intrastate Rates Non-DCFS[3] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Rehab Partial Care | | | | | | | | | | | $47.00 per Hour Max. | $23.43 per Hour Avg. |
| Day Treatment | $9.79<br>$16.33<br>$24.21 | 3 to 8 | 27% | Yes | Yes | 1 | Yes | 15% | $32.50 | per Hour | | |
| Psychosocial Rehab (Child) | $9.79<br>$16.33<br>$24.21 | 3 to 8 | 27% | Yes | Yes | 1 | Yes | 15% | $32.50 | per Hour | | |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

[2] Maximum contracted rate

[3] Average contracted rate

The Day Treatment and Psychosocial Rehab (Child) rates are the same because there are no differences in the model components that make up each service. The services do differ in setting in that Day Treatment services are located in a school setting while Psychosocial Rehab services are provided in stand-alone facilities. Additionally, Day Treatment has a psychiatric component that Psychosocial Rehab does not. However, both of these fall outside of the rate and thus the overall rates are the same.

For Hospital-Based Day Treatment, the Task Force recommends setting the rate at 50 percent more than the Day Treatment rate or $49.00 per hour.

*Crisis Mobile*

The table below summarizes the assumptions used in building the Independent Model for Crisis Mobile – Emergency Team 2 Person reimbursed on a 30-minute basis, along with the recommended rate.

| Service | Beginning Wage[1] | Employee Related Expensed | Direct Contact per Year | Employee Supervision | Capital | Trans. | Overhead | Rate | Unit | Current Intrastate Rates DCFS | Current Intrastate Rates Non-DCFS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Mobile Crisis - Emergency Team 2 Person | $25.54 Professional<br>$9.79 Para-professional | 27% | 1,040 per year | Yes | Yes | Billed Separately | 12% | $52.00 | per 30 minutes | New Service | New Service |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

The Task Force recommends setting the Mobile Crisis - Emergency Team 1 Person rate at 50 percent of the Mobile Crisis – Emergency Team 2 Person rate or $26.00 per 30 minutes (rate rounded to the nearest 50 cents). These rates are recommended for both children and adults.

*Therapeutic Foster Care*

The table below summarizes the assumptions used in building the Independent Model for Therapeutic Foster Care reimbursed on a daily basis, along with the recommended rate.

| Service | Beginning Wage[1] | Trans. | On-Going Family Supervision and Training | Pre-Service Family Training | 24-Hour Supervisor Stand-By | Overhead | Rate | Unit | Current Intrastate Rates | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | DCFS[2] | Non-DCFS[3] |
| Therapeutic Foster Care | $9.79 | Yes | Yes | Yes | Yes | 2% | $84.50 | per Day | $60.50 per Day Max. | $70.33 per Day Avg. |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

[2] Maximum contracted rate

[3] Average contracted rate

The Task Force recommends that no less than 70 percent or $59.00 per day (rounded to the nearest 50 cents) of the recommended rate is passed on to the foster care family. The 70 percent is based on the components of the model attributed to providing direct care services by the foster care parent. (See the full report for the Therapeutic Foster Care model, as well as all models recommended in this executive summary.)

*Residential Care*

The table below summarizes the assumptions used in building the Independent Models for Residential Care Levels I through III reimbursed on a daily basis, along with the recommended rates.

| Service | Staffing Ratio | Employee Related Expensed | Employee Supervision | Additional Services | Meals | Trans. | Capital | Misc. Expenses | Rate | Unit | Current Intrastate Rates | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | DCFS[1] | Non-DCFS[2] |
| Level I Basic Group Residential Care | 1.67 to 16 | 27% | Not Required | No | Yes | Yes | 8% | 4% | $63.50 | per Day | $55.50 per Day Max. | $47.80 per Day Avg. |
| Level II Intermediate Group Residential Care | 2.09 to 16 | 27% | Yes | No | Yes | Yes | 8% | 4% | $76.00 | per Day | $65.50 per Day Max. | $67.87 per Day Avg. |
| Level III Advanced Group Residential Care | 2.42 to 16 | 27% | Yes | Group Counseling | Yes | Yes | 8% | 6% | $116.00 | per Day | $205.50 per Day Max. | $220.00 per Day Avg. |
| Level III Advanced Group Residential Care with Special Population | 3.42 to 16 | 27% | Yes | Group Counseling | Yes | Yes | 8% | 6% | $139.00 | per Day | | |

[1] Maximum contracted rate

[2] Average contracted rate

The Task Force recognizes that some Level III Advanced Group Residential Care with Special Population providers are treating more intensive individuals than the rate is intended for. When this occurs, it is recommended that the State and the provider negotiate an add-on rate. However, in order to avoid arbitrary negotiations, it is also recommended that the State develop specific criteria that each provider must meet in order to qualify for the additional payment.

*Adult Community-Based Services*

The table below summarizes the assumptions used in building the Independent Models for adult community-based services paid on an hourly basis, along with the recommended rates.

| Service | Beginning Wage[1] | Employee Related Expensed | Billable Hours | Employee Supervision | Mileage Reim. Included | Overhead | Average Group Size | Rate | Unit | MHDS Current Rate | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Rate | Unit |
| Independent Living | $9.79 | 27% | 6.50 | Yes | Yes | 15% | N/A | $19.00 | per Hour | $18.29 | per Hour |
| Psychosocial Rehabilitation | | | | | | | | | | $82.00 | per Hour |
| Direct Service Provider Individual | $25.11 | 27% | 6.75 | Yes | Yes | 15% | N/A | $46.50 | per Hour | $27.33 | per Hour (Group) |
| Direct Service Provider Group - 3 to 5 Participants | $25.11 | 27% | 7.25 | Yes | Yes | 15% | 4 | $10.50 | per Person per Hour | | |
| Direct Service Provider Group - 6 to 8 Participants | $25.11 | 27% | 7.00 | Yes | Yes | 15% | 7 | $6.50 | per Person per Hour | | |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

## Therapies

The Task Force recommends the following for Physical, Occupational and Speech Therapies, provided under the State plan:

- Stop the current billing practice of converting CPT codes submitted by providers to one of the allowable Medicaid codes.
- Give the provider more flexibility by expanding the CPT codes.
- Implement a care coordination service code similar to the care coordination code recommended for Targeted Case Management. The Task Force recommends using the proposed level 2 HCPCS codes T1016 and T1017.
- At least annually, assess if the rates are adequate to ensure the active participation of a sufficient number of therapists.

- Establish an enhanced rate for speech therapy services that recognizes the more specialized needs of autistic children.

- Update the rates to 80 percent of the current Medicare rates or, if the current rates are higher, keep the current Nevada rates. Below are the most common current allowable Nevada Medicaid rates and the corresponding Nevada Medicare rates, along with the proposed rates. (This is not the comprehensive list of CPT codes and is not intended to be the list of recommended CPT codes.)

| CPT Code and Service | | Nevada Medicaid Fee Schedule | Medicare Fee Schedule | 80 % of Medicare Fee Schedule Rate | Proposed Rate |
|---|---|---|---|---|---|
| **Physical and Occupational Therapy** | | | | | |
| 97001 | Physical therapy evaluation | $80.55 per visit | $69.09 per visit | $55.27 per visit | $80.55 per visit |
| 97002 | Physical therapy re-evaluation | $52.36 per visit | $36.74 per visit | $29.39 per visit | $52.36 per visit |
| 97003 | Occupational therapy evaluation | $80.55 per visit | $71.80 per visit | $57.44 per visit | $80.55 per visit |
| 97004 | Occupational therapy re-evaluation | $52.36 per visit | $48.65 per visit | $38.92 per visit | $52.36 per visit |
| 97110 | Therapeutic procedure, one or more areas; therapeutic exercises to develop strength and endurance, range of motion and flexibility | $13.69 per 15 min. | $27.09 per 15 min. | $21.67 per 15 min. | $21.67 per 15 min. |
| 97150 | Therapeutic procedure(s), group (2 or more individuals) | $6.44 per 30 min. | $18.22 unit not provided | $14.58 unit not provided | $14.58 |
| 97535 | Self care/home management training, direct one-on-one contact by provider | $12.35 per 15 min. | $30.41 per 15 min. | $24.33 per 15 min. | $24.33 per 15 min. |
| **Speech Therapy** | | | | | |
| 92506 | Evaluation of speech, language, voice, communication, auditory processing, and/or aural rehabilitation status | $40.28 per 30 min. | $97.73 per visit | $78.18 per visit | $78.18 per visit |
| 92507 | Treatment of speech, language, voice, communication and/or auditory processing disorder; individual | $21.48 per 30 min. | $77.71 per visit | $62.17 per visit | $62.17 per visit |

The Task Forces review only included services provided under the State plan. We did not examine therapies provided outside of Medicaid and rates pertaining to those services should not be effected by these recommendations.

**SECTION I**
**INTRODUCTION**

Across the country, the delivery of support services to people with special needs is undergoing a period of critical evaluation and change. The Provider Rates Task Force (Task Force) had the responsibility to evaluate the current rates and rate setting methodologies for a variety of community-based services in Nevada. It was their charge to develop a long-term strategic plan for how the State should purchase these services in the future – a strategic plan that addresses both the level of the rates and the rate-setting methodology.

The Task Force reviewed a broad range of community services including support services available to seniors and people with physical disabilities; support and employment services available to people with developmental disabilities; and community mental health services. While the range of services is far-reaching, the comprehensiveness of the Task Force's review is key to overcoming the often fragmented manner in which these services have evolved over the years. The evolution of funding sources and regulatory guidelines has often resulted in a patchwork of services, service definitions, provider requirements and payment rates for these services within most states across the country. As the provision of community services expands, the conflict within the programmatic and funding structures underlying these services become increasingly apparent. With regard to the focus of the Task Force, the comparability of the rates, or lack thereof, for similar community services can result in sister State agencies competing with one another for direct care staff. In addition, since the State is virtually the sole purchaser of many of these community long-term support services, it is difficult for market rates to naturally evolve. The broad focus of the Task Force allowed some of these cross-cutting issues to be addressed.

Phase I of the Task Force's strategic plan focused on center-based Community Training Centers (CTCs) and Supported Living Arrangements (SLAs) and was submitted on July 15 of this year. This second strategic plan focuses on all remaining Phase II services including:

*Home- and Community-Based Services to Seniors and People with Disabilities*

- Supported Employment Services
- Personal Assistance Services
- Group Residential Services
- Adult Day Health Care Services
- Assisted Living Services
- Fiscal Intermediary Services (Separate Report)
- Services to Persons with Autism (Separate Report)
- Case Management (Separate Report)

*Children and Adult Mental Health Rehabilitative Services*

- Intensive Community-Based Service
- Rehabilitation Skills Training
- Parent/Family Support and Training
- Attendant Care
- Rehab Partial Care – Day Treatment
- Rehab Partial Care – Psychosocial Rehab
- Rehab Partial Care – Hospital-Based Day Treatment
- Crisis Mobile
- Therapeutic Foster Care
- Residential Care Levels I through III
- Independent Living Training
- Psychosocial Rehabilitation

*Therapies*

- Physical Therapy
- Occupational Therapy
- Speech Therapy

Community support services are currently offered in Nevada under four different community waivers and through the State Plan. There are also State and grant funded programs offering community support services (e.g. personal assistance services). The four waivers are:

- The Community Home-Based Initiative Program Elderly Waiver (CHIP Waiver)
- The Elderly in Group Care Waiver (Group Home Waiver)
- Mental Retardation Waiver (MR Waiver)
- Physically Disabled Waiver (PD Waiver)

## APPROACH TO ANALYSIS

The work being completed by EP&P Consulting, Inc. (EP&P) in support of the Provider Rates Task Force and development of the Task Force's strategic plans falls into the following five analysis areas.

Stakeholder Input: The Task Force recognizes that while costs are important in studying the rates, additional factors need to be taken into consideration in order to study service rates completely. In this spirit, a survey capturing qualitative information from providers, individuals accessing services, and family members of individuals accessing services was developed. Summary data is captured in Sections II, III and IV of this report.

Interstate Survey: Information was gathered from a review of community services offered by other states. This is referred to as the "Interstate Survey." The potential strengths of the Interstate Survey include providing:

- A source of ideas regarding how to structure rates and rate setting methodologies
- Information about rate levels in other states

The limitations of the Interstate Survey are that:

- Comparability of services across states in terms of delivery system, service definitions, provider requirements, etc. are not uniform
- Other states' rates also may not reflect "market-level" rates

States were selected for inclusion in the survey of other states based on:

- Population
  - Total residents
  - Distribution by age, gender, and race/ethnicity
- Population in Poverty
  - Distribution by Federal Poverty Limit
  - Poverty rate by age, gender and race/ethnicity
- Median Family Income
  - Total income and income by race/ethnicity
- Geography
  - Distribution of population (urban vs. rural)
- Employment and unemployment status
- Proximity
  - Location of state in relation to Nevada (i.e. border states)

The survey of other state information was completed based on both telephone interviews and review of written information obtained from the states. The Interstate Survey data was strongest for those services that are hourly services provided in a non-group setting. Gathering information from other states for services was particularly problematic because of comparability of service definitions across states.

The review of state survey findings shows that there is no "magic" or standard methodology used by other states for computing rates for home- and community-based service rates. Legislatures in all states have influence over increasing the rates in times of fiscal constraint. Very few states were found to require providers to submit cost reports. However, this may change in the future. Although most states said they had issues attracting providers to rural areas, few were actually providing a rural add-

on or other incentives. The majority of the states surveyed reported that they had trouble finding and retaining skilled and licensed professionals.

Summary data on rates paid for home- and community-based services are shown in Section II, mental health services are shown in Section III, and therapies are shown in Section IV of this report. In the Appendix, we provide more detailed matrices on not only the rates paid in other states but also service definitions, certification and licensure requirements, training requirements, and quality assurance measures.

Intrastate Survey: An "Intrastate Survey," a review of rates for similar services across Nevada programs, was undertaken during the development of the Strategic Plans. This review provides a comparison of rate setting methodologies, rate levels and licensing requirements.

The strength of the Intrastate Survey is that it is a source of ideas regarding how to structure rates and rate setting methodologies and also provides insight regarding the potential "ripple effect" of rate changes across programs. Unfortunately, the shortcomings of the Intrastate Survey are similar to the shortcomings of the Interstate Survey – the comparability of services across the programs in terms of service definitions and provider requirements.

Summary data are shown in Sections II, III and IV of this report.

Cost Collection: A survey tool was designed to collect both quantitative historical cost information as well as qualitative input directly from service providers. The strengths of gathering information about the cost of providing services is that it provides information about the distribution of costs across various cost centers (e.g., direct care wages, employee benefits, transportation, administrative costs, etc.) Surveying the providers is also an opportunity to get broad provider input regarding the rate system. The key limitation of the cost collection process is that since the State is the purchaser of the vast majority of home- and community-services, provider costs may tend to be linked to the rate levels. In other words, because there is only one purchaser of these services, provider costs may tend to reflect the level of the rates. Another limitation of the cost collection survey process is that if providers have not been required to submit financial reports to the State on a regular basis, the collection of cost data requires providers to submit information that they have not historically maintained in a uniform manner. Therefore, some providers may not have the resources to commit to completing the cost survey, some providers may not have the information available and, finally, there may be definitional issues that affect the comparability of costs across providers.

After repeated attempts by both EP&P and the Task Force members, providers across the majority of Phase II services did not submit responses to the cost survey. Any data we did receive has been summarized in Sections II and III of this report. The actual cost surveys administered to providers is provided in the Appendix to this report.

Independent Models: Independent Models were developed that attempt to reflect the wage, benefit, programmatic and administrative costs associated with service delivery. The goal of the Independent Models is to build the cost of the service from "the ground up," breaking the link between historical payment levels and cost data. The Independent Model attempts to introduce a "market rate" perspective to the process and can provide a structure within which to evaluate the current rate and cost levels necessary to support the activities included in the service definition. The shortcoming of the Independent Model approach is that there is no "standard accepted model."

The independent models for Phase II services that were considered by the Task Force, along with the assumptions made under each option, are presented in Sections II and III of this report. A comparison of hourly staffing wages considered by the Task Force as derived from the Bureau of Labor Statistics are shown in a table in the Appendix to this report.

The remainder of this report provides more detail on Phase II services.

- Section II addresses home- and community-based services to seniors and people with disabilities
- Section III addresses mental health rehabilitative services to individuals who are seriously emotionally disturbed (SED) and severely mentally ill (SMI)
- Section IV addresses physical therapy, occupational therapy and speech therapy provided under the Nevada State plan
- Section V provides specific rate recommendations and methodology for updating the rates in the future, as well as policy and operational changes that will ensure uniform and consistent practices among all providers

**SECTION II**
**HOME- AND COMMUNITY-BASED SERVICES**

## Background

After the completion of Phase I Community Training Centers (CTCs) and Supported Living Arrangements (SLAs), the Task Force continued its work on home- and community-based services, focusing on the following services for further study:

- Supported Employment Services (carried over from Phase I CTC services)
- Personal Assistance Services
- Adult Day Health Care Services
- Group Residential Services
- Assisted Living Services

*Supported Employment*

Supported employment services are provided under the community training center structure. No specific definition or provider qualifications for supported employment were found.

*Personal Assistance Services*

Nevada currently provides personal assistance services through three of their 1915(c) waivers and the State plan. Personal assistance services are also provided through State/grant funded programs. In general, personal assistance services offer assistance with eating, bathing, dressing, personal hygiene, and activities of daily living. When specified in the plan of care, this service may also include housekeeping chores such as bed making, dusting and vacuuming, which are incidental to the care furnished, or which are essential to the health and welfare of the individual, rather than the individual's family. Assistance and supervision for the functionally impaired individual with the activities of daily living such as mobility, bathing, dressing, oral hygiene, toileting, transferring, ambulating, feeding, and transportation to appointments are also included.

*Adult Day Health Care Services*

Nevada provides two types of adult day health care. They are:

- Social Model: A service provided more than 4 hours per day on a regularly scheduled basis, for one or more days per week, in an outpatient setting, encompassing social services needed to ensure the optimal functioning of the consumer. Meals provided as part of these services shall not constitute a "full nutritional regime" (3 meals per day). This service is provided in accordance with the goals in a plan of care and is not merely divisional in nature. Transportation between

the consumer's residence and the social adult day care center is not provided as a component of social adult day care.

- Medical Model: The Task Force was unable to obtain a service definition; however, the Independent Model includes nursing and rehabilitation workers, both common workers found in other medical model structures.

*Group Residential Services*

Group residential services are assistance with acquisition, retention or improvement in skills related to activities of daily living, such as dressing, personal grooming and cleanliness, and toileting, bed making and household chores, eating and the preparation of food, use of public transportation, socialization, including group interaction, shopping trips and therapeutic recreation, which is aimed at a specific goal in the client's plan of care, and specialized training and treatment to ameliorate developmental deficits and to improve expressive and receptive language. There are two types of residential services:

- Residential Level A: Services are provided in family foster home/developmental home providers or adult group care homes which care for up to six individuals. The homes are usually owned by the caregivers who provide habilitation services in a nuclear family setting. Case managers monitor client progress and training programs, develop necessary program modifications and provide technical assistance to caregivers.

- Residential Level B: Services are provided through corporate providers. The providers locate and lease homes and hire group care managers and professional staff. Level B homes give a higher level of supervision, monitoring and training than Level A providers. The providers employ professional staff to train home operators and to develop and evaluate residential habilitation plans.

The State is currently in the process of phasing out these services.

*Assisted Living Services*

Assisted living services are personal care services, homemaker, chore, attendant care, companion services, medication oversight (to the extent permitted under State Law), transportation, diet and nutrition, orientation mobility, community mobility/transportation training, advocacy for related social services health maintenance, socialization and peer support, assistance with schooling and school re-entry, active supervision, home and community safety training, and therapeutic social and recreational programming, provided in a home-like environment in a licensed (where applicable) community care facility. This service includes 24-hour on-site response staff to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence, and to provide supervision, safety and security.

This service is usually provided to higher needs clients under the physically disabled waiver.

Although there are other home- and community-based services, the analysis below specifically addresses the services identified above.

## Cost Survey

In an effort to capture the actual costs the provider incurs, two surveys were developed and distributed to a total of 93 providers. Providers either received the survey on CTC and adult day health care services or the survey capturing all other services. A copy of each survey was provided in the Appendix to the Phase I Report. Repeated attempts were made to collect the cost survey by both members of the Task Force and EP&P; however, little or no data was received; therefore, no cost analysis findings could be made. Table II.1 below summarizes the status of each service:

**Table II.1**

| Service | Number Surveyed | Number Received | Status |
|---|---|---|---|
| Adult Day Health Care | 4 | 3 | 1. One Survey excluded<br>2. Cost per unit ranged from $7.55 to $34.07<br>3. No further analysis completed due to wide variation in cost per unit |
| Assisted Living | 59 | 2 | 1. Insufficient Data |
| Group Residential | 0 | 0 | 1. Did Not Survey - Service Being Phased Out |
| Personal Assistance | 30 | 6 | 1. One survey excluded<br>2. Cost per unit ranged from $2.23 to $ 1,584.10<br>3. No further analysis completed due to wide variation in cost per unit |
| Supported Living | 0 | 0 | 1. Did Not Survey |

## Intrastate Survey

As part of the comprehensive approach the Task Force took in evaluating the rates and rate methodologies provided, the Task Force looked within Nevada programs for the same services across State agencies. Currently, services are provided through one of the following mechanisms:

- The Community Home-Based Initiative Program Elderly Waiver (CHIP Waiver)
- The Elderly in Group Care Waiver (Group Home Waiver)

- Mental Retardation Waiver (MR Waiver)
- Physically Disabled Waiver (PD Waiver)
- State Plan

The five services targeted by the Task Force are provided under the following:

**Table II.2**

| Service | CHIP Waiver | Group Home Waiver | MR/DD Waiver | PD Waiver | State Plan |
|---|---|---|---|---|---|
| Adult Day Health Care | ✓ | | | | ✓ |
| Assisted Living | | | | ✓ | |
| Group Residential | | | ✓ | | |
| Personal Assistance | ✓ | ✓ | | ✓ | ✓ |
| Supported Living | | | ✓ | | |

After discussions with Task Force members and State staff, it was determined that personal assistance provided under the Group Home waiver is really an add-on service and should be treated as such. The other personal assistance services had similar provider qualifications but different rates. On the other hand, adult day health care had the same rates for both the CHIP waiver and State plan service; however, adult day health care provided under the CHIP waiver is a social model while under the State plan it is a medical model. Provider qualifications for these two services are the same. Assisted living, group residential and supported employment had no comparison points as they are only provided under one of the waivers. Exhibit II.1 at the end of this section summarizes the initial and ongoing staffing requirements as well as provider qualifications.

**Interstate Survey**

In continuation of the work begun in Phase I, the Task Force continued collecting and analyzing home- and community-based services provided in other states. Specifically, the Task Force gathered information on HCBS services provided through 1915(c) waivers or the Medicaid State plan. A total of 15 states were surveyed. The following are some general observations:

- The minimum qualifications for direct care staff include criminal background checks, medical checks, a high school education, staff must be 18 years of age or older, and staff must receive training ranging from CPR certification to training in necessary skills to meet the needs of the individuals being served.

- Responses from the quality assurance portion of the survey indicate that case managers from various agencies oversee the quality of services for consumers, and the appropriate oversight agency staff monitors the providers. Provider reviews in most cases occur annually and without notice.

- Overall there seems to be two major labor issues: (1) Low wages for the direct care staff, which in general leads to a high turnover rate, and (2) Competition from other minimum wage employers, such as fast food restaurants, over the labor force.

Per the request of the Task Force, additional research was also conducted on services provided to individuals with traumatic brain injury (TBI) through 1915(c) waivers. This research was similar in scope to that performed for the other home- and community-based services as described above and includes data from the following states:

- Colorado
- Iowa
- Kansas
- Kentucky

A summary of mean and median rate information, adjusted for cost of living, for HCBS services paid across a sample of states is shown on Tables II.3 through II.5 on the following pages for supported employment, personal assistance and adult day health care services. More detailed information, on these services, as well as the remaining services collected as part of the survey, can be found in the Appendix to this report. The Appendix also contains the additional information on TBI requested by the Task Force.

**Table II.3**
**Supported Employment Programs**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Name | Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|
| 1 | Idaho | Supported Employment | 1. DD Waiver<br>2. ISSH Waiver | $21.49 | per hour | $21.49 | |
| 2 | Indiana | Supported Employment | 1. MR/DD Waiver<br>2. Autism Waiver | $9.80 | per 15 minutes | $39.20 | |
| 3 | Iowa | Supports to Maintain Employment: Job Coaching | MR/DD Waiver | $34.36 | per hour | $34.36 | |
| | | Supports to Maintain Employment: Personal Care | MR/DD Waiver | $19.46 | per hour | $19.46 | |
| | | Supports to Maintain Employment: Enclave | MR/DD Waiver | $6.08 | per hour | $6.08 | |
| 4 | Kentucky | Supported Employment | MR/DD Waiver | $5.16<br>$6.20 | per 15 minutes<br>per 15 minutes | $22.72 | 50% of $5.16 and 50% of $6.20 |
| 5 | Minnesota | Supported Employment | MR/RC Waiver | $18.21 | per 30 minutes | $36.42 | |
| 6 | New Mexico | Supported Employment | DD Waiver | $28.00 | per hour | $28.00 | |
| 7 | Oklahoma | Employment Training Services | 1. DD Waiver<br>2. In-Home Support Waiver (Adults) | $23.60 | per hour | $23.60 | |
| | | Job Coaching | 1. DD Waiver<br>2. In-Home Support Waiver (Adults) | $12.96 | per hour | $12.96 | |
| 8 | Tennessee | Supported Employment | MR/DD Waiver for Adults and Children | $27.28 | per hour | $27.28 | |
| 9 | Utah | Supported Employment | MR/DD Waiver | $30.83 | per hour | $30.83 | |

| | |
|---|---|
| Mean | $25.20 |
| Median | $25.44 |

**Table II.4**
**Personal Assistance Services**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Name | Service Provided By (If Applicable) | Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|---|
| 1 | Arizona | Personal Care | ALTCS 1115 Waiver | | $19.32 | per hour | $19.32 | |
| | | Attendant Care | ALTCS 1115 Waiver | | $13.72 | per hour | $13.72 | |
| 2 | Colorado | Personal Care | Elderly Blind & Disabled Waiver | | $11.95 | per hour | $11.95 | |
| 3 | Idaho | Personal Care/ Assistance | State Plan | | $13.06 | per hour | $13.06 | |
| | | Attendant Care | Aged and Disabled Waiver | | $13.06 | per hour | $13.06 | |
| 4 | Indiana | Attendant Care/Personal Assistance | 1. Aged and Disabled Waiver<br>2. MR/DD Waiver<br>3. Autism Waiver | State Employee | $8.48 | per 30 minutes | $16.96 | |
| | | | | Home Health Independent Practitioner | $10.46 | per hour | $10.46 | |
| | | | | Home Health Agencies | $17.09 | per hour | $17.09 | |
| 5 | Iowa | Consumer Directed Attendant Care (CDAC) | 1. Elderly Waiver<br>2. MR/DD Waiver<br>3. Physically Disabled Waiver<br>4. Ill and Handicapped Waiver | Home Health Agency | $19.78 | per hour | $19.78 | |
| | | | | Individual | $12.98 | per hour | $12.98 | |
| 6 | Kansas | Personal Care | Frail Elderly Waiver | | $13.22 to $14.60 | per hour | $13.91 | Median of rates. |
| | | Personal Care | Physically Disabled Waiver | | $8.82 to $13.75 | per hour | $11.29 | Median of rates. |
| | | Attendant Care | DD Waiver | | $8.25 to $16.63 | per hour | $12.44 | Median of rates. |

**Table II.4**
**Personal Assistance Services**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Name | Service Provided By (If Applicable) | Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|---|
| 7 | Kentucky | Personal Care | Adults with Severe Disabilities Waiver | | $6.76 | per hour | $6.76 | |
| | | Personal Care | Aging Waiver | | $10.68 | per 30 minutes | $21.36 | |
| | | Attendant Care | Aged and Disabled Waiver | | $11.50 | per hour | $11.50 | |
| 8 | Minnesota | Personal Care | 1. Elderly Waiver<br>2. MR/RC Waiver<br>3. Mentally Ill Waiver<br>4. Physically Disabled Waiver | 1 : 1 ratio | $3.76 | per 15 minutes | $15.04 | |
| | | | | 1 : 2 ratio | $2.82 | per 15 minutes | $11.28 | |
| | | | | 1 : 3 ratio | $2.49 | per 15 minutes | $9.96 | |
| 9 | Missouri | Personal Care | Independent Living Waiver | | $12.92 | per hour | $12.92 | |
| | | Attendant Care | Physical Disabilities Waiver | | $14.54 | per hour | $14.54 | |
| | | Personal Care | State Plan | Personal Care Aide | $14.54 | per hour | $14.54 | |
| | | | | Advanced | $18.82 | per hour | $18.82 | |
| | | | | Residential Care Facility I or II: Personal Care Aide | $13.93 | per hour | $13.93 | |
| | | | | Residential Care Facility I or II: Advanced | $16.10 | per hour | $16.10 | |
| 10 | Oklahoma | Personal Care in Adult Day Health Care | Aged and Disabled (Advantage) Waiver | | $8.10 | per hour | $8.10 | |

**Table II.4**
**Personal Assistance Services**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Name | Service Provided By (If Applicable) | Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|---|
| | Oklahoma Cont. | | State Plan | Agency-Based | $13.82 | per hour | $13.82 | |
| | | | | Individual Provider | $7.96 | per hour | $7.96 | |
| 11 | Oregon | Personal Care | State Plan | | $13.42 | per hour | $13.42 | |
| 12 | Tennessee | Personal Assistance Services | MR/DD Waiver for Adults and Children | | $14.84 to $15.93 | per hour | $15.39 | Median of rates. |

| | |
|---|---|
| **Mean** | **$13.72** |
| **Median** | **$13.57** |

**Table II.5**
**Adult Day Health Care**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Waiver | Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|
| 1 | Arizona | Adult Day Health | ALTCS 1115 Waiver | $7.25 | per hour | $7.25 | |
| 2 | Colorado | Adult Day Services - Basic | Elderly, Blind & Disabled Waiver | $20.03 | per half day | $5.01 | A half day equals 3 to 5 hours. Assume 4 hours. |
| | | Adult Day Services - Specialized | | $25.59 | per half day | $6.40 | Assume 4 hours. |
| 3 | Idaho | Adult Day Care | 1. Aged and Disabled Waiver<br>2. ISSH Waiver<br>3. DD Waiver | $6.14 | per hour | $6.14 | |
| 4 | Indiana | Adult Day Services | 1. Aged and Disabled Waiver<br>2. MR/DD Waiver<br>3. Autism Waiver | | | | |
| | | Level 1 | | $22.33 | per half day | $5.58 | A half-day equals up to four hours. |
| | | Level 2 | | $29.31 | per half day | $7.33 | |
| | | Level 3 | | $34.89 | per half day | $8.72 | |
| 5 | Iowa | Adult Day Care | Elderly Waiver | $44.11 | per full day | $5.51 | Full day is up to 8 hours. |
| | | Adult Day Care | Ill and Handicapped Waiver | $112.44 | per full day | $14.06 | Full day is up to 8 hours. |
| 6 | Kansas | Adult Day Health | Frail Elderly Waiver | $14.32 | per unit | $7.16 | 1 unit is defined as 1 to 4 hours. Assume 2 hours. |
| 7 | Kentucky | Adult Day Care | Aged and Disabled Waiver | | | | |
| | | Level 1 | | $29.91 | per 3 hours | $9.97 | |
| | | Level 2 | | $36.32 | per 3 hours | $12.11 | |
| 8 | Minnesota | Adult Day Care | Elderly Waiver | $6.03 | per 30 minutes | $12.06 | |
| | | Adult Day Care | Physically Disabled Waiver | $6.07 | per 30 minutes | $12.14 | |
| | | Adult Day Care | MR/RC Waiver | $5.65 | per 30 minutes | $11.30 | |
| 9 | Missouri | Adult Day Care | Aged and Disabled Waiver | $40.30 | per day | $10.08 | A day equals a minimum of 4 hours. |
| | | | State Plan | $48.99 | per full day | $8.17 | A full day is 6 to 10 hours. Assumed 6 hours. |

**Table II.5**
**Adult Day Health Care**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Waiver | Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|
| 10 | Oklahoma | Adult Day Health Care | Aged and Disabled Waiver (Advantage Program) | $6.31 | per hour | $6.31 | |
| 11 | Oregon | Adult Day Care | Aged and Disabled Waiver | $84.75 | per day | $14.13 | Assumed a day equals 6 hours. |

| | |
|---|---|
| **Mean** | **$8.92** |
| **Median** | **$8.17** |

**Independent Models**

The Independent Model is best used as a methodology to price out what the State wants to purchase when they contract for a specific service. The major components of the Independent Models used for the HCBS services are as follows:

- The wage level for supervisory and direct care staff. Wage information from the Bureau of Labor Statistics (BLS) was used to evaluate the appropriate staffing wages. The beginning wage was based on similar occupations reported by BLS and identified by Task Force Members and State staff as comparable to the HCBS service.

- The amount of employee related expenses (ERE) built into the rate. All models assume an ERE percentage of 27% based on input from Task Force members and State staff. This percentage includes benefits such as paid vacation, paid sick leave, holiday pay, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.

- The amount of non-billable time spent by staff (referred to in the Independent Models as a "productivity adjustment." Productivity adjustments were made to reflect the time that staff need to complete required documentation and record keeping, time associated with missed appointments/no shows, and average travel time by the provider.

- The percentage of the service cost that should result from non-direct care activities (administrative overhead). Administrative overhead varies based on the service and how it is delivered. For the four HCBS models, overhead ranged between seven and 12 percent and included at least one of the following components: insurance, administrative staff, capital and related expenses, operations and management activities and office supplies. The exact percent used for administrative overhead in each model and the rationale is detailed in the assumptions document accompanying each Independent Model.

- The number of full-time equivalents or FTEs per billing unit. This varies across services and unless otherwise specified, is one to one.

- Meals provided to the individual receiving services. When the provider is required to feed the individual, meals have been included in the rate. This only occurs in the adult day health care models.

- Capital costs not included in administrative overhead. When capital is not included in administrative overhead, it is included as its own line item. This applies to the adult day health care models.

The above components are not always applied to each service when building the Independent Models, but rather only the applicable components are included within each model. The Independent Models, along with documentation for each assumption, are found in Exhibit II.2 at the end of this section.

# Exhibit II.1

# Staffing and Provider Qualifications

**Exhibit II.1**
**Initial Staffing Requirements for**
**Nevada Home- and Community-Based Waiver and State Plan Services**

| Service | Waiver or State Plan | Current Rate | Per Unit | Educational and Professional Requirements | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Proof of Ability to Work in the U.S. | 18 Years or Older | Physical Exam | Criminal History Background Check/FBI Fingerprints | High School Diploma/ GED | Bachelor's Degree[1] | Professional/ Medical License/ Certification | Previous Experience |
| *Personal Assistance Services* | | | | | | | | | | | |
| Personal Assistance Service: | Physically Disabled Waiver | | | | | | | | | | |
| 1. Attendant Care | | $14.50 | per hour | ✓ | ✓ | | ✓ | | | | ✓ |
| 2. Chore | | $14.50 | per hour | ✓ | ✓ | | ✓ | | | | ✓ |
| 3. Homemaker - Agency | | $14.50 | per hour | ✓ | ✓ | | ✓ | | | | ✓ |
| 4. Homemaker - Individual | | $10.00 | per hour | ✓ | ✓ | | ✓ | | | | ✓ |
| Personal Care Service (In-Home Attendant Care) | CHIP Waiver | $16.00 | per hour | ✓ | | ✓ | ✓ | | | | ✓ |
| Personal Care Services (Add-on) | Elderly in Group Care Waiver | $9.09 | per hour | ✓ | ✓ | ✓ | ✓ | | | | ✓ |
| Personal Care Services | State Plan | | | | | | | | | | |
| 1. Independent Contractor | | $14.50 | per hour | ✓ | | ✓ | ✓ | | | | |
| 2. Provider Agency | | $17.00 | per hour | ✓ | | ✓ | ✓ | | | | |
| 3. Intermediary Service Organization | | $16.50 | per hour | ✓ | | | ✓ | | | | |
| *Adult Day Health Care Services* | | | | | | | | | | | |
| Adult Day Care (Social Model) | CHIP Waiver | $6.67<br>$40.00 | per hour<br>per day | ✓ | | ✓ | ✓ | | | | |
| Adult Day Health Care (Medical Model) | State Plan | $6.67<br>$40.00 | per hour<br>per day | ✓ | | ✓ | ✓ | | | | |

**Exhibit II.1**
**Initial Staffing Requirements for**
**Nevada Home- and Community-Based Waiver and State Plan Services**

| Service | Waiver or State Plan | Current Rate | Per Unit | Educational and Professional Requirements | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Proof of Ability to Work in the U.S. | 18 Years or Older | Physical Exam | Criminal History Background Check/FBI Fingerprints | High School Diploma/ GED | Bachelor's Degree[1] | Professional/ Medical License/ Certification | Previous Experience |
| *Assisted Living Services* | | | | | | | | | | | |
| Assisted Living | Physically Disabled Waiver | $105.00 | per day | | | | | | | | |
| 1. Rehabilitation Aide | | | | ✓ | | | ✓ | ✓ | | | ✓ |
| 2. Residential Service Coordinator | | | | ✓ | | | ✓ | | ✓ | | ✓ |
| 3. Site Supervisor | | | | ✓ | | | ✓ | | ✓ | | ✓ |
| *Group Residential Services (Services being phased out)* | | | | | | | | | | | |
| Residential Habilitation - Level A | Mental Retardation Waiver | $15.48 | per day | | | | | | | | |
| 1. Direct Care Staff | | | | ✓ | ✓ | | ✓ [2] | ✓ [2] | | | |
| 2. Administrator/Supervisor | | | | ✓ | ✓ | | | | ✓ | | ✓ |
| Residential Habilitation - Level B | Mental Retardation Waiver | $57.60 | per day | | | | | | | | |
| 1. Direct Care Staff | | | | ✓ | ✓ | | ✓ [2] | ✓ [2] | | | |
| 2. Nurse | | | | ✓ | ✓ | | ✓ [2] | ✓ [2] | | ✓ | |
| 3. Administrator/Supervisor | | | | ✓ | ✓ | | | | ✓ | | ✓ |

**Exhibit II.1**
**Initial Staffing Requirements for**
**Nevada Home- and Community-Based Waiver and State Plan Services**

| Service | Waiver or State Plan | Current Rate | Per Unit | Educational and Professional Requirements | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Proof of Ability to Work in the U.S. | 18 Years or Older | Physical Exam | Criminal History Background Check/FBI Fingerprints | High School Diploma/ GED | Bachelor's Degree[1] | Professional/ Medical License/ Certification | Previous Experience |
| *Other Nevada Services* | | | | | | | | | | | |
| Adult Companion | CHIP Waiver | $8.00 | per hour | ✓ | | ✓ | ✓ | | | | ✓ |
| Chore | CHIP Waiver | $15.00 | per hour | ✓ | | ✓ | ✓ | | | | ✓ |
| Homemaker | CHIP Waiver | $15.00 | per hour | ✓ | | ✓ | ✓ | | | | ✓ |
| Respite Care (In-Home) | CHIP Waiver | $10.00 | per hour | ✓ | | ✓ | ✓ | | | | |
| Respite Care[3] | Mental Retardation Waiver | $75.00 | per day | ✓ | ✓ | | ✓ | | | ✓ | |
| Respite Care | Physically Disabled Waiver | $14.50 | per hour | ✓ | | | ✓ | | | | ✓ |

[1] Depending on the service, a combination of education and years of experience and/or years of experience may be substituted for BA/BS degree

[2] These are currently not required by the state; therefore provider compliance is not 100 percent. These requirements will be proposed recommendations and, if accepted, incorporated into the waiver chapter when it is revised.

[3] Five levels of respite provided; training and licensure requirements may vary depending on the respite level

**Exhibit II.1**
**Training and On-Going Requirements for**
**Nevada Home- and Community-Based Services**

| Services | Waiver or State Plan | Current Rate | Per Unit | Training and On-Going Requirements: Initial On-the-Job Training/ Orientation | Annual Training Requirements | First Aide | CPR | Routine Criminal Background Check | Direct Care Staff Supervision | Family Members Provide Service |
|---|---|---|---|---|---|---|---|---|---|---|
| *Personal Assistance Services* | | | | | | | | | | |
| Personal Assistance Service: | Physically Disabled Waiver | | | | | | | | | |
| 1. Attendant Care | | $14.50 | per hour | ✓ | ✓ | | | ✓ | | ✓ [1] |
| 2. Chore | | $14.50 | per hour | ✓ | ✓ | | | ✓ | | ✓ [1] |
| 3. Homemaker - Agency | | $14.50 | per hour | ✓ | ✓ | | | ✓ | | ✓ [1] |
| 4. Homemaker - Individual | | $10.00 | per hour | ✓ | ✓ | | | ✓ | | ✓ [1] |
| Personal Care Service (In-Home Attendant Care) | CHIP Waiver | $16.00 | per hour | ✓ | ✓ | | | ✓ | | ✓ [2] |
| Personal Care Services (Add-on) | Elderly in Group Care Waiver | $9.09 | per hour | | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Personal Care Services | State Plan | | | | | | | | | |
| 1. Independent Contractor | | $14.50 | per hour | ✓ | | | | | | |
| 2. Provider Agency | | $17.00 | per hour | ✓ | ✓ | | ✓ | | | |
| 3. Intermediary Service Organization | | $16.50 | per hour | | | | | | | |
| *Adult Day Health Care Services* | | | | | | | | | | |
| Adult Day Care (Social Model) | CHIP Waiver | $6.67<br>$40.00 | per hour<br>per day | ✓ | ✓ | | | | ✓ | |
| Adult Day Health Care (Medical Model) | State Plan | $6.67<br>$40.00 | per hour<br>per day | ✓ | ✓ | | | | ✓ | |

**Exhibit II.1**
**Training and On-Going Requirements for**
**Nevada Home- and Community-Based Services**

| Services | Waiver or State Plan | Current Rate | Per Unit | Training and On-Going Requirements | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Initial On-the-Job Training/ Orientation | Annual Training Requirements | First Aide | CPR | Routine Criminal Background Check | Direct Care Staff Supervision | Family Members Provide Service |
| *Assisted Living Services* | | | | | | | | | | |
| Assisted Living | Physically Disabled Waiver | $105.00 | per day | | | | | | | |
| 1. Rehabilitation Aide | | | | ✓ | | | | ✓ | | |
| 2. Residential Service Coordinator | | | | | | | | ✓ | | |
| 3. Site Supervisor | | | | | | | | ✓ | | |
| *Group Residential Services (Services being phased out)* | | | | | | | | | | |
| Residential Habilitation - Level A | Mental Retardation Waiver | $15.48 | per day | | | | | | | |
| 1. Direct Care Staff | | | | ✓ | ✓ | ✓ | ✓ | ✓ [3] | ✓ | ✓ [1] |
| 2. Administrator/Supervisor | | | | | | | | | | |
| Residential Habilitation - Level B | Mental Retardation Waiver | $57.60 | per day | | | | | | | |
| 1. Direct Care Staff | | | | ✓ | ✓ | ✓ | ✓ | ✓ [3] | ✓ | ✓ [1] |
| 2. Nurse | | | | | | | | ✓ [3] | | |
| 3. Administrator/Supervisor | | | | | | | | | | |

**Exhibit II.1**
**Training and On-Going Requirements for**
**Nevada Home- and Community-Based Services**

| Services | Waiver or State Plan | Current Rate | Per Unit | Training and On-Going Requirements | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Initial On-the-Job Training/ Orientation | Annual Training Requirements | First Aide | CPR | Routine Criminal Background Check | Direct Care Staff Supervision | Family Members Provide Service |
| *Other Nevada Services* | | | | | | | | | | |
| Adult Companion | CHIP Waiver | $8.00 | per hour | | | | | ✓ | | |
| Chore | CHIP Waiver | $15.00 | per hour | ✓ | ✓ | | | ✓ | | |
| Homemaker | CHIP Waiver | $15.00 | per hour | ✓ | ✓ | | | ✓ | | ✓ [2] |
| Respite Care (In-Home) | CHIP Waiver | $10.00 | per hour | | | | | ✓ | | |
| Respite Care[4] | Mental Retardation Waiver | $75.00 | per day | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Respite Care | Physically Disabled Waiver | $14.50 | per hour | ✓ | ✓ | | | ✓ | | |

[1] Not spouses, not legal guardians, not parents of minor children

[2] Not spouses, not legal guardians

[3] These are currently not required by the state; therefore provider compliance is not 100 percent. These requirements will be proposed recommendations and, if accepted, incorporated into the waiver chapter when it is revised.

[4] Five levels of respite provided; training and licensure requirements may vary depending on the respite level

**Exhibit II.1**
**Provider Requirements**
**Nevada Home- and Community-Based Services**

| Service | Waiver or State Plan | Service Provided by | Licensure Requirements | Certification Requirements | Specific Requirements Stated in Waiver Application | Other Requirements | Staffing Ratio Requirements | Facility Capacity |
|---|---|---|---|---|---|---|---|---|
| *Personal Assistance Services* | | | | | | | | |
| Personal Assistance Service:<br>Attendant Care<br>Chore<br>Homemaker - Agency<br>Homemaker - Individual | Physically Disabled Waiver | Individuals or Community-Based Organizations | NRS 449<br>NAC 449.749-449.800<br>449.011-449.0168 | Subsection 4, NRS 629.091 | Yes | NRS 449<br>NAC 449 | N/A | N/A |
| Personal Care Service (In-Home Attendant Care) | CHIP Waiver | Individuals or Agency Providers | NRS 449<br>NAC 449.749-449.800<br>449.011-449.0168 | N/A | | NRS 427A<br>NAC 427A<br>DAS Policy Manual | 1:1 | N/A |
| Personal Care Services (Add-on) | Elderly in Group Care Waiver | Adult Group Care Facility | NAC 449<br>NRS 449 | Licensed by Health Division | | NRS 654<br>NAC 654<br>DAS Policy Manual | 1:20 | NRS 449.037 |
| Personal Care Services | State Plan | Independent Contractor, Provider Agency and Intermediary Service Org | Business license for each county in which services are being provided | | N/A | | | |
| *Adult Day Health Care Services* | | | | | | | | |
| Adult Day Care (Social Model) | CHIP Waiver | Day Care Facilities Community Organization | NAC 449<br>NRS 449 | Licensed by Health Division | | DAS Policy Manual<br>NRS 449<br>NAC 449 | None | 40 sq. feet per recipient |
| Adult Day Health Care (Medical Model) | State Plan | Profit and Non-Profit Organizations | NRS 449.004<br>NAC 449 | | N/A | Requirements as specified in the Medicaid Services Manual, Chapter XVIII | None | 40 sq. feet per recipient |

**Exhibit II.1**
**Provider Requirements**
**Nevada Home- and Community-Based Services**

| Service | Waiver or State Plan | Service Provided by | Licensure Requirements | Certification Requirements | Specific Requirements Stated in Waiver Application | Other Requirements | Staffing Ratio Requirements | Facility Capacity |
|---|---|---|---|---|---|---|---|---|
| *Assisted Living Services* | | | | | | | | |
| Assisted Living | Physically Disabled Waiver | Community Organization | | | Yes | | Varies depending on time of day | Varies |
| *Group Residential Services (Services being phased out)* | | | | | | | | |
| Residential Habilitation:<br>Level A<br>Level B | Mental Retardation Waiver | Child Foster Home or Adult Group | NRS 424, 435, 449<br>NAC 424, 435, 449 | Licensed by DCFS, Health Division or Certified by MHDS | Yes | NRS 435<br>NAC 435 | Max = 1:6<br>Staff ratios vary due to intensity of support needed | 6<br>Norm = 4 |
| *Nevada Services Comparable to Personal Assistance* | | | | | | | | |
| Adult Companion | CHIP Waiver | Agency or Individual Provider | NRS 449, 687B<br>NAC 449, 687B | DAS Contract | No | DAS Contract, DAS Policy Manual | 1:1 | 1:1 |
| Chore | CHIP Waiver | Agency or Individual Provider | NRS 449, 687B<br>NAC 449, 687B | DAS Contract | No | DAS Contract, DAS Policy Manual | 1:1 | N/A |
| Homemaker | CHIP Waiver | Agency or Individual Provider | NRS 449, 687B<br>NAC 449, 687B | DAS Contract | No | DAS Contract, DAS Policy Manual | 1:1 | N/A |

**Exhibit II.1**
**Provider Requirements**
**Nevada Home- and Community-Based Services**

| Service | Waiver or State Plan | Service Provided by | Licensure Requirements | Certification Requirements | Specific Requirements Stated in Waiver Application | Other Requirements | Staffing Ratio Requirements | Facility Capacity |
|---|---|---|---|---|---|---|---|---|
| Respite Care (In-Home) | CHIP Waiver | Agency or Individual Provider or Medicaid Certified Nursing Facilities | NRS 449, 687B<br>NAC 449, 687B | Nursing Facilities Must be Certified by Medicaid | No | DAS Policy Manual | Individual 1:1<br>Agency 1:1 | N/A for individual and agency<br><br>NF= 120 sq. feet per person per sleeping room |
| Respite Care | Mental Retardation Waiver | 1. Day Care - Adult<br>2. Day Care - Child<br>3. Recreation Programs<br>4. After School Programs<br>5. Camps<br>6. Certified Respite Home | NRS 449<br>NAC 449.004<br>NRS 432.A.024 | 1. Licensed by Health or DCFS; or Certified by MHDS<br>2,3,4. Licensing by Appropriate County Regulatory Body<br>5. American Camping Association<br>6. Certified by MHDS | Yes | | Individual 1:1 | N/A for MHDS providers<br><br>Other providers must meet their licensing specifications |
| Respite Care | Physically Disabled Waiver | Community-Based Agenices or Independent Contractors | NRS 449<br>NAC 449 | | Yes | NRS 629.091 | 1:1 | N/A |

# Exhibit II.2

# Home- and Community-Based Services Independent Models

## Exhibit II.2
## Supported Employment
## Building the Rates from Independent Data

| | Supported Employment |
|---|---|
| **Hourly Wage (1)** | **$ 17.01** |
| **Annual Wage** | **$ 35,374** |
| **ERE as a Pct. of Wages** | **27%** |
| **Hourly Compensation *(wages + ERE)*** | **$ 21.60** |
| **Annual Compensation *(wages + ERE)*** | **$ 44,925** |
| **Productivity Assumptions** | |
| - Total Hours | 8 |
| - Time allocated to notes/med records | 0.25 |
| - Training | 0.02 |
| - Missed Appointments/Down Time (phone calls etc.) | 0.06 |
| - Average on-site time; "Billable Hours" | 7.67 |
| - *Productivity Adjustment* | *1.04* |
| **Hourly Compensation After Adjustment** | **$ 22.53** |
| **Annual Compensation After Adjustment** | **$ 44,925** |
| **Administrative Overhead** | |
| Administrative Pct. | 5% |
| Non-travel cost | $ 22.53 |
| **Administrative Cost *(Admin. Pct. X Non-travel Cost)*** | **$ 1.13** |
| **Total Rate** | per Hour |
| | **$ 23.65** |
| | per Hour |
| **Recommended Rate (2)** | **$ 23.50** |

| | per Hour |
|---|---|
| **Current Rate** | **$ 20.14** |
| **Pct. Increase Over Current Rate** | 17.4% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT II.2**

**ASSUMPTIONS**
**SUPPORTED EMPLOYMENT**

- Hourly Wage: Assumes that on average services are provided by a Rehabilitation Counselor (Nevada Inflated Wage=$17.01).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Time allocated to notes/medical records: 15 minutes per day

- Training: 5 days per work year (assuming a total of 260 days) or .02 per day

- Missed Appointments/Down Time: 15 days per work year (assuming a total of 260 days) or .06 per day

- Average on-site time; "Billable Hours:" 7.67 hours per day

- Administrative Overhead: 5 percent

  Overhead includes insurance and miscellaneous expenses. Supported Employment services should does not include capital and related expenses as the service is provided in the job setting. Unlike the mental health independent models, it does not include staff training.

**Exhibit II.2**
**Personal Assistance**
**Building the Rates from Independent Data**

| | Personal Assistance - Agency | Personal Assistance - Individual |
|---|---|---|
| **Hourly Wage (1)** | **$ 9.79** | **$ 9.79** |
| **Annual Wage** | **$ 20,356** | **$ 20,356** |
| **ERE as a Pct. of Wages** | **27%** | **27%** |
| **Hourly Compensation *(wages + ERE)*** | **$ 12.43** | **$ 12.43** |
| **Annual Compensation *(wages + ERE)*** | **$ 25,852** | **$ 25,852** |
| **Productivity Assumptions** | | |
| - Total Hours | 8 | 8 |
| - Average Travel after arrival at first client and before leaving last client | 1.00 | 0.50 |
| - Time allocated to notes/med records | 0.50 | 0.50 |
| - Missed Appointments/Down Time (phone calls etc.) | - | - |
| - Average on-site time; "Billable Hours" | 6.50 | 7.00 |
| - *Productivity Adjustment* | *1.23* | *1.14* |
| **Hourly Compensation After Adjustment** | **$ 15.30** | **$ 14.20** |
| **Annual Compensation After Adjustment** | **$ 25,852** | **$ 25,852** |
| **Initial Training, On-Going Training and Orientation** | | |
| Hourly Compensation | $ 27.35 | $ - |
| Total Hours | 32 | - |
| Total Training and Orientation | $ 875.16 | $ - |
| **Average Initial Training and Orientation Cost per Hour** | **$ 0.42** | **$ -** |
| **Mileage** | | |
| - Number of Miles | 14 | 7 |
| - Amount per mile | $ 0.345 | $ 0.345 |
| **Total Mileage Amount** | **$ 4.83** | **$ 2.42** |
| **Hourly Mileage Amount** | **$ 0.74** | **$ 0.35** |
| **Administrative Overhead** | | |
| Administrative Pct. | 12% | 7% |
| Non-travel cost | $ 15.72 | $ 14.20 |
| **Administrative Cost *(Admin. Pct. X Non-travel Cost)*** | **$ 1.89** | **$ 0.99** |
| **Total Rate** | per Hour | per Hour |
| | **$ 18.35** | **$ 15.54** |
| | per Hour | per Hour |
| **Recommended Rate (2)** | **$ 18.50** | **$ 15.50** |

| | | |
|---|---|---|
| | per Hour | per Hour |
| **Current Rate** | **$ 17.00** | **$ 14.50** |
| **Pct. Increase Over Current Rate** | 7.9% | 7.2% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT II.2**

**ASSUMPTIONS**
**PERSONAL ASSISTANCE**

**Personal Assistance – Agency**

- Hourly Wage: Assumes that on average services are provided by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 1 hour per day

- Time allocated to notes/medical records: 30 minutes per day

- Missed Appointments/Down Time: 0

- Average on-site time; "Billable Hours:" 6.5 hours per day

- Initial Training, On-Going Training and Orientation: 32 hours per year to be completed by a licensed professional (assumes Registered Nurse, Nevada Inflated Wage=$27.35). This function should not be billed separately by the licensed professional.

- Mileage: 14 miles per day

- Administrative Overhead: 12 percent

Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies. Unlike the mental health independent models, it does not include staff training.

**Personal Assistance – Independent**

- Hourly Wage: Assumes that on average services are provided by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 30 minutes

- Time allocated to notes/medical records: 30 minutes per day

- Missed Appointments/Down Time: 0

- Average on-site time; "Billable Hours:" 7 hours per day

- Initial Training, On-Going Training and Orientation: Not required

- Mileage: 7 miles per day

- Administrative Overhead: 7 percent

  Overhead includes insurance, office expenses and miscellaneous expenses. Personal Assistance – Individual does not include capital and related expenses, as the individual should not incur this expense. Unlike the mental health independent models, it does not include staff training.

**Exhibit II.2**
**Adult Day Care - Social Model**
**Building the Rates from Independent Data**

| | Adult Day Health Care (Social Model) |
|---|---|
| **Wages (1)** | |
| Personal and Home Care Aides | |
| Hourly Wage | $ 9.79 |
| Annual Wage | $ 20,356 |
| Personal and Home Care Aides | |
| Hourly Wage | $ 9.79 |
| Annual Wage | $ 20,356 |
| Social and Human Services Assistant | |
| Hourly Wage | $ 13.50 |
| Annual Wage | $ 28,073 |
| **ERE as a Pct. of Wages** | **27%** |
| Personal and Home Care Aides | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 |
| Personal and Home Care Aides | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 |
| Annual Compensation (wages + ERE) | $ 25,852 |
| Social and Human Services Assistant | |
| Hourly Compensation (wages + ERE) | $ 17.14 |
| Annual Compensation *(wages + ERE)* | $ 35,653 |
| Total | |
| Total Hourly Compensation *(wages + ERE)* | **$ 42.00** |
| Total Annual Compensation *(wages + ERE)* | **$ 87,356** |
| **Productivity Assumptions** | |
| - Total Hours in day program | 6 |
| - Average Travel after arrival at first client and before leaving last client | - |
| - Time allocated to notes/med records | 0.25 |
| - Training | 0.02 |
| - No Shows/Down Time (phone calls etc.) | 0.06 |
| - Average on-site time; "Billable Hours" | 5.67 |
| - *Productivity Adjustment* | *1.06* |
| Hourly Compensation After Adjustment | $ 44.44 |
| Annual Compensation After Adjustment | $ 65,517 |
| Number of Individuals | 15 |
| **Hourly Compensation per Individual** | **$ 2.96** |
| **Daily Compensation Per Individual** | **$ 23.70** |
| **Employee Supervision Time by a Licensed Professional** | |
| Hourly Compensation | $ - |
| Average daily portion of an hour | - |
| **Average Supervisory Cost per Day** | **$ -** |

**Exhibit II.2**
**Adult Day Care - Social Model**
**Building the Rates from Independent Data**

| | Adult Day Health Care (Social Model) |
|---|---|
| **Capital** | |
| - Square footage | 2,000 |
| - Amount per square footage | $ 12.00 |
| **Total Square Footage Amount** | **$ 24,000** |
| **Total Square Footage per Day** | **$ 6.15** |
| **Meals** | |
| - Number of individuals | 15 |
| - Number of Meals | 2 |
| - Amount per meal | $ 4.00 |
| **Total Meals Amount** | **$ 120.00** |
| **Total Meals Amount per Day** | **$ 8.00** |
| **Administrative Overhead** | |
| Administrative Pct. | 10% |
| Non-travel cost | $ 37.86 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 3.79** |
| | per Day |
| **Total Rate per Day** | **$ 41.64** |
| | per Day |
| **Recommended Rate (2)** | **$ 41.50** |
| | per Hour |
| | **$ 6.94** |
| **Recommended Rate per Hour (2)** | **$ 7.00** |

| | per Day | per Hour |
|---|---|---|
| **Current Rate** | **$ 40.00** | **$ 6.67** |
| **Pct. Increase Over Current Rate** | 3.8% | 4.9% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT II.2**

**ASSUMPTIONS**
**ADULT DAY HEALTH CARE**

**Adult Day Health Care – Social Model**

- Number of Individuals per Day: 15
- Number of Staff per Day: 3
- Hourly Wage: Assumes that on average services are provided by the following:
  - Two Personal and Home Care Aides (Nevada Inflated Wage=$9.79)
  - One Social and Human Service Assistant (Nevada Inflated Wage=$13.50)

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.
- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.
- Total Hours: 6 hours per day
- Average Travel: 0
- Time allocated to notes/medical records: 15 minutes per day
- Training: 5 days per work year (assuming a total of 260 days) or .02 per day
- No Shows/Down Time: 15 days per work year (assuming a total of 260 days) or .06 per day
- Average on-site time; “Billable Hours:” 5.68 hours per day
- Employee Supervision: Not required

- Capital Cost: 2,000 square feet at $12 per square foot
- Meals: 2 meals at $4 per person per meal
- Administrative Overhead: 10 percent

  Overhead includes insurance, administrative staff, operations and management activities and office supplies. Capital and related expenses is not included. Unlike the mental health independent models, it does not include staff training.

**Exhibit II.2**
**Adult Day Care - Medical Model**
**Building the Rates from Independent Data**

| | Adult Day Health Care (Medical Model) | |
|---|---|---|
| **Wages (1)** | | |
| Personal and Home Care Aides | | |
| Hourly Wage | $ | 9.79 |
| Annual Wage | $ | 20,356 |
| Rehabilitation Counselors | | |
| Hourly Wage | $ | 17.01 |
| Annual Wage | $ | 35,374 |
| Licensed Practical and Licensed Vocational Nurse | | |
| Hourly Wage | $ | 18.40 |
| Annual Wage | $ | 38,262 |
| **ERE as a Pct. of Wages** | | **27%** |
| Personal and Home Care Aides | | |
| Hourly Compensation *(wages + ERE)* | $ | 12.43 |
| Annual Compensation *(wages + ERE)* | $ | 25,852 |
| Rehabilitation Counselors | | |
| Hourly Compensation *(wages + ERE)* | $ | 21.60 |
| Annual Compensation (wages + ERE) | $ | 44,925 |
| Licensed Practical and Licensed Vocational Nurse | | |
| Hourly Compensation (wages + ERE) | $ | 23.36 |
| Annual Compensation *(wages + ERE)* | $ | 48,593 |
| Total | | |
| Total Hourly Compensation *(wages + ERE)* | **$** | **57.39** |
| Total Annual Compensation *(wages + ERE)* | **$** | **119,370** |
| **Productivity Assumptions** | | |
| - Total Hours in day program | | 6 |
| - Average Travel after arrival at first client and before leaving last client | | - |
| - Time allocated to notes/med records | | 0.25 |
| - Training | | 0.02 |
| - No Shows/Down Time (phone calls etc.) | | 0.06 |
| - Average on-site time; "Billable Hours" | | 5.67 |
| - *Productivity Adjustment* | | *1.06* |
| Hourly Compensation After Adjustment | $ | 60.73 |
| Annual Compensation After Adjustment | $ | 89,528 |
| Number of Individuals | | 12 |
| **Hourly Compensation per Individual** | **$** | **5.06** |
| **Daily Compensation Per Individual** | **$** | **40.49** |
| **Employee Supervision Time by a Registered Nurse** | | |
| Hourly Compensation | $ | 27.35 |
| Average daily portion of an hour | | 0.50 |
| **Average Supervisory Cost per Day** | **$** | **1.14** |

## Exhibit II.2
## Adult Day Care - Medical Model
## Building the Rates from Independent Data

| | Adult Day Health Care (Medical Model) |
|---|---|
| **Capital** | |
| - Square footage | 2,000 |
| - Amount per square footage | $ 12.00 |
| **Total Square Footage Amount** | **$ 24,000** |
| **Total Square Footage per Day** | **$ 7.69** |
| **Meals** | |
| - Number of individuals | 12 |
| - Number of Meals | 2 |
| - Amount per meal | $ 4.00 |
| **Total Meals Amount** | **$ 96.00** |
| **Total Meals Amount per Day** | **$ 8.00** |
| **Administrative Overhead** | |
| Administrative Pct. | 10% |
| Non-travel cost | $ 57.32 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 5.73** |
| | per Day |
| **Total Rate per Day** | **$ 63.05** |
| | per Day |
| **Recommended Rate (2)** | **$ 63.00** |
| | per Hour |
| | **$ 10.51** |
| **Recommended Rate per Hour (2)** | **$ 10.50** |

| | per Day | per Hour |
|---|---|---|
| **Current Rate** | **$ 40.00** | **$ 6.67** |
| **Pct. Increase Over Current Rate** | 57.5% | 57.4% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT II.2**

**ASSUMPTIONS**
**ADULT DAY HEALTH CARE**

**Adult Day Health Care – Medical Model**

- Number of Individuals per Day: 12

- Number of Staff per Day: 3

- Hourly Wage: Assumes that on average services are provided by the following:
  - One Personal and Home Care Aides (Nevada Inflated Wage=$9.79)
  - One Rehabilitation Counselor (Nevada Inflated Wage=$17.01)
  - One Licensed Practical and Licensed Vocational Nurse (Nevada Inflated Wage=$18.40)

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 6 hours per day

- Average Travel: 0

- Time allocated to notes/medical records: 15 minutes per day

- Training: 5 days per work year (assuming a total of 260 days) or .02 per day

- No Shows/Down Time: 15 days per work year (assuming a total of 260 days) or .06 per day

- Average on-site time; "Billable Hours:" 5.68 hours per day

- Employee Supervision: Required by a Registered Nurse 30 minutes per day (Nevada Inflated Wage=$27.35).

- Capital Cost: 2,000 square feet at $12 per square foot

- Meals: 2 meals at $4 per person per meal

- Administrative Overhead: 10 percent

  Overhead includes insurance, administrative staff, operations and management activities and office supplies. Capital and related expenses is not included. Unlike the mental health independent models, it does not include staff training.

**SECTION III**
**CHILDREN AND ADULT MENTAL HEALTH REHABILITATIVE SERVICES**

## Background

Children and adult mental health rehabilitative services are provided by the Division of Child and Family Services (DCFS), the Division of Mental Health and Developmental Services (MHDS) and the State Medicaid agency. As the Task Force began examining the mental health rehabilitative services provided to both children and adults, the Task Force learned that the State was in the process of implementing new services as well as revising current service definitions and updating applicable provider qualifications. The current service definitions have been provided in the Appendix to this report but in terms of the rate setting process, the Task Force focused its efforts on what will be implemented, not what currently is paid.

## Cost Survey

Four cost surveys were developed and depending on what services were provided, 57 mental health rehabilitative providers received one or more of the surveys. The four categories of the survey are as follows:

- Hourly Services
- Day Treatment Services
- Therapeutic Foster Care Services
- Level of Care Services

EP&P had a low or no response rate for each of the four surveys. After the June 27, 2002 Task Force meeting, it was decided to no longer pursue collecting or analyzing the cost data. The results that were obtained up to that point have been summarized below.

*Hourly Services Cost Data Summary*

Of the 12 surveys sent to the providers by EP&P, only one was sent back with cost information. Another survey was returned with only the qualitative information completed. Therefore, no cost analysis findings can be made at this time.

*Day Treatment Services Cost Data Summary*

Of the nine surveys sent to the providers by EP&P, three were returned and one declined.

- Of the three respondents, one was Hospital Based, one was Community Free Standing, and one was Community Integrated.

- Two out of the three providers confirmed that the daily units were 3-hour days. However, this included treatment only. It did not include the travel costs associated with transporting the children to the provider's site.

- Staffing: The hours/wages reported by all the providers were distributed between both the Direct Care and Non Direct Care staffing categories. Overall, 77% of the hours/wages reported belonged to Direct Care Staff (mainly Supervisory and Non-Supervisory Direct Care Staff) and 23% of the hours/wages belonged to Non-Direct Care staff (mainly Drivers and "Other" Non-Direct Care Program Staff).

- Because of the small sample size and the differences in the way each program is set up, a rate cannot be determined at this time. However, none of these providers are reporting that all of their costs are being covered. Analyzing the three providers combined using provider-specific rates paid to each, cost coverage is reported at 70%.

*Therapeutic Foster Care Services Cost Data Summary*

Out of nine Therapeutic Foster Care surveys that were sent out, two providers returned surveys.

- Providers reported costs serving an average of 71 families in the year and a total of 253 children.

- Total Client Days reported were 42,864 or 169 days per child (approximately 6 months).

- The two providers reported daily rates paid to families (on average) of $29.00 and $33.00. Both providers reported that this rate can vary at times.

- Costs reported were grouped into four main categories:

| Category | Provider 1 | Provider 2 | Average |
|---|---|---|---|
| Payments Made Directly to Family as a Percent of Total Costs | 50.3% | 50.0% | 50.1% |
| Other Program Related Costs as a Percent of Total Costs | 1.6% | 0.8% | 1.2% |
| Admin Salaries + ERE as a Percent of Total Costs | 33.0% | 33.4% | 33.2% |
| Non Program Costs as a Percent of Total Costs | 15.1% | 15.8% | 15.4% |

1. *Payments Made Directly to Families* are stipends paid to the foster family to cover the basic needs of the child (e.g. food, clothing, shelter) and are part of the program related costs.

2. *Other Program Related Costs* include child related expenses, training costs for staff and foster parents, child care expenses during training with parents, and other program related costs.

3. *Admin Salaries + ERE* are costs associated with salaries for administrative staff and employee related expenses such as payroll taxes, fringe benefits, and workers compensation.

4. *Non Program Costs* include administrative costs that are not payroll-related such as capital costs, insurance, property taxes, office utilities and supplies, PR/Marketing expense, and legal and contracted accounting services.

- Both providers reported being paid $70.00 per day for children categorized as TFC children by the State. However, one provider reported being paid for some children by their Level of Care category. The Level I rate is $45.00 per day; the Level II rate is $68.00 per day.

*Level of Care Services Cost Data Summary*

Of the 31 surveys sent out by EP&P, eight were received back from providers. Another provider submitted a survey but was later removed from the original sample of those surveyed because they did not have any paid employees.

- Among the eight surveys studied there were 20 actual homes reported and 148 actual beds reported for residents.

- The average occupancy reported by providers for the year reported was 89%.

- Providers were surveyed on five different levels of care (Level I through V). Seven providers reported that their home(s) served only one level of care, while one provider reported that their home served more than one level of care.

- The distribution of providers reported by level are:
  - Level I: 1 provider, 5% of total days reported
  - Level II: 4 providers, 42% of total days reported
  - Level III: 4 providers, 53% of total days reported
  - Levels IV and V: 0 providers, 0% of total days reported

- The main difference in cost between the three levels reporting is related to the direct care staff. This can be due to an increased number of staff, or the qualifications of the workers employed. In Level III, the supervisor must hold a master's degree in social work or related field. In Level I and II, it is recommended that direct care workers have two years of related experience, while behavior specialists must have a bachelor's degree in social work or related field.

- The billing unit of payment for level of care providers is per day. All costs reported in the attached table are expressed as cost per person per day. Some providers may have non-DCFS (Division of Child and Family Services) custody children in their

homes; however, providers were asked to report all costs for the home and all days served in the home. Therefore, the costs per day reported are not just for DCFS children but for all children in the home.

- Total costs reported by this sample of providers is $8,137,807. The provider with the lowest costs had $115,403 in costs for a twelve-month period. There was a wide spectrum in the size of programs reporting.

- Staffing: Almost all of the hours/wages reported were categorized under direct care supervision or direct care staff. Two of the eight providers reported 95% of all of the clinical staff hours reported, but these hours represented only 3% of all direct care hours. These same two providers were the only ones to report indirect care staff (e.g., maintenance, dietary).

Because of different staffing needs at the different levels, it is appropriate to analyze costs at the different levels of care. However, due to the small sample sizes reporting by level, it would not be appropriate to recommend rates based solely on these costs. Costs for this service were studied at the following sub-component levels:

- Direct/Indirect Staff Wages: All staff working directly with the children or supporting the children in their daily life (e.g. drivers, dietary staff, maintenance)

- Employee Related Expenses: Payroll tax and fringe benefits related to the Direct and Indirect staff, but not the Admin Office staff

- Child Related Expenses: Costs related to individual children (e.g. extracurricular activities, personal care items, haircuts, hobbies, etc)

- Program Related Expenses: Costs incurred at the home where the children reside including costs related to food, clothing, shelter, and transportation

- Administrative Office Expenses: All costs (personnel and otherwise) at a larger entity's administrative office or possibly a smaller entity's office in their home.

There was one significant outlier in Level II and one in Level III. As can be seen on Table III.1 on page 6, this mostly impacted the wage, employee benefits, and administrative office sub-components of costs.

The total weighted cost per person are as follows:

- The total weighted cost per person per day reported for Level II was $163.41 (outliers included) and $85.60 (outliers excluded).

- The total weighted cost per person per day reported for Level III was $185.31 (outliers included) and $96.55 (outliers excluded).

An outlier is defined as any cost component that is greater than or less than two standard deviations from the mean for all providers in the sample.

## Table III.1
## Level of Care Costs Per Child Per Day by Level of Service Provided

| Provider Number | A<br>Direct & Indirect Care Staff Wages Per Day Per Person Served | | B<br>ERE* Cost Per Day Per Person Served | | C<br>Child Related Cost Per Day Per Person Served | D<br>Program Related Cost Per Day Per Person Served | E<br>Administrative Office Cost Per Day Per Person Served | | Sum (A to E)<br>Total Cost Per Day Per Person Served |
|---|---|---|---|---|---|---|---|---|---|
| **Level I** | | | | | | | | | |
| Provider 1 | $7.49 | | $0.56 | | $4.25 | $39.50 | $4.17 | | **$55.97** |
| **Level II** | | | | | | | | | |
| Provider 2 | $6.87 | | $8.58 | | $4.21 | $42.79 | $0.72 | | $63.17 |
| Provider 3 | $20.94 | | $4.65 | | $4.55 | $35.11 | $8.72 | | $73.97 |
| Provider 4 | $32.49 | | $7.49 | | $2.06 | $20.71 | $18.11 | | $80.87 |
| Provider 5 | $83.63 | x | $18.71 | x | $3.54 | $48.36 | $68.23 | x | $222.48 |
| **Level II Weighted Average Outliers Included** | **$59.40** | | **$13.97** | | **$3.46** | **$41.15** | **$45.43** | | **$163.41** |
| **Level II Weighted Average Outliers Excluded** | **$22.98** | | **$6.83** | | **$3.46** | **$41.15** | **$11.17** | | **$85.60** |
| **Level III** | | | | | | | | | |
| Provider 6 | $57.74 | | $11.67 | | $5.77 | $37.27 | $9.54 | | $121.99 |
| Provider 7 | $106.11 | x | $30.27 | x | $4.98 | $28.72 | $62.97 | x | $233.05 |
| Provider 8 | $24.43 | | $5.42 | | $5.31 | $41.63 | $10.26 | | $87.05 |
| Provider 9 | $35.86 | | $6.26 | | $2.72 | $31.06 | $2.08 | | $77.97 |
| **Level III Weighted Average Outliers Included** | **$83.49** | | **$22.44** | | **$4.92** | **$31.57** | **$42.90** | | **$185.31** |
| **Level III Weighted Average Outliers Excluded** | **$43.74** | | **$8.68** | | **$4.92** | **$31.57** | **$7.64** | | **$96.55** |

ERE = Employee Related Expenses
x = outlier for this cost category

Note: Costs reported do not include any inflation adjustment

Due to the outliers in Level II and Level III, cost coverage (the percent of total costs that are being covered currently in each provider's daily rate) changes significantly when these outliers are included or excluded. However, even when outliers are not included in the cost coverage analyses, the current rates paid to this sample of providers are not supporting their total costs. This may be further exacerbated by the fact that very small providers (owned and operated homes) are not paying themselves a "living wage" versus if they needed to hire outside help. Table III.2 below summarizes cost coverage by level of care of service.

**Table III.2**

| | **Daily Payment Rate (Per Child)** | **Cost Coverage** |
|---|---|---|
| **Level I** | | |
| Provider 1 | $44.00 | **79%** |
| **Level II** | | |
| Provider 2 | $68.00 | 108% |
| Provider 3 | $66.00 | 89% |
| Provider 4 | $70.82 | 88% |
| Provider 5 | $68.00 | 31% |
| **Total Level II Cost Coverage** (Outliers Included) | | **42%** |
| **Total Level II Cost Coverage** (Outliers Excluded) | | **92%** |
| **Level III** | | |
| Provider 6 | $88.00 | 72% |
| Provider 7 | $96.00 | 41% |
| Provider 8 | $85.00 | 98% |
| Provider 9 | $87.00 | 112% |
| **Total Level III Cost Coverage** (Outliers Included) | | **50%** |
| **Total Level III Cost Coverage** (Outliers Excluded) | | **86%** |
| **Cost Coverage Across All Levels** (Outliers Included) | | **47%** |
| **Cost Coverage Across All Levels** (Outliers Excluded) | | **87%** |

**Intrastate Survey**

As stated earlier in this section, the State is in the process of implementing new services as well as revising current service definitions and updating applicable provider qualifications. Consequently, although the Task Force reviewed current rates, service definitions and provider qualifications, it was ultimately decided not to use this information when determining a structure for moving forward. The Task Force based its Intrastate review on provider qualifications and service definitions that the State intends to implement, but has not done so yet. Exhibit III.1, which appears at the end of this section, summarizes the proposed staffing requirements for existing and new mental health services for both children and adults.

**Interstate Survey**

A significant amount of information was gathered as part of the Interstate Survey. The survey can be broken down into two areas:

- States providing services through a SED/SMI 1915(c) waiver
- States providing mental health services through the Medicaid rehab option under the State plan

*States Providing Services through a SED/SMI 1915(c) Waiver*

Four states (Colorado, Kansas, New York, and Vermont) provide services to either SMI or SED individuals through a 1915(c) waiver. The Appendix of this report provides detailed information on rates, provider qualifications and service definitions, but in general:

- Kansas, New York and Vermont provide services to severely emotionally disturbed children
- Colorado provides services to severely mentally ill adults
- Kansas and Vermont provide wrap-around services encompassing the full continuum of care
- Other common services provided under the waivers include (but are not limited to):
    - Care Coordination Services
    - Respite Service
    - Support Services
    - Skills Building Services

*States Providing Mental Health Services Through the Medicaid Rehab Option Under the State Plan*

As in Phase I, the Task Force felt that to continue developing and establishing the Nevada mental health services, it would be prudent to look at similar services, their rates and methodology in states other than Nevada. Eleven states were originally surveyed; however, the Task Force was unable to obtain information from one state. As discussed previously in this report the Interstate

Survey is a useful tool to see what services other states are providing. However, it is difficult to make a one-to-one comparison as definitions and provider qualifications differ. The following are some general observations:

- Minimum qualifications for direct care providers usually require the provision of services to be by a licensed Mental Health Professional (MHP), Mental Health Practitioner, or Behavioral Health Professional. A general definition of these professionals typically include professional licensure and current board certification in a behavioral science field (i.e. licensed psychiatrist, social work, counselor, etc.) or a Bachelor's degree from an accredited four year institution with a degree in a behavioral science or related human services field with relevant work experience.

- Paraprofessionals such as mental health rehabilitation workers and behavioral health technicians are typically defined as a staff person with a Bachelor's degree in a behavioral science field or a Bachelor's degree in any field and relevant work experience. Paraprofessionals provide services under the direction and clinical supervision of a qualified MHP or equivalent and in conjunction with training requirements in the mental health or human services field.

- Many states allow registered nurses with a current license and relevant work experience with the mental health populations to qualify as a Mental Health Professional.

A summary of the mean and median rate information, adjusted for cost of living, for mental health services paid across a sample of states is on Tables III.3 through III.8 on the following pages for the mental health services specifically targeted in this study. More detailed information on these services, along with all remaining services collected as part of the survey, can be found in the Appendix to this report.

**Table III.3**
**Intensive Community-Based Service**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | CLI Adjusted Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|
| 1 | Iowa | Behavior Management | $47.12 | per half hour | $94.23 | |
| 2 | Kansas | Community Psychiatric Supportive Treatment (CPST) | $122.01 | per hour | $122.01 | |
| | | Individual Community Support | $44.37 | per hour | $44.37 | |
| 3 | Montana | Comprehensive School & Community Treatment | $54.36 | per day | $9.06 | Assumes 6 hours per day |
| 4 | Oregon | Treatment Foster Care | $14.99 | per 15 minutes | $59.96 | |

| | |
|---|---|
| **Mean** | **$65.93** |
| **Median** | **$59.96** |

**Table III.4**
**Psychosocial Rehabilitation**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Service Provided By (If Applicable) | CLI Adjusted Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|
| 1 | California | Rehabilitation | | $1.89 | per minute | $113.13 | |
| 2 | Idaho | Psychosocial Mental Health Rehabilitative Services | Individual | $23.80 | per 15 minutes | $95.19 | |
| 3 | Kansas | Psychosocial Treatment Group - Adult | | $26.06 | per hour | $26.06 | |
| | | Psychosocial Treatment Group - Child | | $44.37 | per hour | $44.37 | |
| 4 | Montana | Community-Based Psychiatric Rehabilitation and Support | Individual | $25.58 | per hour | $25.58 | |
| 5 | Oklahoma | Individual Rehabilitative Treatment Services - Adult | Public and Contracted | $35.02 | per 30 minutes | $58.35 | 50% of Public/Contracted rate and 50% of Private rate |
| | | | Private | $23.33 | per 30 minutes | | |
| | | Individual Rehabilitative Treatment Services - Child | Public, Contracted, and Private | $24.51 | per 30 minutes | $49.02 | |

| | |
|---|---|
| **Mean** | **$58.81** |
| **Median** | **$49.02** |

**Table III.5**
**Rehabilitative Skills Training and Independent Living**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Service Provided By (If Applicable) | CLI Adjusted Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|
| 1 | Arizona | Health Promotion | | $4.88 | per 30 minutes per person | $39.04 | On average, 4 individuals per group |
| | | Living Skills Training – Individual | | $13.55 | per 30 minutes | $27.11 | |
| 2 | Iowa | Skills Development - Individual | Family-Centered Service Program | $34.48 | per half hour | $68.96 | |
| | | | Family Foster Care Program | $40.85 | per half hour | $81.70 | |
| | | | Group Care Program | $19.57 | per half hour | $39.13 | |
| 3 | Minnesota | Basic Living and Social Skills - | MHP | $19.94 | per 30 minutes | $39.89 | |
| | | | Rehabilitation Worker | $14.96 | per 30 minutes | $29.92 | |
| | | Individual Skills Training | Individual | $19.19 | per 20 to 30 minutes | $38.38 | |
| | | Family Skills Training | Family | $34.76 | per 20 to 30 minutes | $69.52 | |
| | | Mental Health Behavioral Aide Services | Level I | $10.42 | per 30 minutes | $20.83 | |
| | | | Level II | $13.61 | per 30 minutes | $27.21 | |
| | | | Direction of Level I Mental Health Behavioral Aide | $15.18 | per 30 minutes | $30.36 | |
| 4 | Oklahoma | Group Rehabilitative Treatment Services - Child | Public and Contracted | $9.73 | per 30 minutes | $16.21 | 50% of Public/Contracted rate and 50% of Private rate |
| | | | Private | $6.49 | per 30 minutes | | |

**Table III.5**
**Rehabilitative Skills Training and Independent Living**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Service Provided By (If Applicable) | CLI Adjusted Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|
| 5 | Oregon | Skills Training | | $15.81 | per 15 minutes | $63.26 | |
| 6 | Utah | Behavioral Management | | $18.61 | per 15 minutes | $74.45 | |
| | | Individual Skills Development Services | | $14.75 | per 15 minutes | $59.01 | |

| | |
|---|---|
| **Mean** | **$45.31** |
| **Median** | **$39.08** |

**Table III.6**
**Day Treatment and Other Related Services**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | CLI Adjusted Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|
| 1 | Arizona | Supervised Day Program | $11.93 | per hour | $11.93 | |
| | | Therapeutic Day Program | $18.43 | per hour | $18.43 | |
| | | Medical Day Program | $23.86 | per hour | $23.86 | |
| 2 | California | Day Treatment Intensive | $147.06 | per full day | $24.51 | Full day defined as 6 hours or more. |
| | | Day Rehabilitation | $95.34 | per full day | $15.89 | |
| 3 | Idaho | Partial Care | $2.66 | per 15 minutes per person | $10.66 | |
| 4 | Kansas | Psychosocial Treatment Group - Adult | $26.06 | per hour | $26.06 | |
| | | Psychosocial Treatment Group - Child | $44.37 | per hour | $44.37 | |
| 5 | Minnesota | Day Treatment - Adults | $22.61 | per hour | $22.61 | |
| | | Day Treatment - Children | $22.61 | per hour | $22.61 | |
| | | Therapeutic Components of Preschool Program | $30.47 | per hour | $30.47 | |
| | | Therapeutic Components of Therapeutic Camp Programs | $21.41 | per hour | $21.41 | |

**Table III.6**
**Day Treatment and Other Related Services**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | CLI Adjusted Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|
| 6 | Montana | Adult Day Treatment | $40.77 | per day | $8.15 | A full day is defined as a minimum of 5 hours. |
| | | Child and Adolescent Day Treatment | $63.69 | per day | $12.74 | A full day is defined as a minimum of 5 hours. |
| | | Intensive Day Treatment | $99.53 | per day | $16.59 | A full-day is defined as a minimum of 6 hours per day. |
| | | Acute Partial Hospitalization | $156.69 | per day | $26.12 | A full day is defined as 6 hours per day. |
| | | Sub-Acute Partial Hospitalization | $99.53 | per day | $16.59 | A full day is defined as 6 hours per day. |

| | |
|---|---|
| **Mean** | **$20.76** |
| **Median** | **$21.41** |

**Table III.7**
**Crisis Intervention**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Service Provided By (If Applicable) | CLI Adjusted Rate | Per Unit | Standardized to per Hour Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|
| 1 | Arizona | Crisis Intervention (1 person/out-of-office) | | $58.55 | per 30 minutes | $117.11 | |
| | | Crisis Intervention Mobile Team | | $74.82 | per 30 minutes | $149.64 | |
| 2 | California | Crisis Intervention | | $2.82 | per minute | $169.18 | |
| 4 | Minnesota | Crisis Intervention | MHP with PhD | $52.63 | per 30 minutes | $105.26 | 25% allocated from each rate. |
| | | | MHP with Masters | $42.10 | per 30 minutes | $84.21 | |
| | | | MH Practitioner Supervised by Masters | $26.31 | per 30 minutes | $52.63 | |
| | | | MH Practitioner Supervised by Masters | $21.05 | per 30 minutes | $42.10 | |
| | | Family Community Support Services: Crisis Assistance | | $20.94 | per 20 to 30 minutes | $41.88 | Standardized using per 30 minute unit. |
| | | Family Community Support Services: Crisis Intervention and Crisis Stabilization | | $48.20 | per 30 minutes | $96.40 | |
| 6 | Oklahoma | Crisis Intervention - Adult | Public and Contract | $35.32 | per 15 minutes | $117.69 | 50% of Public/Contracted rate and 50% of Private rate |
| | | | Private | $23.53 | per 15 minutes | | |
| | | Crisis Intervention - Child | Public and Contract | $24.70 | per 15 minutes | $98.82 | 50% of Public/Contracted rate and 50% of Private rate |
| | | | Private | $24.70 | per 15 minutes | | |

| | |
|---|---|
| **Mean** | **$97.72** |
| **Median** | **$98.82** |

**Table III.8**
**Therapeutic Foster Care**
**Mean and Median Rate Information**
**Adjusted for Cost of Living Index**

| Id | State | Service | Service Provided By (If Applicable) | CLI Adjusted Rate | Per Unit | Standardized to per Day Unit | Comments on Standardized Rate |
|---|---|---|---|---|---|---|---|
| 1 | Arizona | Therapeutic Foster Care | | $60.72 | per day | $60.72 | |
| 2 | Montana | Therapeutic Family/Foster Care | Moderate Level | $42.37 | per day | $42.37 | |
| | | | Intensive Level | $63.18 | per day | $63.18 | |
| | | Permanency Therapeutic Family/Foster Care | | $117.25 | per day | $117.25 | |
| 3 | Oklahoma | Residential Behavior Management Services in Foster Care Setting | | $56.77 | per day | $56.77 | |

| | |
|---|---|
| **Mean** | **$68.06** |
| **Median** | **$61.95** |

**Independent Models**

The Independent Model is best used as a methodology to price out what the State wants to purchase when they contract for a specific service. Since the State is in the process of implementing new services as well as revising current service definitions and updating applicable provider qualifications, the Independent Models give the State the opportunity to set a rate based on what they want to buy not current practice. The major components of the Independent Models are as follows:

- The wage level for supervisory and direct care staff. Wage information from the Bureau of Labor Statistics (BLS) was used to evaluate the appropriate staffing wages. The beginning wage was based on similar occupations reported by BLS and identified by Task Force Members and State staff serving as Task Force Coordinators as comparable to the mental health service.

- The amount of employee related expenses (ERE) built into the rate. All models assume an ERE percentage of 27% based on input from Task Force members and State staff serving as Task Force Coordinators. This percentage includes benefits such as paid vacation, paid sick leave, holiday pay, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.

- The amount of non-billable time spent by staff (referred to in the Independent Models as a "productivity adjustment." Productivity adjustments were made to reflect the time that staff need to complete required documentation and record keeping, time associated with missed appointments, and average travel time by the provider.

- The percentage of the service cost that should result from non-direct care activities (administrative overhead). For the most part, this was held at 15 percent and includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies. When administrative overhead is not 15 percent, the assumptions document accompanying each Independent Model explains why.

- The number of full-time equivalents or FTEs per billing unit. This varies across services and unless otherwise specified, is one to one.

- Transportation for the individual receiving the service. Transportation is included in the model when the State requires the provider to transport the individual. The model takes into account the average cost of a vehicle, insurance premiums, and gas and maintenance for the vehicle. Only rehab partial care and residential levels I through III include transportation.

- Meals provided to the individual receiving services. Similar to transportation, when the provider is required to feed the individual, meals have been included in the rate. Generally this only occurs in rehab partial care and residential programs.

- Capital costs not included in administrative overhead. When capital is not included in administrative overhead, it is included as its own line item. This applies to residential-based services and rehab partial care.

The above components have not been applied to each service when building the Independent Models, but rather only the applicable components are included within each model. Exhibits III.2 through III.7 at the end of this section are the Independent Models developed for each service, along with documentation for each assumption. The Exhibits are broken down into the following categories:

- Children's Community-Based Services
- Rehab Partial Care
- Crisis Mobile
- Therapeutic Foster Care
- Residential Care
- Adult Community-Based Services

# Exhibit III.1

# Proposed Staffing Qualifications

**Exhibit III.1**
**Proposed Staffing Requirements**
**Nevada Rehabilitative Mental Health Services**

| Services | Population Served/Agency Responsibility | Proc. Code | Current Rate | Per Unit | Proposed Educational and Professional Requirements | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Criminal Background Check | H. S. Diploma/ GED | Bachelor's Degree | Master's Degree or PhD | Professional License | Previous Experience | Initial Job Training/ Orientation | Annual Training | CPR, First Aide & Safety | Direct Care Staff Supervision |
| *Adult Community-Based Services* | | | | | | | | | | | | | | |
| Independent Living | MHDS | E03001 | $18.29 | per hour | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ | ✓ **Bachelor's** |
| 2. Program Supervision | | | | | ✓ | ✓ | ✓ | | | | | | | |
| Psychosocial Rehabilitation | | | | | | | | | | | | | | |
| Individual | MHDS | E03003 | $82.00 | per hour | ✓ | | ✓ **or RN** | | | ✓ | ✓ | ✓ | ✓ | ✓ **Licensed** |
| Group | MHDS | E03003 | $27.33 | per hour | ✓ | | ✓ **or RN** | | | ✓ | ✓ | ✓ | ✓ | ✓ **Licensed** |
| *Children's Community-Based Services* | | | | | | | | | | | | | | |
| Intensive Community-Based Service | DCFS Custody | E02001 | $80.00 | per hour | | | | | | | | | | |
| | Non-DCFS Custody | E02101 | $60.00 | per hour[1] | | | | | | | | | | |
| Community-Based - Individual | | | New Service | | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| 2. Program Supervision | | | | | ✓ | | | ✓ | | ✓ | ✓ | ✓ | | ✓ **Licensed** |
| School-Based - Individual | | | New Service | | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | | ✓ | | | ✓ | ✓ | ✓ | | ✓ |
| 2. Program Supervision | | | | | ✓ | | | ✓ | | ✓ | ✓ | ✓ | | ✓ **Licensed** |

**Exhibit III.1**
**Proposed Staffing Requirements**
**Nevada Rehabilitative Mental Health Services**

| Services | Population Served/Agency Responsibility | Proc. Code | Current Rate | Per Unit | Proposed Educational and Professional Requirements | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Criminal Background Check | H. S. Diploma/ GED | Bachelor's Degree | Master's Degree or PhD | Professional License | Previous Experience | Initial Job Training/ Orientation | Annual Training | CPR, First Aide & Safety | Direct Care Staff Supervision |
| Rehabilitation Skills Training | DCFS Custody | E02005 | $117.00 | per hour | | | | | | | | | | |
| | Non-DCFS Custody | E02105 | $37.75 | per hour[1] | | | | | | | | | | |
| Group Professional | | | New Service | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ **Licensed** |
| Group Paraprofessional | | | New Service | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | | |
| Individual Paraprofessional | | | New Service | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | | ✓ **Licensed** |
| Parent/Family Support and Training | | | | | | | | | | | | | | |
| Individual | | | New Service | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | | ✓ **Bachelor's** |
| Group | | | New Service | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | | ✓ **Bachelor's** |
| Personal Care | State Plan Service | | | | | | | | | | | | | |
| Independent Contractor | | | $14.50 | per hour | ✓ | | | | | | ✓ | ✓ | ✓ | |
| Provider Agency | | | $17.00 | per hour | ✓ | | | | | | ✓ | ✓ | ✓ | |
| Rehab Partial Care | DCFS Custody | E02002 | $47.00 | per hour | | | | | | | | | | |
| | Non-DCFS Custody | E02102 | $23.43 | per hour[1] | | | | | | | | | | |
| Day Treatment | | | New Service | | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ **plus 2 yrs experience** | ✓ **plus 1 yr experience** | | | ✓ | ✓ | ✓ | ✓ | ✓ **Licensed** |
| 2. Program Supervision | | | | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ **Licensed** |

**Exhibit III.1**
**Proposed Staffing Requirements**
**Nevada Rehabilitative Mental Health Services**

| Services | Population Served/Agency Responsibility | Proc. Code | Current Rate | Per Unit | Proposed Educational and Professional Requirements: Criminal Background Check | H. S. Diploma/ GED | Bachelor's Degree | Master's Degree or PhD | Professional License | Previous Experience | Initial Job Training/ Orientation | Annual Training | CPR, First Aide & Safety | Direct Care Staff Supervision |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Psychosocial Rehab | | | New Service | | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ **plus 2 yrs experience** | ✓ **plus 1 yr experience** | | | ✓ | ✓ | ✓ | ✓ | ✓ **Licensed** |
| 2. Program Supervision | | | | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ **Licensed** |
| *Residential Services* | | | | | | | | | | | | | | |
| Therapeutic Foster Care | DCFS Custody | E02003 | $60.50 | per day | | | | | | | | | | |
| | Non-DCFS Custody | E02103 | $70.33 | per day[1] | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ | ✓ **Bachelor's** |
| 2. Behavior Management Specialists | | | | | ✓ | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ **Bachelor's** |
| Level I Basic Group Residential Care | DCFS Custody | E02014 | $55.50 | per day | | | | | | | | | | |
| | Non-DCFS Custody | E02114 | $47.80 | per day[1] | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ | |
| Level II Intermediate Group Residential Services | DCFS Custody | E02024 | $65.50 | per day | | | | | | | | | | |
| | Non-DCFS Custody | E02124 | $67.87 | per day[1] | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ **Bachelor's** |
| 2. Behavior Management Specialists | | | | | ✓ | | ✓ | | | ✓ | ✓ | ✓ | | ✓ **Bachelor's** |

**Exhibit III.1**
**Proposed Staffing Requirements**
**Nevada Rehabilitative Mental Health Services**

| Services | Population Served/Agency Responsibility | Proc. Code | Current Rate | Per Unit | Proposed Educational and Professional Requirements | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | **Criminal Background Check** | **H. S. Diploma/ GED** | **Bachelor's Degree** | **Master's Degree or PhD** | **Professional License** | **Previous Experience** | **Initial Job Training/ Orientation** | **Annual Training** | **CPR, First Aide & Safety** | **Direct Care Staff Supervision** |
| Level III Advanced Group Residential Care | DCFS Custody | E02034 | $205.50 | per day | | | | | | | | | | |
| | Non-DCFS Custody | E02134 | $220.00 | per day max. | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ **Master's** |
| 2. Professional Supervision | | | | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ **Master's** |
| Level III Advanced Group Residential Care with Special Population | | | New Service | | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ **Master's** |
| 2. Professional Supervision | | | | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ **Master's** |
| Residential Crisis/Stabilization Services | | | New Service | | | | | | | | | | | |
| 1. Direct Service Provider | | | | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ | ✓ **Master's** |
| 2. Professional Supervision | | | | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ **Master's** |
| Mobile Crisis - Emergency Team 2 Person | | | New Service | | ✓ | ✓ **1 member** | | ✓ **1 member** | ✓ | ✓ | ✓ | ✓ | | ✓ **Licensed** |
| Mobile Crisis - Emergency Team 1 Person | | | New Service | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | | ✓ **Bachelor's** |

[1] Average contracted rate

# Exhibit III.2

# Children's Community-Based Services
# Independent Models

## Exhibit III.2
## Children's Mental Health Rehabilitative Services
## Intensive Community-Based Service

| | Intensive Community-Based Service | |
|---|---|---|
| | **School-Based** | **Community-Based** |
| **Hourly Wage (1)** | **$ 22.87** | **$ 28.22** |
| **Annual Wage** | **$ 47,574** | **$ 58,687** |
| **ERE as a Pct. of Wages** | **27%** | **27%** |
| **Hourly Compensation *(wages + ERE)*** | **$ 29.05** | **$ 35.83** |
| **Annual Compensation *(wages + ERE)*** | **$ 60,419** | **$ 74,533** |
| **Productivity Assumptions** | | |
| - Total Hours | 8 | 8 |
| - Average Travel after arrival at first client and before leaving last client | - | 1.50 |
| - Time allocated to notes/med records | 1.00 | 0.50 |
| - Missed Appointments/Down Time (phone calls etc.) | 1.00 | 1.00 |
| - Average on-site time; "Billable Hours" | 6.00 | 5.00 |
| - *Productivity Adjustment* | *1.33* | *1.60* |
| **Hourly Compensation After Adjustment** | **$ 38.73** | **$ 57.33** |
| **Annual Compensation After Adjustment** | **$ 60,419** | **$ 74,533** |
| **Employee Supervision Time by a Licensed Professional** | | |
| Hourly Compensation | $ 66.31 | $ 66.31 |
| Average daily portion of an hour | 0.60 | - |
| **Average Supervisory Cost per Counseling Hour** | **$ 4.97** | **$ -** |
| **Mileage** | | |
| - Number of Miles | - | 40 |
| - Amount per mile | $ 0.345 | $ 0.345 |
| **Total Mileage Amount** | **$ -** | **$ 13.80** |
| **Hourly Mileage Amount** | **$ -** | **$ 2.76** |
| **Administrative Overhead** | | |
| Administrative Pct. | 15% | 15% |
| Non-travel cost | $ 43.70 | $ 57.33 |
| **Administrative Cost *(Admin. Pct. X Non-travel Cost)*** | **$ 6.56** | **$ 8.60** |
| **Total Rate** | per Hour | per Hour |
| | **$ 50.26** | **$ 68.69** |
| | per Hour | per Hour |
| **Recommended July 1, 2003 Rate (2)** | **$ 50.50** | **$ 68.50** |

| Compared to Community-Based | DCFS Rate per Hour Max. | Non-DCFS Rate per Hour Avg. |
|---|---|---|
| **Current Rate** | **$ 80.00** | **$ 60.00** |
| **Pct. Increase Over Current Rate** | -14.4% | 14.2% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT III.2**

**ASSUMPTIONS**
**INTENSIVE COMMUNITY-BASED SERVICE**

**School-Based**

- Hourly Wage: Assumes that on average services are provided by a Mental Health Counselor (Nevada Inflated Wage=$22.87).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 0

- Time allocated to notes/medical records: 1 hour per day

- Missed Appointments/Down Time: 1 hour per day

- Average on-site time; "Billable Hours:" 6.00 hours per day

- Employee Supervision: Required by a licensed professional approximately 34 minutes a day (assumes Psychiatrist, Nevada Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.

- Mileage: No travel

- Administrative Overhead: 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

**Community-Based**

- Hourly Wage: Assumes that on average services are provided by a Clinical, Counseling or School Psychologist (Nevada Inflated Wage=$28.22).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 1 hour and 30 minutes per day

- Time allocated to notes/medical records: 30 minutes per day

- Missed Appointments/Down Time: 1 hour per day

- Average on-site time; "Billable Hours:" 5 hours per day

- Employee Supervision: Not required.

- Mileage: 40 miles per day in an urban area

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

## Exhibit III.2
## Children's Mental Health Rehabilitative Services
## Rehabilitation Skills Training

| | Rehabilitation Skills Training | | |
|---|---|---|---|
| | **Individual - Paraprofessional** | **Group - Professional** | **Group - Paraprofessional** |
| **Hourly Wage (1)** | **$ 9.79** | **$ 28.22** | **$ 9.79** |
| **Annual Wage** | **$ 20,356** | **$ 58,687** | **$ 20,356** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| **Hourly Compensation *(wages + ERE)*** | **$ 12.43** | **$ 35.83** | **$ 12.43** |
| **Annual Compensation *(wages + ERE)*** | **$ 25,852** | **$ 74,533** | **$ 25,852** |
| **Productivity Assumptions** | | | |
| - Total Hours | 8 | 8 | 8 |
| - Average Travel after arrival at first client and before leaving last client | 1.50 | 1.00 | 1.50 |
| - Time allocated to notes/med records | 0.50 | 1.25 | 0.75 |
| - Missed Appointments/Down Time (phone calls etc.) | 0.50 | 1.00 | 0.50 |
| - Average on-site time; "Billable Hours" | 5.50 | 4.75 | 5.25 |
| - *Productivity Adjustment* | *1.45* | *1.68* | *1.52* |
| **Hourly Compensation After Adjustment** | **$ 18.08** | **$ 60.35** | **$ 18.94** |
| **Annual Compensation After Adjustment** | **$ 25,852** | **$ 74,533** | **$ 25,852** |
| **Employee Supervision Time by a Licensed Professional** | | | |
| Hourly Compensation | $ 66.31 | $ 66.31 | $ 66.31 |
| Average daily portion of an hour | 0.60 | - | 0.60 |
| **Average Supervisory Cost per Counseling Hour** | **$ 4.97** | **$ -** | **$ 4.97** |
| **Mileage** | | | |
| - Number of Miles | 40 | 30 | 40 |
| - Amount per mile | $ 0.345 | $ 0.345 | $ 0.345 |
| **Total Mileage Amount** | **$ 13.80** | **$ 10.35** | **$ 13.80** |
| **Hourly Mileage Amount** | **$ 2.51** | **$ 2.18** | **$ 2.63** |
| **Administrative Overhead** | | | |
| Administrative Pct. | 15% | 15% | 15% |
| Non-travel cost | $ 23.05 | $ 60.35 | $ 23.91 |
| **Administrative Cost *(Admin. Pct. X Non-travel Cost)*** | **$ 3.46** | **$ 9.05** | **$ 3.59** |
| **Total Rate** | per Hour | per Hour | per Hour |
| | **$ 29.02** | **$ 71.58** | **$ 30.13** |
| | | Group Size | Group Size |
| | | 8 | 10 |
| | per Hour | per Person per Hour | per Person per Hour |
| **Recommended July 1, 2003 Rate (2)** | **$ 29.00** | **$ 9.00** | **$ 3.00** |

| Compared to Individual - Paraprofessional | DCFS Rate per Hour Max. | Non-DCFS Rate per Hour Avg. |
|---|---|---|
| **Current Rate** | **$ 117.00** | **$ 37.75** |
| **Pct. Increase Over Current Rate** | -75.2% | -23.2% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT III.2**

**ASSUMPTIONS**
**REHABILITATION SKILLS TRAINING**

**Individual – Paraprofessional**

- Hourly Wage: Assumes that on average services are provided by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 1 hour and 30 minutes per day

- Time allocated to notes/medical records: 30 minutes per day

- Missed Appointments/Down Time: 30 minutes per day

- Average on-site time; "Billable Hours:" 5 hours and 30 minutes per day

- Employee Supervision: Required by a licensed professional approximately 34 minutes a day (assumes Psychiatrist, Nevada Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.

- Mileage: 40 miles per day in an urban area

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

**Group – Professional**

- Hourly Wage: Assumes that on average services are provided by a Clinical, Counseling or School Psychologist (Nevada Inflated Wage=$28.22).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 1 hour per day

- Time allocated to notes/medical records: 1 hour and 15 minutes per day

- Missed Appointments/Down Time: 1 hour per day

- Average on-site time; "Billable Hours:" 4 hours and 45 minutes per day

- Employee Supervision: Not required.

- Mileage: 30 miles in an urban area

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

**Group – Paraprofessional**

- Hourly Wage: Assumes that on average services are provided by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79).

See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 1 hour and 30 minutes per day

- Time allocated to notes/medical records: 45 minutes per day

- Missed Appointments/Down Time: 30 minutes per day

- Average on-site time; "Billable Hours:" 5 hours and 15 minutes per day

- Employee Supervision: Required by a licensed professional approximately 34 minutes a day (assumes Psychiatrist, Nevada Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.

- Mileage: 40 miles in an urban area

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

## Exhibit III.2
## Children's Mental Health Rehabilitative Services
## Parent/Family Support and Training

| | Parent/Family Support and Training | |
|---|---|---|
| | **Individual** | **Group** |
| **Hourly Wage (1)** | **$ 9.79** | **$ 9.79** |
| **Annual Wage** | **$ 20,356** | **$ 20,356** |
| **ERE as a Pct. of Wages** | **27%** | **27%** |
| **Hourly Compensation *(wages + ERE)*** | **$ 12.43** | **$ 12.43** |
| **Annual Compensation *(wages + ERE)*** | **$ 25,852** | **$ 25,852** |
| **Productivity Assumptions** | | |
| - Total Hours | 8 | 8 |
| - Average Travel after arrival at first client and before leaving last client | 1.50 | 1.50 |
| - Time allocated to notes/med records | 0.25 | 0.50 |
| - Missed Appointments/Down Time (phone calls etc.) | - | - |
| - Average on-site time; "Billable Hours" | 6.25 | 6.00 |
| - *Productivity Adjustment* | *1.28* | *1.33* |
| **Hourly Compensation After Adjustment** | **$ 15.91** | **$ 16.57** |
| **Annual Compensation After Adjustment** | **$ 25,852** | **$ 25,852** |
| **Employee Supervision Time by a Professional** | | |
| Hourly Compensation | $ 22.87 | $ 22.87 |
| Average daily portion of an hour | 0.60 | 0.60 |
| **Average Supervisory Cost per Hour** | **$ 1.72** | **$ 1.72** |
| **Mileage** | | |
| - Number of Miles | 40 | 40 |
| - Amount per mile | $ 0.345 | $ 0.345 |
| **Total Mileage Amount** | **$ 13.80** | **$ 13.80** |
| **Hourly Mileage Amount** | **$ 2.21** | **$ 2.30** |
| **Administrative Overhead** | | |
| Administrative Pct. | 15% | 15% |
| Non-travel cost | $ 17.62 | $ 18.29 |
| **Administrative Cost *(Admin. Pct. X Non-travel Cost)*** | **$ 2.64** | **$ 2.74** |
| **Total Rate** | per Hour | per Hour per Person |
| | **$ 22.48** | **$ 23.33** |
| | | Group Size |
| | | 8 |
| | per Hour | per Hour per Person |
| **Recommended July 1, 2003 Rate (2)** | **$ 22.50** | **$ 3.00** |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT III.2**

**ASSUMPTIONS**
**PARENT/FAMILY SUPPORT AND TRAINING**

**Individual**

- Hourly Wage: Assumes that on average services are provided by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 1 hour and 30 minutes per day

- Time allocated to notes/medical records: 15 minutes per day

- Missed Appointments/Down Time: 0

- Average on-site time; "Billable Hours:" 6 hours and 15 minutes per day

- Employee Supervision: Required by a professional approximately 34 minutes a day (assumes a Mental Health Counselor, Nevada Inflated Wage=$22.87). This function should not be billed separately by the professional.

- Mileage: 40 miles in an urban area

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

**Group**

- Average group size: 8 individuals

- Hourly Wage: Assumes that on average services are provided by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 1 hour and 30 minutes per day

- Time allocated to notes/medical records: 30 minutes per day

- Missed Appointments/Down Time: 0

- Average on-site time; "Billable Hours:" 6 hours per day

- Employee Supervision: Required by a professional approximately 34 minutes a day (assumes a Mental Health Counselor, Nevada Inflated Wage=$22.87). This function should not be billed separately by the professional.

- Mileage: 40 miles in an urban area

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

# Exhibit III.3

# Rehab Partial Care
# Independent Models

## EXHIBIT III.3
## Children's Mental Health Rehabilitative Services
## Rehab Partial Care - Day Treatment

| | Rehab Partial Care - Day Treatment |
|---|---|
| **Wages (1)** | |
| Direct Service Provider 1 | |
| Hourly Wage | $ 9.79 |
| Annual Wage | $ 20,356 |
| Direct Service Provider 2 | |
| Hourly Wage | $ 16.33 |
| Annual Wage | $ 33,965 |
| Direct Service Provider 3 | |
| Hourly Wage | $ 24.21 |
| Annual Wage | $ 50,352 |
| **ERE as a Pct. of Wages** | **27%** |
| Direct Service Provider 1 | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 |
| Direct Service Provider 2 | |
| Hourly Compensation *(wages + ERE)* | $ 20.74 |
| Annual Compensation (wages + ERE) | $ 43,135 |
| Direct Service Provider 3 | |
| Hourly Compensation (wages + ERE) | $ 30.74 |
| Annual Compensation *(wages + ERE)* | $ 63,947 |
| Total | |
| Total Hourly Compensation *(wages + ERE)* | $ 79.89 |
| Total Annual Compensation *(wages + ERE)* | $ 132,934 |
| **Hourly Compensation** | $ 79.89 |
| Number of Individuals | 8 |
| **Hourly Compensation per Individual** | **$ 9.99** |
| **Employee Supervision Time by a Licensed Professional** | |
| Hourly Compensation | $ 66.31 |
| Average daily portion of an hour | 0.20 |
| **Average Supervisory Cost per Day** | **$ 1.66** |
| **Capital** | |
| - Square footage | 1,600 |
| - Amount per square footage | $ 7.00 |
| **Total Square Footage Amount** | **$ 11,200** |
| **Total Square Footage per Day** | **$ 5.38** |

## EXHIBIT III.3
## Children's Mental Health Rehabilitative Services
## Rehab Partial Care - Day Treatment

| | Rehab Partial Care - Day Treatment |
|---|---|
| **Meals** | |
| - Number of individuals | 8 |
| - Number of Meals | 1 |
| - Amount per meal | $ 5.00 |
| **Total Meals Amount** | **$ 40.00** |
| **Total Meals Amount per Day** | **$ 5.00** |
| **Van Lease and Associated Costs** | |
| - Number of vans | 1 |
| - Annual Amount of lease per van | $ 500 |
| - Total Annual Van Lease Amount | $ 500 |
| - Total Yearly Van Lease Amount | $ 6,000 |
| - **Total Van Lease Amount per Day** | **$ 2.88** |
| - Monthly Amount for Insurance | $ 300 |
| - Total Insurance Amount | $ 300 |
| - Yearly Insurance Amount | $ 3,600 |
| - **Total Insurance Amount per Day** | **$ 1.73** |
| - Monthly Amount for Gas and Maintenance | $ 300 |
| - Total Gas and Maintenance Amount | $ 300 |
| - Yearly Amount for Gas and Maintenance | $ 3,600 |
| - **Total Gas Amount per Day** | **$ 1.73** |
| **Total Van Lease and Associated Costs per Day** | **$ 6.35** |
| **Administrative Overhead** | |
| Administrative Pct. | 15% |
| Non-travel cost | $ 28.37 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 4.26** |
| | per Hour |
| **Total Rate** | **$ 32.63** |
| | per Hour / per 3 Hours |
| **Recommended July 1, 2003 Rate (2)** | **$ 32.50 / $ 97.50** |
| | per Hour / per 3 Hours |
| **Rehab Partial Care - Hospital-Based Day Treatment** | **$ 49.00 / $ 147.00** |

| | DCFS Rate per Hour Max. | Non-DCFS Rate per Hour Avg. |
|---|---|---|
| **Current Rate** | **$ 47.00** | **$ 23.43** |
| **Pct. Increase Over Current Rate** | -30.9% | 38.7% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT III.3**

**ASSUMPTIONS**
**REHAB PARTIAL CARE**

**Day Treatment**

- Number of Individuals per Day: 8
- Number of Staff per Day: 3
- Hourly Wage: Assumes that on average services are provided by the following:
  - Direct Service Provider 1: Personal and Home Care Aide (Nevada Inflated Wage=$9.79)
  - Direct Service Provider 2: 50 percent by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79) and 50 percent by a Mental Health Counselor (Nevada Inflated Wage=$22.87)
  - Direct Service Provider 3: 50 percent by a Mental Health Counselor (Nevada Inflated Wage=$22.87) and 50 percent by a Clinical, Counseling or School Psychologist (National Inflated Wage=$28.22)

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.
- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.
- Employee Supervision: Required by a licensed professional less than 15 minutes a day (assumes Psychiatrist, Nevada Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.
- Van Lease and Associated Costs: 2 vans

Vans at $500 per van per month, insurance at $300 per van per month, and gas and maintenance at $300 per van per month.

- Capital Cost: 1,600 square feet at $7 per square foot

- Meals: 1 meal at $5 per person per meal

- Administrative Overhead (to include staff training requirements): 15 percent

  Overhead includes insurance, administrative staff, operations and management activities and office supplies. Capital and related expenses is not included.

**Exhibit III.3**
**Children's Mental Health Rehabilitative Services**
**Rehab Partial Care - Psychosocial Rehab**

| | Rehab Partial Care - Psychosocial Rehab |
|---|---|
| **Wages (1)** | |
| Direct Service Provider 1 | |
| Hourly Wage | $ 9.79 |
| Annual Wage | $ 20,356 |
| Direct Service Provider 2 | |
| Hourly Wage | $ 16.33 |
| Annual Wage | $ 33,965 |
| Direct Service Provider 3 | |
| Hourly Wage | $ 24.21 |
| Annual Wage | $ 50,352 |
| **ERE as a Pct. of Wages** | **27%** |
| Direct Service Provider 1 | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 |
| Direct Service Provider 2 | |
| Hourly Compensation *(wages + ERE)* | $ 20.74 |
| Annual Compensation (wages + ERE) | $ 43,135 |
| Direct Service Provider 3 | |
| Hourly Compensation (wages + ERE) | $ 30.74 |
| Annual Compensation *(wages + ERE)* | $ 63,947 |
| Total | |
| Total Hourly Compensation *(wages + ERE)* | $ 79.89 |
| Total Annual Compensation *(wages + ERE)* | $ 132,934 |
| **Hourly Compensation** | $ 79.89 |
| Number of Individuals | 8 |
| **Hourly Compensation per Individual** | **$ 9.99** |
| **Employee Supervision Time by a Licensed Professional** | |
| Hourly Compensation | $ 66.31 |
| Average daily portion of an hour | 0.20 |
| **Average Supervisory Cost per Day** | **$ 1.66** |
| **Capital** | |
| - Square footage | 1,600 |
| - Amount per square footage | $ 7.00 |
| **Total Square Footage Amount** | **$ 11,200** |
| **Total Square Footage per Day** | **$ 5.38** |

## Exhibit III.3
## Children's Mental Health Rehabilitative Services
## Rehab Partial Care - Psychosocial Rehab

| | Rehab Partial Care - Psychosocial Rehab |
|---|---|
| **Meals** | |
| - Number of individuals | 8 |
| - Number of Meals | 1 |
| - Amount per meal | $ 5.00 |
| **Total Meals Amount** | **$ 40.00** |
| **Total Meals Amount per Day** | **$ 5.00** |
| **Van Lease and Associated Costs** | |
| - Number of vans | 1 |
| - Annual Amount of lease per van | $ 500 |
| - Total Annual Van Lease Amount | $ 500 |
| - Total Yearly Van Lease Amount | $ 6,000 |
| - **Total Van Lease Amount per Day** | **$ 2.88** |
| - Monthly Amount for Insurance | $ 300 |
| - Total Insurance Amount | $ 300 |
| - Yearly Insurance Amount | $ 3,600 |
| - **Total Insurance Amount per Day** | **$ 1.73** |
| - Monthly Amount for Gas and Maintenance | $ 300 |
| - Total Gas and Maintenance Amount | $ 300 |
| - Yearly Amount for Gas and Maintenance | $ 3,600 |
| - **Total Gas Amount per Day** | **$ 1.73** |
| **Total Van Lease and Associated Costs per Day** | **$ 6.35** |
| **Administrative Overhead** | |
| Administrative Pct. | 15% |
| Non-travel cost | $ 28.37 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 4.26** |
| | per Hour |
| **Total Rate** | **$ 32.63** |
| | per Hour |
| **Recommended July 1, 2003 Rate (2)** | **$ 32.50** |
| | per 3 Hours |
| | **$ 97.50** |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT III.3**

**ASSUMPTIONS**
**REHAB PARTIAL CARE**

**Psychosocial Rehab**

- Number of Individuals per Day: 8
- Number of Staff per Day: 3
- Hourly Wage: Assumes that on average services are provided by the following:
  - Direct Service Provider 1: Personal and Home Care Aide (Nevada Inflated Wage=$9.79)
  - Direct Service Provider 2: 50 percent by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79) and 50 percent by a Mental Health Counselor (Nevada Inflated Wage=$22.87)
  - Direct Service Provider 3: 50 percent by a Mental Health Counselor (Nevada Inflated Wage=$22.87) and 50 percent by a Clinical, Counseling or School Psychologist (National Inflated Wage=$28.22)

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.
- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.
- Employee Supervision: Required by a licensed professional less than 15 minutes a day (assumes Psychiatrist, Nevada Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.
- Van Lease and Associated Costs: 2 vans

Vans at $500 per van per month, insurance at $300 per van per month, and gas and maintenance at $300 per van per month.

- Capital Cost: 1,600 square feet at $7 per square foot

- Meals: 1 meal at $5 per person per meal

- Administrative Overhead: 15 percent

  Overhead includes insurance, administrative staff, operations and management activities and office supplies. Capital and related expenses is not included.

# Exhibit III.4

# Crisis Mobile
# Independent Model

**Exhibit III.4**
**Child and Adult Mental Health Rehabilitative Services**
**Mobile Crisis - Emergency Team**

| | Mobile Crisis - Emergency Team 2 Person |
|---|---|
| **Wages (1)** | |
| Professional | |
| Hourly Wage | $ 25.54 |
| Annual Wage | $ 53,131 |
| Number of Employees | 1.0 |
| Total Hourly Wages | $ 25.54 |
| Total Annual Wages | $ 53,131 |
| Paraprofessional | |
| Hourly Wage | $ 9.79 |
| Annual Wage | $ 20,356 |
| Number of Employees | 1.0 |
| Total Hourly Wages | $ 9.79 |
| Total Annual Wages | $ 20,356 |
| **ERE as a Pct. of Wages** | **27%** |
| Professional | |
| Hourly Compensation *(wages + ERE)* | $ 32.44 |
| Annual Compensation *(wages + ERE)* | $ 67,476 |
| Total Hourly Compensation (wages + ERE) | $ 32.44 |
| Total Annual Compensation (wages + ERE) | $ 67,476 |
| Behavioral Health Technician | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 25,852 |
| **Total** | |
| Hourly Compensation *(wages + ERE)* | $ 44.87 |
| Annual Compensation *(wages + ERE)* | $ 93,328 |
| Total Hourly Compensation (wages + ERE) | **$ 44.87** |
| Total Annual Compensation (wages + ERE) | **$ 93,328** |
| **Productivity Assumptions** | |
| - Hours of direct contact per year | 1,040 |
| **Compensation per Team Hour** | **$ 89.74** |
| **Employee Supervision by a Licensed Professional** | $ 66.31 |
| Hours per year | 48 |
| **Total Employee Supervision per Team** | **$ 3,183** |
| **Total Employee Supervision per Team per Working Hour** | **$ 3.06** |
| **Capital** | |
| - Total Costs Per Team without Administrative Overhead | $ 96,510 |
| - Percent | 5.0% |
| **Total Capital per Team** | **$ 4,826** |
| **Total Capital per Team per Working Hour** | **$ 4.64** |

**Exhibit III.4**
**Child and Adult Mental Health Rehabilitative Services**
**Mobile Crisis - Emergency Team**

| | Mobile Crisis - Emergency Team 2 Person |
|---|---|
| **Administrative Overhead** | |
| Administrative Pct. | 12% |
| Non-travel cost | $ 92.80 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 11.14** |
| | per Hour |
| **Total Rate** | **$ 103.93** |
| | 30 Minutes |
| | **$ 51.97** |
| **Recommended Rate Mobile Crisis - Emergency Team 2 Person (2)** | **$ 52.00** |
| with travel billed separately | |
| | 30 Minutes |
| | **$ 25.98** |
| **Recommended Rate Mobile Crisis - Emergency Team 1 Person (2) (3)** | **$ 26.00** |
| with travel billed separately | |

| | MHDS Rate per Hour |
|---|---|
| **Current Rate** | **$ 83.40** |
| **Pct. Increase Over Current Rate** | 24.6% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).
(2) Rounded to the nearest 50 cents
(3) 50 percent of Mobile Crisis - Emergency Team 2 Person rate

**EXHIBIT III.4**

**ASSUMPTIONS**
**MOBILE CRISIS**

**Mobile Crisis – Emergency Team 2 Person**

- Mobile Team Size: 2 members per team

- Hourly Wage: Assumes that on average services are provided by the following:

  - Professional: Assumes 50 percent by a Clinical, Counseling and School Psychologist (National Inflated Wage=$28.22) and 50 percent of the time by a Mental Health Counselor (National Inflated Wage=$22.87).
  - Paraprofessional: Assumes a Personal and Home Care Aide (National Inflated Wage=$9.79).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Incentive Pay: 15 percent

- Total Hours: Team provides direct services one-half of the time or 1,040 hours per year.

- Employee Supervision: Required by a licensed professional 48 hours per year (assumes Psychiatrist, National Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.

- Capital Cost: 5 percent of non-travel expense

- Administrative Overhead: 12 percent

Overhead includes insurance, administrative staff, operations and management activities and office supplies. Capital and related expenses is not included.

**Mobile Crisis – Emergency Team 1 Person**

The Mobile Crisis – Emergency Team 1 Person rate is 50 percent of the Mobile Crisis – Emergency Team 2 Person rate. Please see the Mobile Crisis – Emergency Team 2 Person assumptions above for further detail on how the rate was set.

- Mobile Team Size: 1 member per team

# Exhibit III.5

# Therapeutic Foster Care
# Independent Model

## Exhibit III.5
## Children's Mental Health Rehabilitative Services
## Therapeutic Foster Care

| | Therapeutic Foster Care |
|---|---|
| **Direct Care Provider** | |
| Hourly Wage | $ 9.79 |
| **Total Daily Wages** | **$ 58.72** |
| Total Annual Wages | $ 21,447 |
| **Mileage** | |
| - Monthly travel allowance | $ 64.00 |
| - Yearly travel allowance | $ 768.00 |
| **Hourly Mileage Amount** | **$ 2.10** |
| **On-Going Family Supervision and Training** | |
| Hourly Compensation | $ 22.87 |
| Average hourly supervision per day | 0.60 |
| **Average Supervisory Cost per Day** | **$ 3.43** |
| **Pre-Service Family Training** | |
| - Hourly Compensation | $ 22.87 |
| - Hours of Pre-Service Training | 40.00 |
| **Total Pre-Service Training** | $ 915 |
| **Pre-Service Training per Day** | **$ 2.50** |
| **24-Hour Supervisor Stand-by** | |
| - Hourly Compensation | $ 22.87 |
| - Total Hours Worked in Year | 2,080 |
| **Total 24-Hour Supervisor Stand-by per Day** | **$ 16.28** |
| **Administrative Overhead** | |
| Administrative Pct. | 2% |
| | $ 83.04 |
| **Administrative Cost** | **$ 1.66** |
| | per Day |
| **Total Rate** | **$ 84.70** |
| | per Day |
| **Recommended Rate (2)** | **$ 84.50** |

| | DCFS Rate per Day Max. | Non-DCFS Rate per Day Avg. |
|---|---|---|
| **Current Rate** | **$ 60.50** | **$ 70.33** |
| **Pct. Increase Over Current Rate** | 39.7% | 20.1% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT III.5**

**ASSUMPTIONS**
**THERAPEUTIC FOSTER CARE**

- Hourly Wage: Assumes that services are provided by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- Total Hours: 6 hours per day

- Mileage: $64.00 monthly travel allowance

- On-Going Family Supervision and Training: Required by a professional for approximately 34 minutes per day (assumes Mental Health Counselor, Nevada Inflated Wage=$22.87). This function should not be billed separately by the professional.

- Pre-Service Family Training: Required by a professional for 40 hours before the individual is placed in the family (assumes Mental Health Counselor, Nevada Inflated Wage=$22.87). This function should not be billed separately by the professional.

- 24-Hour Supervisor Stand-By: Assumes that the service is provided by a Mental Health Counselor (Nevada Inflated Wage=$22.87). The cost of the 24-hour supervisor stand-by is spread across 365.25 days and 8 families (1 supervisor for every 8 families).

- Administrative Overhead: 2 percent

  Overhead includes office supplies and administrative support.

# Exhibit III.6a

# Residential Care – Level I Basic Independent Models

## Exhibit III.6a
## Children's Mental Health Rehabilitative Services
## Level I Basic Group Residential Care - Summary

| | Level I Basic Group Residential Care |
|---|---|
| **Number of Non-School Days** | 185 |
| **Days in Year** | 365 |
| **Percent of Days in Year** | 51% |
| | per Day |
| **Rate Across all Shifts** | **$ 74.50** |
| **Rate by Percent of Days in Year** | **$ 37.76** |
| **Number of School Days** | 180 |
| **Days in Year** | 365 |
| **Percent of Days in Year** | 49% |
| | per Day |
| **Rate Across all Shifts** | **$ 52.00** |
| **Rate by Percent of Days in Year** | **$ 25.64** |
| | per Day |
| **Total Rate** | **$ 63.40** |
| **Recommended July 1, 2003 Rate (1)** | **$ 63.50** |

| | DCFS Rate per Day Max. | Non-DCFS Rate per Day Avg. |
|---|---|---|
| **Current Rate** | **$ 55.50** | **$ 47.80** |
| **Pct. Increase Over Current Rate** | 14.4% | 32.8% |

(1) Rounded to the nearest 50 cents

**Exhibit III.6a**
**Children's Mental Health Rehabilitative Services**
**Level I Basic Group Residential Care**

| | Level I Basic Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Wages (1)** | | | |
| Direct Service Provider | | | |
| Hourly Wage | $ 9.79 | $ 9.79 | $ 9.79 |
| Annual Wage | $ 20,356 | $ 20,356 | $ 20,356 |
| Number of Employees | 1.0 | 1.0 | 1.0 |
| Total Hourly Wages | $ 9.79 | $ 9.79 | $ 9.79 |
| Total Annual Wages | $ 20,356 | $ 20,356 | $ 20,356 |
| Behavior Management Specialist | | | |
| Hourly Wage | $ 22.87 | $ 22.87 | $ 22.87 |
| Annual Wage | $ 47,574 | $ 47,574 | $ 47,574 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative Support | | | |
| Hourly Wage | $ 13.56 | $ 13.56 | $ 13.56 |
| Annual Wage | $ 28,212 | $ 28,212 | $ 28,212 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Wage | $ 32.01 | $ 32.01 | $ 32.01 |
| Annual Wage | $ 66,589 | $ 66,589 | $ 66,589 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 8.00 | $ - | $ - |
| Total Annual Wages | $ 16,647 | $ - | $ - |
| Maintenance | | | |
| Hourly Wage | $ 17.31 | $ 17.31 | $ 17.31 |
| Annual Wage | $ 35,998 | $ 35,998 | $ 35,998 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 4.33 | $ - | $ - |
| Total Annual Wages | $ 9,000 | $ - | $ - |
| Cook | | | |
| Hourly Wage | $ 15.96 | $ 15.96 | $ 15.96 |
| Annual Wage | $ 33,202 | $ 33,202 | $ 33,202 |
| Number of Employees | 0.25 | 0.25 | - |
| Total Hourly Wages | $ 3.99 | $ 3.99 | $ - |
| Total Annual Wages | $ 8,301 | $ 8,301 | $ - |

**Exhibit III.6a**
**Children's Mental Health Rehabilitative Services**
**Level I Basic Group Residential Care**

| | Level I Basic Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| Direct Service Provider | | | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 | $ 12.43 | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 | $ 25,852 | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 12.43 | $ 12.43 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 25,852 | $ 25,852 | $ 25,852 |
| Behavior Management Specialist | | | |
| Hourly Compensation *(wages + ERE)* | $ 29.05 | $ 29.05 | $ 29.05 |
| Annual Compensation *(wages + ERE)* | $ 60,419 | $ 60,419 | $ 60,419 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative Support | | | |
| Hourly Compensation *(wages + ERE)* | $ 17.23 | $ 17.23 | $ 17.23 |
| Annual Compensation *(wages + ERE)* | $ 35,829 | $ 35,829 | $ 35,829 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Compensation *(wages + ERE)* | $ 40.66 | $ 40.66 | $ 40.66 |
| Annual Compensation *(wages + ERE)* | $ 84,569 | $ 84,569 | $ 84,569 |
| Total Hourly Compensation (wages + ERE) | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,142 | $ - | $ - |
| Maintenance | | | |
| Hourly Compensation *(wages + ERE)* | $ 21.98 | $ 21.98 | $ 21.98 |
| Annual Compensation *(wages + ERE)* | $ 45,717 | $ 45,717 | $ 45,717 |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Cook | | | |
| Hourly Compensation *(wages + ERE)* | $ 20.27 | $ 20.27 | $ 20.27 |
| Annual Compensation *(wages + ERE)* | $ 42,167 | $ 42,167 | $ 42,167 |
| Total Hourly Compensation (wages + ERE) | $ 5.07 | $ 5.07 | $ - |
| Total Annual Compensation (wages + ERE) | $ 10,542 | $ 10,542 | $ - |
| Total | | | |
| Hourly Compensation *(wages + ERE)* | $ 141.61 | $ 141.61 | $ 141.61 |
| Annual Compensation *(wages + ERE)* | 294,552 | 294,552 | 294,552 |
| Total Hourly Compensation (wages + ERE) | $ 33.16 | $ 17.50 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 68,965 | $ 36,394 | $ 25,852 |
| Number of Individuals | 16 | 16 | 16 |
| Hourly Rate per Person | $ 2.07 | $ 1.09 | $ 0.78 |
| Daily Compensation per Person | $ 16.58 | $ 8.75 | $ 6.21 |

**Exhibit III.6a**
**Children's Mental Health Rehabilitative Services**
**Level I Basic Group Residential Care**

| | Level I Basic Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages plus Incentive** | | | |
| Direct Service Provider | | | |
| Total Hourly Compensation (wages + ERE) | $ 12.43 | $ 12.43 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 25,852 | $ 25,852 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 12.43 | $ 13.05 | $ 12.43 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 25,852 | 27,144 | 25,852 |
| Behavior Management Specialist | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative Support | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative/Director | | | |
| Total Hourly Compensation (wages + ERE) | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,142 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 21,142 | $ - | $ - |
| Maintenance | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 11,429 | $ - | $ - |
| Cook | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.07 | $ 5.07 | $ - |
| Total Annual Compensation (wages + ERE) | $ 10,542 | $ 10,542 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.07 | $ 5.32 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 10,542 | $ 11,069 | $ - |
| **Total** | | | |
| Total Hourly Compensation (wages + ERE) | $ 33.16 | $ 17.50 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 68,965 | $ 36,394 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 33.16 | $ 18.37 | $ 12.43 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 68,965 | $ 38,213 | $ 25,852 |
| Number of Individuals | **16** | **16** | **16** |
| Hourly Rate per Person | **$ 2.07** | **$ 1.15** | **$ 0.78** |
| Daily Compensation per Person | **$ 16.58** | **$ 9.19** | **$ 6.21** |

## Exhibit III.6a
## Children's Mental Health Rehabilitative Services
## Level I Basic Group Residential Care

| | Level I Basic Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Employee Supervision by a Licensed Professional** | $ 22.87 | $ 22.87 | $ 22.87 |
| - Hourly Compensation | - | - | - |
| **Average Supervisory Cost per Hour** | **$ -** | **$ -** | **$ -** |
| **Van Lease and Associated Costs** | | | |
| - Number of vans | 2 | | |
| - Annual Amount of lease per van | $ 500 | | |
| - Total Annual Van Lease Amount | $ 1,000 | | |
| - Total Yearly Van Lease Amount | $ 12,000 | | |
| - **Total Van Lease Amount per Day** | **$ 2.05** | | |
| - Monthly Amount for Insurance | $ 300 | | |
| - Total Insurance Amount | $ 600 | | |
| - Yearly Insurance Amount | $ 7,200 | | |
| - **Total Insurance Amount per Day** | **$ 1.23** | | |
| - Monthly Amount for Gas and Maintenance | $ 300 | | |
| - Total Gas and Maintenance Amount | $ 600 | | |
| - Yearly Amount for Gas and Maintenance | $ 7,200 | | |
| - **Total Gas Amount per Day** | **$ 1.23** | | |
| **Total Van Lease and Associated Costs per Day** | **$ 4.52** | | |
| **Meals** | | | |
| - Number of individuals | 16 | | |
| - Number of Meals per Day | 2 | | |
| - Amount per meal | $ 5.00 | | |
| **Total Meals Amount** | **$ 160.00** | | |
| **Total Meals Amount per Person per Day** | **$ 10.00** | | |
| **Capital** | | | |
| - Total Costs without Administrative Overhead | $ 31.10 | $ 9.19 | $ 6.21 |
| - Percent | 8.0% | 8.0% | 8.0% |
| **Total Capital per Day** | **$ 2.49** | **$ 0.73** | **$ 0.50** |
| **Miscellaneous Expenses (2)** | | | |
| Miscellaneous Percentage | 4.0% | 4.0% | 4.0% |
| Non-travel cost | $ 31.10 | $ 9.19 | $ 6.21 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 1.24** | **$ 0.37** | **$ 0.25** |
| | per shift | per shift | per shift |
| **Rate** | **$ 34.83** | **$ 10.29** | **$ 6.96** |
| | per Day | | |
| **Rate Across all Shifts** | **$ 52.08** | | |
| **Recommended Rate (3)** | **$ 52.00** | | |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) To include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

(3) Rounded to the nearest 50 cents

## Exhibit III.6a
## Children's Mental Health Rehabilitative Services
## Level I Basic Group Residential Care

| | Level I Basic Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Wages (1)** | | | |
| Direct Service Provider | | | |
| Hourly Wage | $ 9.79 | $ 9.79 | $ 9.79 |
| Annual Wage | $ 20,356 | $ 20,356 | $ 20,356 |
| Number of Employees | 1.5 | 2.0 | 1.0 |
| Total Hourly Wages | $ 14.68 | $ 19.57 | $ 9.79 |
| Total Annual Wages | $ 30,534 | $ 40,711 | $ 20,356 |
| Behavior Management Specialist | | | |
| Hourly Wage | $ 22.87 | $ 22.87 | $ 22.87 |
| Annual Wage | $ 47,574 | $ 47,574 | $ 47,574 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative Support | | | |
| Hourly Wage | $ 13.56 | $ 13.56 | $ 13.56 |
| Annual Wage | $ 28,212 | $ 28,212 | $ 28,212 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Wage | $ 32.01 | $ 32.01 | $ 32.01 |
| Annual Wage | $ 66,589 | $ 66,589 | $ 66,589 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 8.00 | $ - | $ - |
| Total Annual Wages | $ 16,647 | $ - | $ - |
| Maintenance | | | |
| Hourly Wage | $ 17.31 | $ 17.31 | $ 17.31 |
| Annual Wage | $ 35,998 | $ 35,998 | $ 35,998 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 4.33 | $ - | $ - |
| Total Annual Wages | $ 9,000 | $ - | $ - |
| Cook | | | |
| Hourly Wage | $ 15.96 | $ 15.96 | $ 15.96 |
| Annual Wage | $ 33,202 | $ 33,202 | $ 33,202 |
| Number of Employees | 0.5 | 0.5 | - |
| Total Hourly Wages | 7.98 | 7.98 | - |
| Total Annual Wages | $ 16,601 | $ 16,601 | $ - |

**Exhibit III.6a**
**Children's Mental Health Rehabilitative Services**
**Level I Basic Group Residential Care**

| | Level I Basic Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| Direct Service Provider | | | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 | $ 12.43 | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 | $ 25,852 | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 18.64 | $ 24.86 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 38,778 | $ 51,704 | $ 25,852 |
| Behavior Management Specialist | | | |
| Hourly Compensation *(wages + ERE)* | $ 29.05 | $ 29.05 | $ 29.05 |
| Annual Compensation *(wages + ERE)* | $ 60,419 | $ 60,419 | $ 60,419 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative Support | | | |
| Hourly Compensation *(wages + ERE)* | $ 17.23 | $ 17.23 | $ 17.23 |
| Annual Compensation *(wages + ERE)* | $ 35,829 | $ 35,829 | $ 35,829 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Compensation *(wages + ERE)* | $ 40.66 | $ 40.66 | $ 40.66 |
| Annual Compensation *(wages + ERE)* | $ 84,569 | $ 84,569 | $ 84,569 |
| Total Hourly Compensation (wages + ERE) | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,142 | $ - | $ - |
| Maintenance | | | |
| Hourly Compensation *(wages + ERE)* | $ 21.98 | $ 21.98 | $ 21.98 |
| Annual Compensation *(wages + ERE)* | $ 45,717 | $ 45,717 | $ 45,717 |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Cook | | | |
| Hourly Compensation *(wages + ERE)* | $ 20.27 | $ 20.27 | $ 20.27 |
| Annual Compensation *(wages + ERE)* | $ 42,167 | $ 42,167 | $ 42,167 |
| Total Hourly Compensation (wages + ERE) | $ 10.14 | $ 10.14 | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,083 | $ 21,083 | $ - |
| Total | | | |
| Hourly Compensation *(wages + ERE)* | $ 141.61 | $ 141.61 | $ 141.61 |
| Annual Compensation *(wages + ERE)* | 294,552 | 294,552 | 294,552 |
| Total Hourly Compensation (wages + ERE) | $ 44.44 | $ 34.99 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 92,433 | $ 72,787 | $ 25,852 |
| Number of Individuals | 16 | 16 | 16 |
| Hourly Rate per Person | $ 2.78 | $ 2.19 | $ 0.78 |
| Daily Compensation per Person | $ 22.22 | $ 17.50 | $ 6.21 |

**Exhibit III.6a**
**Children's Mental Health Rehabilitative Services**
**Level I Basic Group Residential Care**

| | Level I Basic Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages plus Incentive** | | | |
| Direct Service Provider | | | |
| Total Hourly Compensation (wages + ERE) | $ 18.64 | $ 24.86 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 38,778 | $ 51,704 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 18.64 | $ 26.10 | $ 12.43 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 38,778 | 54,289 | 25,852 |
| Behavior Management Specialist | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative Support | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative/Director | | | |
| Total Hourly Compensation (wages + ERE) | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,142 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 21,142 | $ - | $ - |
| Maintenance | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 11,429 | $ - | $ - |
| Cook | | | |
| Total Hourly Compensation (wages + ERE) | $ 10.14 | $ 10.14 | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,083 | $ 21,083 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 10.14 | $ 10.64 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 21,083 | $ 22,138 | $ - |
| **Total** | | | |
| Total Hourly Compensation (wages + ERE) | $ 44.44 | $ 34.99 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 92,433 | $ 72,787 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 44.44 | $ 36.74 | $ 12.43 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 92,433 | $ 76,426 | $ 25,852 |
| Number of Individuals | **16** | **16** | **16** |
| Hourly Rate per Person | **$ 2.78** | **$ 2.30** | **$ 0.78** |
| Daily Compensation per Person | **$ 22.22** | **$ 18.37** | **$ 6.21** |

## Exhibit III.6a
## Children's Mental Health Rehabilitative Services
## Level I Basic Group Residential Care

| | Level I Basic Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Employee Supervision by a Licensed Professional** | $ 22.87 | $ 22.87 | $ 22.87 |
| - Hourly Compensation | - | - | - |
| **Average Supervisory Cost per Hour** | **$ -** | **$ -** | **$ -** |
| **Van Lease and Associated Costs** | | | |
| - Number of vans | 2 | | |
| - Annual Amount of lease per van | $ 500 | | |
| - Total Annual Van Lease Amount | $ 1,000 | | |
| - Total Yearly Van Lease Amount | $ 12,000 | | |
| - **Total Van Lease Amount per Day** | **$ 2.05** | | |
| - Monthly Amount for Insurance | $ 300 | | |
| - Total Insurance Amount | $ 600 | | |
| - Yearly Insurance Amount | $ 7,200 | | |
| - **Total Insurance Amount per Day** | **$ 1.23** | | |
| - Monthly Amount for Gas and Maintenance | $ 300 | | |
| - Total Gas and Maintenance Amount | $ 600 | | |
| - Yearly Amount for Gas and Maintenance | $ 7,200 | | |
| - **Total Gas Amount per Day** | **$ 1.23** | | |
| **Total Van Lease and Associated Costs per Day** | **$ 4.52** | | |
| **Meals** | | | |
| - Number of individuals | 16 | | |
| - Number of Meals per Day | 3 | | |
| - Amount per meal | $ 5.00 | | |
| **Total Meals Amount** | **$ 240.00** | | |
| **Total Meals Amount per Person per Day** | **$ 15.00** | | |
| **Capital** | | | |
| - Total Costs without Administrative Overhead | $ 41.74 | $ 18.37 | $ 6.21 |
| - Percent | 8.0% | 8.0% | 8.0% |
| **Total Capital per Day** | **$ 3.34** | **$ 1.47** | **$ 0.50** |
| **Miscellaneous Expenses (2)** | | | |
| Miscellaneous Percentage | 4.0% | 4.0% | 4.0% |
| Non-travel cost | $ 41.74 | $ 18.37 | $ 6.21 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 1.67** | **$ 0.73** | **$ 0.25** |
| | per shift | per shift | per shift |
| **Rate** | **$ 46.75** | **$ 20.58** | **$ 6.96** |
| | per Day | | |
| **Rate Across all Shifts** | **$ 74.28** | | |
| **Recommended Rate (3)** | **$ 74.50** | | |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) To include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

(3) Rounded to the nearest 50 cents

**EXHIBIT III.6a**

**ASSUMPTIONS**
**LEVEL I BASIC GROUP RESIDENTIAL CARE**

The assumptions for the Level I Basic Group Residential Care (In-School) and Level I Basic Group Residential Care (Weekend/School Vacation) are the same except for the staffing patterns.

- See attached chart for in-school and weekend/school vacation staffing assumptions

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- Facility Size: 16 bed facility

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Incentive Pay:
  - 7:00am – 3:00pm shift: 0 percent
  - 3:00pm – 11:00pm shift: 5 percent
  - 11:00pm – 7:00am shift: 0 percent (no awake staff time required)

- Employee Supervision: Not required.

- Van Lease and Associated Costs: 2 vans

  Vans at $500 per van per month, insurance at $300 per van per month, and gas and maintenance at $300 per van per month.

- Meals: $5 per person per meal
  - Two meals in-school model
  - Three meals weekend/school vacation model

- Capital Cost: 8 percent of non-travel expense

- Miscellaneous Expenses: 4 percent to include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

## Exhibit III.6a
## Children's Mental Health Rehabilitative Services
## Level I Basic Group Residential Care

| | Nevada Wage | Level I Basic Group Residential Care | |
|---|---|---|---|
| | | In-School | Weekend/ School Vacation |
| **Staffing Assumptions** | | | |
| 7:00am to 3:00pm | | | |
| Direct Service Provider | $ 9.79 | 1.00 | 1.50 |
| Behavior Management Specialist | $ 22.87 | 0.00 | 0.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.25 | 0.25 |
| Maintenance | $ 17.31 | 0.25 | 0.25 |
| Cook | $ 15.96 | 0.25 | 0.50 |
| 3:00pm to 11:00pm | | | |
| Direct Service Provider | $ 9.79 | 1.00 | 2.00 |
| Behavior Management Specialist | $ 22.87 | 0.00 | 0.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.00 | 0.00 |
| Maintenance | $ 17.31 | 0.00 | 0.00 |
| Cook | $ 15.96 | 0.25 | 0.50 |
| 11:00pm to 7:00am | | | |
| Direct Service Provider | $ 9.79 | 1.00 | 1.00 |
| Behavior Management Specialist | $ 22.87 | 0.00 | 0.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.00 | 0.00 |
| Maintenance | $ 17.31 | 0.00 | 0.00 |
| Cook | $ 15.96 | 0.00 | 0.00 |

# Exhibit III.6b

# Residential Care – Level II Intermediate Independent Models

## Exhibit III.6b
## Children's Mental Health Rehabilitative Services
## Level II Intermediate Group Residential Care - Summary

| | Level II Intermediate Group Residential Care |
|---|---|
| **Number of Non-School Days** | 185 |
| **Days in Year** | 365 |
| **Percent of Days in Year** | 51% |
| | per Day |
| **Rate Across all Shifts** | **$ 91.00** |
| **Rate by Percent of Days in Year** | **$ 46.12** |
| **Number of School Days** | 180 |
| **Days in Year** | 365 |
| **Percent of Days in Year** | 49% |
| | per Day |
| **Rate Across all Shifts** | **$ 60.50** |
| **Rate by Percent of Days in Year** | **$ 29.84** |
| | per Day |
| **Total Rate** | **$ 75.96** |
| **Recommended July 1, 2003 Rate (1)** | **$ 76.00** |

| | DCFS Rate per Day Max. | Non-DCFS Rate per Day Avg. |
|---|---|---|
| **Current Rate** | **$ 65.50** | **$ 67.87** |
| **Pct. Increase Over Current Rate** | 16.0% | 12.0% |

(1) Rounded to the nearest 50 cents

**Exhibit III.6b**
**Children's Mental Health Rehabilitative Services**
**Level II Intermediate Group Residential Care**

| | Level II Intermediate Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Wages (1)** | | | |
| Direct Service Provider | | | |
| Hourly Wage | $ 9.79 | $ 9.79 | $ 9.79 |
| Annual Wage | $ 20,356 | $ 20,356 | $ 20,356 |
| Number of Employees | 1.5 | 1.5 | 1.0 |
| Total Hourly Wages | $ 14.68 | $ 14.68 | $ 9.79 |
| Total Annual Wages | $ 30,534 | $ 30,534 | $ 20,356 |
| Behavior Management Specialist | | | |
| Hourly Wage | $ 22.87 | $ 22.87 | $ 22.87 |
| Annual Wage | $ 47,574 | $ 47,574 | $ 47,574 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative Support | | | |
| Hourly Wage | $ 13.56 | $ 13.56 | $ 13.56 |
| Annual Wage | $ 28,212 | $ 28,212 | $ 28,212 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Wage | $ 32.01 | $ 32.01 | $ 32.01 |
| Annual Wage | $ 66,589 | $ 66,589 | $ 66,589 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 8.00 | $ - | $ - |
| Total Annual Wages | $ 16,647 | $ - | $ - |
| Maintenance | | | |
| Hourly Wage | $ 17.31 | $ 17.31 | $ 17.31 |
| Annual Wage | $ 35,998 | $ 35,998 | $ 35,998 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 4.33 | $ - | $ - |
| Total Annual Wages | $ 9,000 | $ - | $ - |
| Cook | | | |
| Hourly Wage | $ 15.96 | $ 15.96 | $ 15.96 |
| Annual Wage | $ 33,202 | $ 33,202 | $ 33,202 |
| Number of Employees | 0.25 | 0.25 | - |
| Total Hourly Wages | $ 3.99 | $ 3.99 | $ - |
| Total Annual Wages | $ 8,301 | $ 8,301 | $ - |

**Exhibit III.6b**
**Children's Mental Health Rehabilitative Services**
**Level II Intermediate Group Residential Care**

| | Level II Intermediate Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| Direct Service Provider | | | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 | $ 12.43 | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 | $ 25,852 | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 18.64 | $ 18.64 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 38,778 | $ 38,778 | $ 25,852 |
| Behavior Management Specialist | | | |
| Hourly Compensation *(wages + ERE)* | $ 29.05 | $ 29.05 | $ 29.05 |
| Annual Compensation *(wages + ERE)* | $ 60,419 | $ 60,419 | $ 60,419 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative Support | | | |
| Hourly Compensation *(wages + ERE)* | $ 17.23 | $ 17.23 | $ 17.23 |
| Annual Compensation *(wages + ERE)* | $ 35,829 | $ 35,829 | $ 35,829 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Compensation *(wages + ERE)* | $ 40.66 | $ 40.66 | $ 40.66 |
| Annual Compensation *(wages + ERE)* | $ 84,569 | $ 84,569 | $ 84,569 |
| Total Hourly Compensation (wages + ERE) | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,142 | $ - | $ - |
| Maintenance | | | |
| Hourly Compensation *(wages + ERE)* | $ 21.98 | $ 21.98 | $ 21.98 |
| Annual Compensation *(wages + ERE)* | $ 45,717 | $ 45,717 | $ 45,717 |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Cook | | | |
| Hourly Compensation *(wages + ERE)* | $ 20.27 | $ 20.27 | $ 20.27 |
| Annual Compensation *(wages + ERE)* | $ 42,167 | $ 42,167 | $ 42,167 |
| Total Hourly Compensation (wages + ERE) | $ 5.07 | $ 5.07 | $ - |
| Total Annual Compensation (wages + ERE) | $ 10,542 | $ 10,542 | $ - |
| Total | | | |
| Hourly Compensation *(wages + ERE)* | $ 141.61 | $ 141.61 | $ 141.61 |
| Annual Compensation *(wages + ERE)* | 294,552 | 294,552 | 294,552 |
| Total Hourly Compensation (wages + ERE) | $ 39.37 | $ 23.71 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 81,891 | $ 49,319 | $ 25,852 |
| Number of Individuals | 16 | 16 | 16 |
| Hourly Rate per Person | $ 2.46 | $ 1.48 | $ 0.78 |
| Daily Compensation per Person | $ 19.69 | $ 11.86 | $ 6.21 |

**Exhibit III.6b**
**Children's Mental Health Rehabilitative Services**
**Level II Intermediate Group Residential Care**

| | Level II Intermediate Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages plus Incentive** | | | |
| Direct Service Provider | | | |
| Total Hourly Compensation (wages + ERE) | $ 18.64 | $ 18.64 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 38,778 | $ 38,778 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 18.64 | $ 19.58 | $ 12.43 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 38,778 | 40,717 | 25,852 |
| Behavior Management Specialist | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative Support | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative/Director | | | |
| Total Hourly Compensation (wages + ERE) | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,142 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 21,142 | $ - | $ - |
| Maintenance | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 11,429 | $ - | $ - |
| Cook | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.07 | $ 5.07 | $ - |
| Total Annual Compensation (wages + ERE) | $ 10,542 | $ 10,542 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.07 | $ 5.32 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 10,542 | $ 11,069 | $ - |
| **Total** | | | |
| Total Hourly Compensation (wages + ERE) | $ 39.37 | $ 23.71 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 81,891 | $ 49,319 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 39.37 | $ 24.90 | $ 12.43 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 81,891 | $ 51,785 | $ 25,852 |
| Number of Individuals | **16** | **16** | **16** |
| Hourly Rate per Person | **$ 2.46** | **$ 1.56** | **$ 0.78** |
| Daily Compensation per Person | **$ 19.69** | **$ 12.45** | **$ 6.21** |

**Exhibit III.6b**
**Children's Mental Health Rehabilitative Services**
**Level II Intermediate Group Residential Care**

| | Level II Intermediate Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Employee Supervision by a Licensed Professional** | $ 22.87 | $ 22.87 | $ 22.87 |
| - Hourly Compensation | 0.25 | 0.25 | 0.25 |
| **Average Supervisory Cost per Hour** | **$ 0.36** | **$ 0.36** | **$ 0.36** |
| **Van Lease and Associated Costs** | | | |
| - Number of vans | 2 | | |
| - Annual Amount of lease per van | $ 500 | | |
| - Total Annual Van Lease Amount | $ 1,000 | | |
| - Total Yearly Van Lease Amount | $ 12,000 | | |
| - **Total Van Lease Amount per Day** | **$ 2.05** | | |
| - Monthly Amount for Insurance | $ 300 | | |
| - Total Insurance Amount | $ 600 | | |
| - Yearly Insurance Amount | $ 7,200 | | |
| - **Total Insurance Amount per Day** | **$ 1.23** | | |
| - Monthly Amount for Gas and Maintenance | $ 300 | | |
| - Total Gas and Maintenance Amount | $ 600 | | |
| - Yearly Amount for Gas and Maintenance | $ 7,200 | | |
| - **Total Gas Amount per Day** | **$ 1.23** | | |
| **Total Van Lease and Associated Costs per Day** | **$ 4.52** | | |
| **Meals** | | | |
| - Number of individuals | 16 | | |
| - Number of Meals per Day | 2 | | |
| - Amount per meal | $ 5.00 | | |
| **Total Meals Amount** | **$ 160.00** | | |
| **Total Meals Amount per Person per Day** | **$ 10.00** | | |
| **Capital** | | | |
| - Total Costs without Administrative Overhead | $ 34.56 | $ 12.81 | $ 6.57 |
| - Percent | 8.0% | 8.0% | 8.0% |
| **Total Capital per Day** | **$ 2.76** | **$ 1.02** | **$ 0.53** |
| **Miscellaneous Expenses (2)** | | | |
| Miscellaneous Percentage | 4.0% | 4.0% | 4.0% |
| Non-travel cost | $ 34.56 | $ 12.81 | $ 6.57 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 1.38** | **$ 0.51** | **$ 0.26** |
| | per shift | per shift | per shift |
| **Rate** | **$ 38.71** per Day | **$ 14.34** | **$ 7.36** |
| **Rate Across all Shifts** | **$ 60.41** | | |
| **Recommended Rate (3)** | **$ 60.50** | | |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) To include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

(3) Rounded to the nearest 50 cents

**Exhibit III.6b**
**Children's Mental Health Rehabilitative Services**
**Level II Intermediate Group Residential Care**

| | Level II Intermediate Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Wages (1)** | | | |
| Direct Service Provider | | | |
| Hourly Wage | $ 9.79 | $ 9.79 | $ 9.79 |
| Annual Wage | $ 20,356 | $ 20,356 | $ 20,356 |
| Number of Employees | 2.5 | 2.0 | 1.0 |
| Total Hourly Wages | $ 24.47 | $ 19.57 | $ 9.79 |
| Total Annual Wages | $ 50,889 | $ 40,711 | $ 20,356 |
| Behavior Management Specialist | | | |
| Hourly Wage | $ 22.87 | $ 22.87 | $ 22.87 |
| Annual Wage | $ 47,574 | $ 47,574 | $ 47,574 |
| Number of Employees | - | 0.50 | - |
| Total Hourly Wages | $ - | $ 11.44 | $ - |
| Total Annual Wages | $ - | $ 23,787 | $ - |
| Administrative Support | | | |
| Hourly Wage | $ 13.56 | $ 13.56 | $ 13.56 |
| Annual Wage | $ 28,212 | $ 28,212 | $ 28,212 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Wage | $ 32.01 | $ 32.01 | $ 32.01 |
| Annual Wage | $ 66,589 | $ 66,589 | $ 66,589 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 8.00 | $ - | $ - |
| Total Annual Wages | $ 16,647 | $ - | $ - |
| Maintenance | | | |
| Hourly Wage | $ 17.31 | $ 17.31 | $ 17.31 |
| Annual Wage | $ 35,998 | $ 35,998 | $ 35,998 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 4.33 | $ - | $ - |
| Total Annual Wages | $ 9,000 | $ - | $ - |
| Cook | | | |
| Hourly Wage | $ 15.96 | $ 15.96 | $ 15.96 |
| Annual Wage | $ 33,202 | $ 33,202 | $ 33,202 |
| Number of Employees | 0.5 | 0.5 | - |
| Total Hourly Wages | $ 7.98 | $ 7.98 | $ - |
| Total Annual Wages | $ 16,601 | $ 16,601 | $ - |

**Exhibit III.6b**
**Children's Mental Health Rehabilitative Services**
**Level II Intermediate Group Residential Care**

| | Level II Intermediate Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| Direct Service Provider | | | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 | $ 12.43 | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 | $ 25,852 | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 31.07 | $ 24.86 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 64,629 | $ 51,704 | $ 25,852 |
| Behavior Management Specialist | | | |
| Hourly Compensation *(wages + ERE)* | $ 29.05 | $ 29.05 | $ 29.05 |
| Annual Compensation *(wages + ERE)* | $ 60,419 | $ 60,419 | $ 60,419 |
| Total Hourly Compensation (wages + ERE) | $ - | $ 14.52 | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ 30,209 | $ - |
| Administrative Support | | | |
| Hourly Compensation *(wages + ERE)* | $ 17.23 | $ 17.23 | $ 17.23 |
| Annual Compensation *(wages + ERE)* | $ 35,829 | $ 35,829 | $ 35,829 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Compensation *(wages + ERE)* | $ 40.66 | $ 40.66 | $ 40.66 |
| Annual Compensation *(wages + ERE)* | $ 84,569 | $ 84,569 | $ 84,569 |
| Total Hourly Compensation (wages + ERE) | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,142 | $ - | $ - |
| Maintenance | | | |
| Hourly Compensation *(wages + ERE)* | $ 21.98 | $ 21.98 | $ 21.98 |
| Annual Compensation *(wages + ERE)* | $ 45,717 | $ 45,717 | $ 45,717 |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Cook | | | |
| Hourly Compensation *(wages + ERE)* | $ 20.27 | $ 20.27 | $ 20.27 |
| Annual Compensation *(wages + ERE)* | $ 42,167 | $ 42,167 | $ 42,167 |
| Total Hourly Compensation (wages + ERE) | $ 10.14 | $ 10.14 | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,083 | $ 21,083 | $ - |
| Total | | | |
| Hourly Compensation *(wages + ERE)* | $ 141.61 | $ 141.61 | $ 141.61 |
| Annual Compensation *(wages + ERE)* | 294,552 | 294,552 | 294,552 |
| Total Hourly Compensation (wages + ERE) | $ 56.87 | $ 49.52 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 118,284 | $ 102,996 | $ 25,852 |
| Number of Individuals | 16 | 16 | 16 |
| Hourly Rate per Person | $ 3.55 | $ 3.09 | $ 0.78 |
| Daily Compensation per Person | $ 28.43 | $ 24.76 | $ 6.21 |

**Exhibit III.6b**
**Children's Mental Health Rehabilitative Services**
**Level II Intermediate Group Residential Care**

| | Level II Intermediate Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages plus Incentive** | | | |
| Direct Service Provider | | | |
| Total Hourly Compensation (wages + ERE) | $ 31.07 | $ 24.86 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 64,629 | $ 51,704 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 31.07 | $ 26.10 | $ 12.43 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 64,629 | 54,289 | 25,852 |
| Behavior Management Specialist | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ 14.52 | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ 30,209 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ 15.25 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ 31,720 | $ - |
| Administrative Support | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative/Director | | | |
| Total Hourly Compensation (wages + ERE) | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,142 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 10.16 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 21,142 | $ - | $ - |
| Maintenance | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 11,429 | $ - | $ - |
| Cook | | | |
| Total Hourly Compensation (wages + ERE) | $ 10.14 | $ 10.14 | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,083 | $ 21,083 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 10.14 | $ 10.64 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 21,083 | $ 22,138 | $ - |
| **Total** | | | |
| Total Hourly Compensation (wages + ERE) | $ 56.87 | $ 49.52 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 118,284 | $ 102,996 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 0.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 56.87 | $ 51.99 | $ 12.43 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 118,284 | $ 108,146 | $ 25,852 |
| Number of Individuals | **16** | **16** | **16** |
| Hourly Rate per Person | **$ 3.55** | **$ 3.25** | **$ 0.78** |
| Daily Compensation per Person | **$ 28.43** | **$ 26.00** | **$ 6.21** |

## Exhibit III.6b
## Children's Mental Health Rehabilitative Services
## Level II Intermediate Group Residential Care

| | Level II Intermediate Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Employee Supervision by a Licensed Professional** | $ 22.87 | $ 22.87 | $ 22.87 |
| - Hourly Compensation | 0.25 | 0.25 | 0.25 |
| **Average Supervisory Cost per Hour** | **$ 0.36** | **$ 0.36** | **$ 0.36** |
| **Van Lease and Associated Costs** | | | |
| - Number of vans | 2 | | |
| - Annual Amount of lease per van | $ 500 | | |
| - Total Annual Van Lease Amount | $ 1,000 | | |
| - Total Yearly Van Lease Amount | $ 12,000 | | |
| - **Total Van Lease Amount per Day** | **$ 2.05** | | |
| - Monthly Amount for Insurance | $ 300 | | |
| - Total Insurance Amount | $ 600 | | |
| - Yearly Insurance Amount | $ 7,200 | | |
| - **Total Insurance Amount per Day** | **$ 1.23** | | |
| - Monthly Amount for Gas and Maintenance | $ 300 | | |
| - Total Gas and Maintenance Amount | $ 600 | | |
| - Yearly Amount for Gas and Maintenance | $ 7,200 | | |
| - **Total Gas Amount per Day** | **$ 1.23** | | |
| **Total Van Lease and Associated Costs per Day** | **$ 4.52** | | |
| **Meals** | | | |
| - Number of individuals | 16 | | |
| - Number of Meals per Day | 3 | | |
| - Amount per meal | $ 5.00 | | |
| **Total Meals Amount** | **$ 240.00** | | |
| **Total Meals Amount per Person per Day** | **$ 15.00** | | |
| **Capital** | | | |
| - Total Costs without Administrative Overhead | $ 48.31 | $ 26.35 | $ 6.57 |
| - Percent | 8.0% | 8.0% | 8.0% |
| **Total Capital per Day** | **$ 3.86** | **$ 2.11** | **$ 0.53** |
| **Miscellaneous Expenses (2)** | | | |
| Miscellaneous Percentage | 4.0% | 4.0% | 4.0% |
| Non-travel cost | $ 48.31 | $ 26.35 | $ 6.57 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 1.93** | **$ 1.05** | **$ 0.26** |
| | per shift | per shift | per shift |
| **Rate** | **$ 54.11** | **$ 29.52** | **$ 7.36** |
| | per Day | | |
| **Rate Across all Shifts** | **$ 90.98** | | |
| **Recommended Rate (3)** | **$ 91.00** | | |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) To include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

(3) Rounded to the nearest 50 cents

**EXHIBIT III.6b**

**ASSUMPTIONS**
**LEVEL II INTERMEDIATE GROUP RESIDENTIAL CARE**

The assumptions for the Level II Intermediate Group Residential Care (In-School) and Level II Intermediate Group Residential Care (Weekend/School Vacation) are the same except for the staffing patterns.

- See attached chart for in-school and weekend/school vacation staffing assumptions

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- Facility Size: 16 bed facility

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Incentive Pay:
  - 7:00am – 3:00pm shift: 0 percent
  - 3:00pm – 11:00pm shift: 5 percent
  - 11:00pm – 7:00am shift: 0 percent (no awake staff time required)

- Employee Supervision: Required by a professional for 45 minutes per day or 15 minutes for each shift (assumes a Mental Health Counselor, Nevada Inflated Wage=$22.87). This function should not be billed separately by the professional.

- Van Lease and Associated Costs: 2 vans

  Vans at $500 per van per month, insurance at $300 per van per month, and gas and maintenance at $300 per van per month.

- Meals: $5 per person per meal
  - Two meals in-school model
  - Three meals weekend/school vacation model

- Capital Cost: 8 percent of non-travel expense

- Miscellaneous Expenses: 4 percent to include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

**Exhibit III.6b**
**Children's Mental Health Rehabilitative Services**
**Level II Intermediate Group Residential Care**

| | Nevada Wage | Level II Intermediate Group Residential Care | |
|---|---|---|---|
| | | In-School | Weekend/ School Vacation |
| **Staffing Assumptions** | | | |
| 7:00am to 3:00pm | | | |
| Direct Service Provider | $ 9.79 | 1.50 | 2.50 |
| Behavior Management Specialist | $ 22.87 | 0.00 | 0.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.25 | 0.25 |
| Maintenance | $ 17.31 | 0.25 | 0.25 |
| Cook | $ 15.96 | 0.25 | 0.50 |
| 3:00pm to 11:00pm | | | |
| Direct Service Provider | $ 9.79 | 1.50 | 2.00 |
| Behavior Management Specialist | $ 22.87 | 0.00 | 0.50 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.00 | 0.00 |
| Maintenance | $ 17.31 | 0.00 | 0.00 |
| Cook | $ 15.96 | 0.25 | 0.50 |
| 11:00pm to 7:00am | | | |
| Direct Service Provider | $ 9.79 | 1.00 | 1.00 |
| Behavior Management Specialist | $ 22.87 | 0.00 | 0.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.00 | 0.00 |
| Maintenance | $ 17.31 | 0.00 | 0.00 |
| Cook | $ 15.96 | 0.00 | 0.00 |

# Exhibit III.6c

# Residential Care – Level III Advanced Independent Models

## Exhibit III.6c
## Children's Mental Health Rehabilitative Services
## Level III Advanced Group Residential Care

| | Level III Advanced Group Residential Care |
|---|---|
| **Number of Non-School Days** | 185 |
| **Days in Year** | 365 |
| **Percent of Days in Year** | 51% |
| | per Day |
| **Rate Across all Shifts** | **$ 128.00** |
| **Rate by Percent of Days in Year** | **$ 64.88** |
| **Number of School Days** | 180 |
| **Days in Year** | 365 |
| **Percent of Days in Year** | 49% |
| | per Day |
| **Rate Across all Shifts** | **$ 104.00** |
| **Rate by Percent of Days in Year** | **$ 51.29** |
| | per Day |
| **Total Rate** | **$ 116.16** |
| **Recommended July 1, 2003 Rate (1)** | **$ 116.00** |

| | DCFS Rate per Day Max. | Non-DCFS Rate per Day Max. |
|---|---|---|
| **Current Rate** | **$ 205.50** | **$ 220.00** |
| **Pct. Increase Over Current Rate** | -43.6% | -47.3% |

(1) Rounded to the nearest 50 cents

**Exhibit III.6c**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care**

| | Level III Advanced Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Wages (1)** | | | |
| Direct Service Provider | | | |
| Hourly Wage | $ 9.79 | $ 9.79 | $ 9.79 |
| Annual Wage | $ 20,356 | $ 20,356 | $ 20,356 |
| Number of Employees | 1.0 | 1.0 | 1.0 |
| Total Hourly Wages | $ 9.79 | $ 9.79 | $ 9.79 |
| Total Annual Wages | $ 20,356 | $ 20,356 | $ 20,356 |
| Professional Supervision | | | |
| Hourly Wage | $ 28.22 | $ 28.22 | $ 28.22 |
| Annual Wage | $ 58,687 | $ 58,687 | $ 58,687 |
| Number of Employees | 1.0 | 1.0 | - |
| Total Hourly Wages | $ 28.22 | $ 28.22 | $ - |
| Total Annual Wages | $ 58,687 | $ 58,687 | $ - |
| Administrative Support | | | |
| Hourly Wage | $ 13.56 | $ 13.56 | $ 13.56 |
| Annual Wage | $ 28,212 | $ 28,212 | $ 28,212 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Wage | $ 32.01 | $ 32.01 | $ 32.01 |
| Annual Wage | $ 66,589 | $ 66,589 | $ 66,589 |
| Number of Employees | 0.50 | - | - |
| Total Hourly Wages | $ 16.01 | $ - | $ - |
| Total Annual Wages | $ 33,295 | $ - | $ - |
| Maintenance | | | |
| Hourly Wage | $ 17.31 | $ 17.31 | $ 17.31 |
| Annual Wage | $ 35,998 | $ 35,998 | $ 35,998 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 4.33 | $ - | $ - |
| Total Annual Wages | $ 9,000 | $ - | $ - |
| Cook | | | |
| Hourly Wage | $ 15.96 | $ 15.96 | $ 15.96 |
| Annual Wage | $ 33,202 | $ 33,202 | $ 33,202 |
| Number of Employees | 0.25 | 0.25 | - |
| Total Hourly Wages | $ 3.99 | $ 3.99 | $ - |
| Total Annual Wages | $ 8,301 | $ 8,301 | $ - |

**Exhibit III.6c**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care**

| | Level III Advanced Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| Direct Service Provider | | | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 | $ 12.43 | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 | $ 25,852 | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 12.43 | $ 12.43 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 25,852 | $ 25,852 | $ 25,852 |
| Professional Supervision | | | |
| Hourly Compensation *(wages + ERE)* | $ 35.83 | $ 35.83 | $ 35.83 |
| Annual Compensation *(wages + ERE)* | $ 74,533 | $ 74,533 | $ 74,533 |
| Total Hourly Compensation (wages + ERE) | $ 35.83 | $ 35.83 | $ - |
| Total Annual Compensation (wages + ERE) | $ 74,533 | $ 74,533 | $ - |
| Administrative Support | | | |
| Hourly Compensation *(wages + ERE)* | $ 17.23 | $ 17.23 | $ 17.23 |
| Annual Compensation *(wages + ERE)* | $ 35,829 | $ 35,829 | $ 35,829 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Compensation *(wages + ERE)* | $ 40.66 | $ 40.66 | $ 40.66 |
| Annual Compensation *(wages + ERE)* | $ 84,569 | $ 84,569 | $ 84,569 |
| Total Hourly Compensation (wages + ERE) | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 42,284 | $ - | $ - |
| Maintenance | | | |
| Hourly Compensation *(wages + ERE)* | $ 21.98 | $ 21.98 | $ 21.98 |
| Annual Compensation *(wages + ERE)* | $ 45,717 | $ 45,717 | $ 45,717 |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Cook | | | |
| Hourly Compensation *(wages + ERE)* | $ 20.27 | $ 20.27 | $ 20.27 |
| Annual Compensation *(wages + ERE)* | $ 42,167 | $ 42,167 | $ 42,167 |
| Total Hourly Compensation (wages + ERE) | $ 5.07 | $ 5.07 | $ - |
| Total Annual Compensation (wages + ERE) | $ 10,542 | $ 10,542 | $ - |
| Total | | | |
| Hourly Compensation *(wages + ERE)* | $ 148.40 | $ 148.40 | $ 148.40 |
| Annual Compensation *(wages + ERE)* | 308,666 | 308,666 | 308,666 |
| Total Hourly Compensation (wages + ERE) | $ 79.15 | $ 53.33 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 164,640 | $ 110,927 | $ 25,852 |
| Number of Individuals | 16 | 16 | 16 |
| Hourly Rate per Person | $ 4.95 | $ 3.33 | $ 0.78 |
| Daily Compensation per Person | $ 39.58 | $ 26.67 | $ 6.21 |

**Exhibit III.6c**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care**

| | Level III Advanced Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages plus Incentive** | | | |
| Direct Service Provider | | | |
| Total Hourly Compensation (wages + ERE) | $ 12.43 | $ 12.43 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 25,852 | $ 25,852 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 12.43 | $ 13.05 | $ 13.67 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 25,852 | 27,144 | 28,437 |
| Professional Supervision | | | |
| Total Hourly Compensation (wages + ERE) | $ 35.83 | $ 35.83 | $ - |
| Total Annual Compensation (wages + ERE) | $ 74,533 | $ 74,533 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 35.83 | $ 37.62 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 74,533 | $ 78,260 | $ - |
| Administrative Support | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative/Director | | | |
| Total Hourly Compensation (wages + ERE) | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 42,284 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 42,284 | $ - | $ - |
| Maintenance | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 11,429 | $ - | $ - |
| Cook | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.07 | $ 5.07 | $ - |
| Total Annual Compensation (wages + ERE) | $ 10,542 | $ 10,542 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.07 | $ 5.32 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 10,542 | $ 11,069 | $ - |
| **Total** | | | |
| Total Hourly Compensation (wages + ERE) | $ 79.15 | $ 53.33 | $ 12.43 |
| Total Annual Compensation (wages + ERE) | $ 164,640 | $ 110,927 | $ 25,852 |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 79.15 | $ 56.00 | $ 13.67 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 164,640 | $ 116,473 | $ 28,437 |
| Number of Individuals | **16** | **16** | **16** |
| Hourly Rate per Person | **$ 4.95** | **$ 3.50** | **$ 0.85** |
| Daily Compensation per Person | **$ 39.58** | **$ 28.00** | **$ 6.84** |

**Exhibit III.6c**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care**

| | Level III Advanced Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Employee Supervision by a Licensed Professional** | $ 28.22 | $ 28.22 | $ 28.22 |
| - Hourly Compensation | 0.25 | 0.25 | 0.25 |
| **Average Supervisory Cost per Hour** | **$ 0.44** | **$ 0.44** | **$ 0.44** |
| **Group Counseling** | | | |
| Hourly Wage | $ 28.22 | | |
| Annual Wage | $ 58,687 | | |
| **ERE as a Percentage of Wages** | **27%** | | |
| Hourly Compensation *(wages + ERE)* | $ 35.83 | | |
| Annual Compensation *(wages + ERE)* | $ 74,533 | | |
| Hours per Year | 96 | | |
| Total Compensation per Year | $ 3,440 | | |
| Average Group Size | 8 | | |
| **Total Group Counseling per Day** | **$ 1.18** | | |
| **Van Lease and Associated Costs** | | | |
| - Number of vans | 2 | | |
| - Annual Amount of lease per van | $ 500 | | |
| - Total Annual Van Lease Amount | $ 1,000 | | |
| - Total Yearly Van Lease Amount | $ 12,000 | | |
| - **Total Van Lease Amount per Day** | **$ 2.05** | | |
| - Monthly Amount for Insurance | $ 300 | | |
| - Total Insurance Amount | $ 600 | | |
| - Yearly Insurance Amount | $ 7,200 | | |
| - **Total Insurance Amount per Day** | **$ 1.23** | | |
| - Monthly Amount for Gas and Maintenance | $ 300 | | |
| - Total Gas and Maintenance Amount | $ 600 | | |
| - Yearly Amount for Gas and Maintenance | $ 7,200 | | |
| - **Total Gas Amount per Day** | **$ 1.23** | | |
| **Total Van Lease and Associated Costs per Day** | **$ 4.52** | | |
| **Meals** | | | |
| - Number of individuals | 16 | | |
| - Number of Meals per Day | 2 | | |
| - Amount per meal | $ 5.00 | | |
| **Total Meals Amount** | **$ 160.00** | | |
| **Total Meals Amount per Person per Day** | **$ 10.00** | | |
| **Capital** | | | |
| - Total Costs without Administrative Overhead | $ 55.71 | $ 28.44 | $ 7.28 |
| - Percent | 8.0% | 8.0% | 8.0% |
| **Total Capital per Day** | **$ 4.46** | **$ 2.28** | **$ 0.58** |

## Exhibit III.6c
## Children's Mental Health Rehabilitative Services
## Level III Advanced Group Residential Care

| | Level III Advanced Group Residential Care In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Miscellaneous Expenses (2)** | | | |
| Miscellaneous Percentage | 6.0% | 6.0% | 6.0% |
| Non-travel cost | $ 55.71 | $ 28.44 | $ 7.28 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 3.34** | **$ 1.71** | **$ 0.44** |
| | per shift | per shift | per shift |
| **Rate** | **$ 63.51** | **$ 32.42** | **$ 8.30** |
| | per Day | | |
| **Rate Across all Shifts** | **$ 104.23** | | |
| **Recommended Rate (3)** | **$ 104.00** | | |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) To include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

(3) Rounded to the nearest 50 cents

**Exhibit III.6c**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care**

| | Level III Advanced Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Wages (1)** | | | |
| Direct Service Provider | | | |
| Hourly Wage | $ 9.79 | $ 9.79 | $ 9.79 |
| Annual Wage | $ 20,356 | $ 20,356 | $ 20,356 |
| Number of Employees | 1.5 | 1.5 | 1.5 |
| Total Hourly Wages | $ 14.68 | $ 14.68 | $ 14.68 |
| Total Annual Wages | $ 30,534 | $ 30,534 | $ 30,534 |
| Professional Supervision | | | |
| Hourly Wage | $ 28.22 | $ 28.22 | $ 28.22 |
| Annual Wage | $ 58,687 | $ 58,687 | $ 58,687 |
| Number of Employees | 1.0 | 1.0 | - |
| Total Hourly Wages | $ 28.22 | $ 28.22 | $ - |
| Total Annual Wages | $ 58,687 | $ 58,687 | $ - |
| Administrative Support | | | |
| Hourly Wage | $ 13.56 | $ 13.56 | $ 13.56 |
| Annual Wage | $ 28,212 | $ 28,212 | $ 28,212 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Wage | $ 32.01 | $ 32.01 | $ 32.01 |
| Annual Wage | $ 66,589 | $ 66,589 | $ 66,589 |
| Number of Employees | 0.50 | - | - |
| Total Hourly Wages | $ 16.01 | $ - | $ - |
| Total Annual Wages | $ 33,295 | $ - | $ - |
| Maintenance | | | |
| Hourly Wage | $ 17.31 | $ 17.31 | $ 17.31 |
| Annual Wage | $ 35,998 | $ 35,998 | $ 35,998 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 4.33 | $ - | $ - |
| Total Annual Wages | $ 9,000 | $ - | $ - |
| Cook | | | |
| Hourly Wage | $ 15.96 | $ 15.96 | $ 15.96 |
| Annual Wage | $ 33,202 | $ 33,202 | $ 33,202 |
| Number of Employees | 0.5 | 0.5 | - |
| Total Hourly Wages | $ 7.98 | $ 7.98 | $ - |
| Total Annual Wages | $ 16,601 | $ 16,601 | $ - |

**Exhibit III.6c**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care**

| | Level III Advanced Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| Direct Service Provider | | | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 | $ 12.43 | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 | $ 25,852 | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 18.64 | $ 18.64 | $ 18.64 |
| Total Annual Compensation (wages + ERE) | $ 38,778 | $ 38,778 | $ 38,778 |
| Professional Supervision | | | |
| Hourly Compensation *(wages + ERE)* | $ 35.83 | $ 35.83 | $ 35.83 |
| Annual Compensation *(wages + ERE)* | $ 74,533 | $ 74,533 | $ 74,533 |
| Total Hourly Compensation (wages + ERE) | $ 35.83 | $ 35.83 | $ - |
| Total Annual Compensation (wages + ERE) | $ 74,533 | $ 74,533 | $ - |
| Administrative Support | | | |
| Hourly Compensation *(wages + ERE)* | $ 17.23 | $ 17.23 | $ 17.23 |
| Annual Compensation *(wages + ERE)* | $ 35,829 | $ 35,829 | $ 35,829 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Compensation *(wages + ERE)* | $ 40.66 | $ 40.66 | $ 40.66 |
| Annual Compensation *(wages + ERE)* | $ 84,569 | $ 84,569 | $ 84,569 |
| Total Hourly Compensation (wages + ERE) | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 42,284 | $ - | $ - |
| Maintenance | | | |
| Hourly Compensation *(wages + ERE)* | $ 21.98 | $ 21.98 | $ 21.98 |
| Annual Compensation *(wages + ERE)* | $ 45,717 | $ 45,717 | $ 45,717 |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Cook | | | |
| Hourly Compensation *(wages + ERE)* | $ 20.27 | $ 20.27 | $ 20.27 |
| Annual Compensation *(wages + ERE)* | $ 42,167 | $ 42,167 | $ 42,167 |
| Total Hourly Compensation (wages + ERE) | $ 10.14 | $ 10.14 | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,083 | $ 21,083 | $ - |
| Total | | | |
| Hourly Compensation *(wages + ERE)* | $ 148.40 | $ 148.40 | $ 148.40 |
| Annual Compensation *(wages + ERE)* | 308,666 | 308,666 | 308,666 |
| Total Hourly Compensation (wages + ERE) | $ 90.44 | $ 64.61 | $ 18.64 |
| Total Annual Compensation (wages + ERE) | $ 188,108 | $ 134,394 | $ 38,778 |
| Number of Individuals | 16 | 16 | 16 |
| Hourly Rate per Person | $ 5.65 | $ 4.04 | $ 1.17 |
| Daily Compensation per Person | $ 45.22 | $ 32.31 | $ 9.32 |

**Exhibit III.6c**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care**

| | Level III Advanced Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages plus Incentive** | | | |
| Direct Service Provider | | | |
| Total Hourly Compensation (wages + ERE) | $ 18.64 | $ 18.64 | $ 18.64 |
| Total Annual Compensation (wages + ERE) | $ 38,778 | $ 38,778 | $ 38,778 |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 18.64 | $ 19.58 | $ 20.51 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 38,778 | 40,717 | 42,655 |
| Professional Supervision | | | |
| Total Hourly Compensation (wages + ERE) | $ 35.83 | $ 35.83 | $ - |
| Total Annual Compensation (wages + ERE) | $ 74,533 | $ 74,533 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 35.83 | $ 37.62 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 74,533 | $ 78,260 | $ - |
| Administrative Support | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative/Director | | | |
| Total Hourly Compensation (wages + ERE) | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 42,284 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 42,284 | $ - | $ - |
| Maintenance | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 11,429 | $ - | $ - |
| Cook | | | |
| Total Hourly Compensation (wages + ERE) | $ 10.14 | $ 10.14 | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,083 | $ 21,083 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 10.14 | $ 10.64 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 21,083 | $ 22,138 | $ - |
| **Total** | | | |
| Total Hourly Compensation (wages + ERE) | $ 90.44 | $ 64.61 | $ 18.64 |
| Total Annual Compensation (wages + ERE) | $ 188,108 | $ 134,394 | $ 38,778 |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 90.44 | $ 67.84 | $ 20.51 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 188,108 | $ 141,114 | $ 42,655 |
| Number of Individuals | **16** | **16** | **16** |
| Hourly Rate per Person | **$ 5.65** | **$ 4.24** | **$ 1.28** |
| Daily Compensation per Person | **$ 45.22** | **$ 33.92** | **$ 10.25** |

**Exhibit III.6c**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care**

| | Level III Advanced Group Residential Care Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Employee Supervision by a Licensed Professional** | $ 47.26 | $ 47.26 | $ 47.26 |
| - Hourly Compensation | 0.25 | 0.25 | 0.25 |
| **Average Supervisory Cost per Hour** | **$ 0.74** | **$ 0.74** | **$ 0.74** |
| **Group Counseling** | | | |
| Hourly Wage | $ 28.22 | | |
| Annual Wage | $ 58,687 | | |
| **ERE as a Percentage of Wages** | **27%** | | |
| Hourly Compensation *(wages + ERE)* | $ 35.83 | | |
| Annual Compensation *(wages + ERE)* | $ 74,533 | | |
| Hours per Year | 96 | | |
| Total Compensation per Year | $ 3,440 | | |
| Average Group Size | 8 | | |
| **Total Group Counseling per Day** | **$ 1.18** | | |
| **Van Lease and Associated Costs** | | | |
| - Number of vans | 2 | | |
| - Annual Amount of lease per van | $ 500 | | |
| - Total Annual Van Lease Amount | $ 1,000 | | |
| - Total Yearly Van Lease Amount | $ 12,000 | | |
| - **Total Van Lease Amount per Day** | **$ 2.05** | | |
| - Monthly Amount for Insurance | $ 300 | | |
| - Total Insurance Amount | $ 600 | | |
| - Yearly Insurance Amount | $ 7,200 | | |
| - **Total Insurance Amount per Day** | **$ 1.23** | | |
| - Monthly Amount for Gas and Maintenance | $ 300 | | |
| - Total Gas and Maintenance Amount | $ 600 | | |
| - Yearly Amount for Gas and Maintenance | $ 7,200 | | |
| - **Total Gas Amount per Day** | **$ 1.23** | | |
| **Total Van Lease and Associated Costs per Day** | **$ 4.52** | | |
| **Meals** | | | |
| - Number of individuals | 16 | | |
| - Number of Meals per Day | 3 | | |
| - Amount per meal | $ 5.00 | | |
| **Total Meals Amount** | **$ 240.00** | | |
| **Total Meals Amount per Person per Day** | **$ 15.00** | | |
| **Capital** | | | |
| - Total Costs without Administrative Overhead | $ 66.65 | $ 34.66 | $ 10.99 |
| - Percent | 8.0% | 8.0% | 8.0% |
| **Total Capital per Day** | **$ 5.33** | **$ 2.77** | **$ 0.88** |

## Exhibit III.6c
## Children's Mental Health Rehabilitative Services
## Level III Advanced Group Residential Care

| | Level III Advanced Group Residential Care<br>Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Miscellaneous Expenses (2)** | | | |
| Miscellaneous Percentage | 6.0% | 6.0% | 6.0% |
| Non-travel cost | $ 66.65 | $ 34.66 | $ 10.99 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 4.00** | **$ 2.08** | **$ 0.66** |
| | per shift | per shift | per shift |
| **Rate** | **$ 75.98** | **$ 39.51** | **$ 12.53** |
| | per Day | | |
| **Rate Across all Shifts** | **$ 128.03** | | |
| **Recommended Rate (3)** | **$ 128.00** | | |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) To include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

(3) Rounded to the nearest 50 cents

**EXHIBIT III.6c**

**ASSUMPTIONS**
**LEVEL III ADVANCED GROUP RESIDENTIAL CARE**

The assumptions for the Level III Advanced Group Residential Care (In-School) and Level III Advanced Group Residential Care (Weekend/School Vacation) are the same except for the staffing patterns.

- See attached chart for in-school and weekend/school vacation staffing assumptions

  The major differences in the models between the Level III Advanced Group Residential Care and the Level III Advanced Group Residential Care with Special Population is the staffing ratios.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- Facility Size: 16 bed facility

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Incentive Pay:
  - 7:00am – 3:00pm shift: 0 percent
  - 3:00pm – 11:00pm shift: 5 percent
  - 11:00pm – 7:00am shift: 10 percent

- Employee Supervision: Required by a licensed professional for 45 minutes per day or 15 minutes for each shift (assumes a Clinical, Counseling or School Psychologist, Nevada Inflated Wage=$28.22). This function should not be billed separately by the licensed professional.

- Group Counseling:

  - Service provided by a Clinical, Counseling or School Psychologist (Nevada Inflated Wage=$28.22)
  - Individual's receive 96 hours of counseling per year
  - Average group size is 8 individuals

- Van Lease and Associated Costs: 2 vans

  Vans at $500 per van per month, insurance at $300 per van per month, and gas and maintenance at $300 per van per month.

- Meals: $5 per person per meal
  - Two meals in-school model
  - Three meals weekend/school vacation model

- Capital Cost: 8 percent of non-travel expense

- Miscellaneous Expenses: 6 percent to include insurance (including professional liability), housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

## Exhibit III.6c
## Children's Mental Health Rehabilitative Services
## Level III Advanced Group Residential Care

| | Nevada Wage | Level III Advanced Group Residential Care | |
|---|---|---|---|
| | | In-School | Weekend/ School Vacation |
| **Staffing Assumptions** | | | |
| 7:00am to 3:00pm | | | |
| Direct Service Provider | $ 9.79 | 1.00 | 1.50 |
| Professional Supervision | $ 28.22 | 1.00 | 1.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.50 | 0.50 |
| Maintenance | $ 17.31 | 0.25 | 0.25 |
| Cook | $ 15.96 | 0.25 | 0.50 |
| 3:00pm to 11:00pm | | | |
| Direct Service Provider | $ 9.79 | 1.00 | 1.50 |
| Professional Supervision | $ 28.22 | 1.00 | 1.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.00 | 0.00 |
| Maintenance | $ 17.31 | 0.00 | 0.00 |
| Cook | $ 15.96 | 0.25 | 0.50 |
| 11:00pm to 7:00am | | | |
| Direct Service Provider | $ 9.79 | 1.00 | 1.50 |
| Professional Supervision | $ 28.22 | 0.00 | 0.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.00 | 0.00 |
| Maintenance | $ 17.31 | 0.00 | 0.00 |
| Cook | $ 15.96 | 0.00 | 0.00 |

# Exhibit III.6d

# Residential Care – Level III Advanced with Special Population Independent Models

## Exhibit III.6d
## Children's Mental Health Rehabilitative Services
## Level III Advanced Group Residential Care with Special Population

| | Level III Advanced Group Residential Care with Special Population |
|---|---|
| **Number of Non-School Days** | 185 |
| **Days in Year** | 365 |
| **Percent of Days in Year** | 51% |
| | per Day |
| **Rate Across all Shifts** | **$ 150.50** |
| **Rate by Percent of Days in Year** | **$ 76.28** |
| **Number of School Days** | 180 |
| **Days in Year** | 365 |
| **Percent of Days in Year** | 49% |
| | per Day |
| **Rate Across all Shifts** | **$ 127.50** |
| **Rate by Percent of Days in Year** | **$ 62.88** |
| | per Day |
| **Total Rate** | **$ 139.16** |
| **Recommended July 1, 2003 Rate (1)** | **$ 139.00** |

(1) Rounded to the nearest 50 cents

**Exhibit III.6d**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care with Special Population**

| | Level III Advanced Group Residential Care with Special Population In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Wages (1)** | | | |
| Direct Service Provider | | | |
| Hourly Wage | $ 9.79 | $ 9.79 | $ 9.79 |
| Annual Wage | $ 20,356 | $ 20,356 | $ 20,356 |
| Number of Employees | 2.0 | 2.0 | 2.0 |
| Total Hourly Wages | $ 19.57 | $ 19.57 | $ 19.57 |
| Total Annual Wages | $ 40,711 | $ 40,711 | $ 40,711 |
| Professional Supervision | | | |
| Hourly Wage | $ 28.22 | $ 28.22 | $ 28.22 |
| Annual Wage | $ 58,687 | $ 58,687 | $ 58,687 |
| Number of Employees | 1.0 | 1.0 | - |
| Total Hourly Wages | $ 28.22 | $ 28.22 | $ - |
| Total Annual Wages | $ 58,687 | $ 58,687 | $ - |
| Administrative Support | | | |
| Hourly Wage | $ 13.56 | $ 13.56 | $ 13.56 |
| Annual Wage | $ 28,212 | $ 28,212 | $ 28,212 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Wage | $ 32.01 | $ 32.01 | $ 32.01 |
| Annual Wage | $ 66,589 | $ 66,589 | $ 66,589 |
| Number of Employees | 0.50 | - | - |
| Total Hourly Wages | $ 16.01 | $ - | $ - |
| Total Annual Wages | $ 33,295 | $ - | $ - |
| Maintenance | | | |
| Hourly Wage | $ 17.31 | $ 17.31 | $ 17.31 |
| Annual Wage | $ 35,998 | $ 35,998 | $ 35,998 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 4.33 | $ - | $ - |
| Total Annual Wages | $ 9,000 | $ - | $ - |
| Cook | | | |
| Hourly Wage | $ 15.96 | $ 15.96 | $ 15.96 |
| Annual Wage | $ 33,202 | $ 33,202 | $ 33,202 |
| Number of Employees | 0.25 | 0.25 | - |
| Total Hourly Wages | $ 3.99 | $ 3.99 | $ - |
| Total Annual Wages | $ 8,301 | $ 8,301 | $ - |

**Exhibit III.6d**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care with Special Population**

| | Level III Advanced Group Residential Care with Special Population In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| Direct Service Provider | | | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 | $ 12.43 | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 | $ 25,852 | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 24.86 | $ 24.86 | $ 24.86 |
| Total Annual Compensation (wages + ERE) | $ 51,704 | $ 51,704 | $ 51,704 |
| Professional Supervision | | | |
| Hourly Compensation *(wages + ERE)* | $ 35.83 | $ 35.83 | $ 35.83 |
| Annual Compensation *(wages + ERE)* | $ 74,533 | $ 74,533 | $ 74,533 |
| Total Hourly Compensation (wages + ERE) | $ 35.83 | $ 35.83 | $ - |
| Total Annual Compensation (wages + ERE) | $ 74,533 | $ 74,533 | $ - |
| Administrative Support | | | |
| Hourly Compensation *(wages + ERE)* | $ 17.23 | $ 17.23 | $ 17.23 |
| Annual Compensation *(wages + ERE)* | $ 35,829 | $ 35,829 | $ 35,829 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Compensation *(wages + ERE)* | $ 40.66 | $ 40.66 | $ 40.66 |
| Annual Compensation *(wages + ERE)* | $ 84,569 | $ 84,569 | $ 84,569 |
| Total Hourly Compensation (wages + ERE) | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 42,284 | $ - | $ - |
| Maintenance | | | |
| Hourly Compensation *(wages + ERE)* | $ 21.98 | $ 21.98 | $ 21.98 |
| Annual Compensation *(wages + ERE)* | $ 45,717 | $ 45,717 | $ 45,717 |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Cook | | | |
| Hourly Compensation *(wages + ERE)* | $ 20.27 | $ 20.27 | $ 20.27 |
| Annual Compensation *(wages + ERE)* | $ 42,167 | $ 42,167 | $ 42,167 |
| Total Hourly Compensation (wages + ERE) | $ 5.07 | $ 5.07 | $ - |
| Total Annual Compensation (wages + ERE) | $ 10,542 | $ 10,542 | $ - |
| Total | | | |
| Hourly Compensation *(wages + ERE)* | $ 148.40 | $ 148.40 | $ 148.40 |
| Annual Compensation *(wages + ERE)* | 308,666 | 308,666 | 308,666 |
| Total Hourly Compensation (wages + ERE) | $ 91.58 | $ 65.76 | $ 24.86 |
| Total Annual Compensation (wages + ERE) | $ 190,492 | $ 136,778 | $ 51,704 |
| Number of Individuals | 16 | 16 | 16 |
| Hourly Rate per Person | $ 5.72 | $ 4.11 | $ 1.55 |
| Daily Compensation per Person | $ 45.79 | $ 32.88 | $ 12.43 |

**Exhibit III.6d**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care with Special Population**

| | Level III Advanced Group Residential Care with Special Population In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages plus Incentive** | | | |
| Direct Service Provider | | | |
| Total Hourly Compensation (wages + ERE) | $ 24.86 | $ 24.86 | $ 24.86 |
| Total Annual Compensation (wages + ERE) | $ 51,704 | $ 51,704 | $ 51,704 |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 24.86 | $ 26.10 | $ 27.34 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 51,704 | 54,289 | 56,874 |
| Professional Supervision | | | |
| Total Hourly Compensation (wages + ERE) | $ 35.83 | $ 35.83 | $ - |
| Total Annual Compensation (wages + ERE) | $ 74,533 | $ 74,533 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 35.83 | $ 37.62 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 74,533 | $ 78,260 | $ - |
| Administrative Support | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative/Director | | | |
| Total Hourly Compensation (wages + ERE) | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 42,284 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 42,284 | $ - | $ - |
| Maintenance | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 11,429 | $ - | $ - |
| Cook | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.07 | $ 5.07 | $ - |
| Total Annual Compensation (wages + ERE) | $ 10,542 | $ 10,542 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.07 | $ 5.32 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 10,542 | $ 11,069 | $ - |
| **Total** | | | |
| Total Hourly Compensation (wages + ERE) | $ 91.58 | $ 65.76 | $ 24.86 |
| Total Annual Compensation (wages + ERE) | $ 190,492 | $ 136,778 | $ 51,704 |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 91.58 | $ 69.05 | $ 27.34 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 190,492 | $ 143,617 | $ 56,874 |
| Number of Individuals | **16** | **16** | **16** |
| Hourly Rate per Person | **$ 5.72** | **$ 4.32** | **$ 1.71** |
| Daily Compensation per Person | **$ 45.79** | **$ 34.52** | **$ 13.67** |

**Exhibit III.6d**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care with Special Population**

| | Level III Advanced Group Residential Care with Special Population In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Employee Supervision by a Licensed Professional** | $ 47.26 | $ 47.26 | $ 47.26 |
| - Hourly Compensation | 0.25 | 0.25 | 0.25 |
| **Average Supervisory Cost per Hour** | **$ 0.74** | **$ 0.74** | **$ 0.74** |
| **Group Counseling** | | | |
| Hourly Wage | $ 28.22 | | |
| Annual Wage | $ 58,687 | | |
| **ERE as a Percentage of Wages** | **27%** | | |
| Hourly Compensation *(wages + ERE)* | $ 35.83 | | |
| Annual Compensation *(wages + ERE)* | $ 74,533 | | |
| Hours per Year | 96 | | |
| Total Compensation per Year | $ 3,440 | | |
| Average Group Size | 8 | | |
| **Total Group Counseling per Day** | **$ 1.18** | | |
| **Van Lease and Associated Costs** | | | |
| - Number of vans | 2 | | |
| - Annual Amount of lease per van | $ 500 | | |
| - Total Annual Van Lease Amount | $ 1,000 | | |
| - Total Yearly Van Lease Amount | $ 12,000 | | |
| - **Total Van Lease Amount per Day** | **$ 2.05** | | |
| - Monthly Amount for Insurance | $ 300 | | |
| - Total Insurance Amount | $ 600 | | |
| - Yearly Insurance Amount | $ 7,200 | | |
| - **Total Insurance Amount per Day** | **$ 1.23** | | |
| - Monthly Amount for Gas and Maintenance | $ 300 | | |
| - Total Gas and Maintenance Amount | $ 600 | | |
| - Yearly Amount for Gas and Maintenance | $ 7,200 | | |
| - **Total Gas Amount per Day** | **$ 1.23** | | |
| **Total Van Lease and Associated Costs per Day** | **$ 4.52** | | |
| **Meals** | | | |
| - Number of individuals | 16 | | |
| - Number of Meals per Day | 2 | | |
| - Amount per meal | $ 5.00 | | |
| **Total Meals Amount** | **$ 160.00** | | |
| **Total Meals Amount per Person per Day** | **$ 10.00** | | |
| **Capital** | | | |
| - Total Costs without Administrative Overhead | $ 62.22 | $ 35.26 | $ 14.41 |
| - Percent | 8.0% | 8.0% | 8.0% |
| **Total Capital per Day** | **$ 4.98** | **$ 2.82** | **$ 1.15** |

## Exhibit III.6d
## Children's Mental Health Rehabilitative Services
## Level III Advanced Group Residential Care with Special Population

| | Level III Advanced Group Residential Care with Special Population In-School | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Miscellaneous Expenses (2)** | | | |
| Miscellaneous Percentage | 6.0% | 6.0% | 6.0% |
| Non-travel cost | $ 62.22 | $ 35.26 | $ 14.41 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 3.73** | **$ 2.12** | **$ 0.86** |
| | per shift | per shift | per shift |
| **Rate** | **$ 70.94** | **$ 40.20** | **$ 16.43** |
| | per Day | | |
| **Rate Across all Shifts** | **$ 127.56** | | |
| **Recommended Rate (3)** | **$ 127.50** | | |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) To include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

(3) Rounded to the nearest 50 cents

**Exhibit III.6d**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care with Special Population**

| | Level III Advanced Group Residential Care with Special Population<br>Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Wages (1)** | | | |
| Direct Service Provider | | | |
| Hourly Wage | $ 9.79 | $ 9.79 | $ 9.79 |
| Annual Wage | $ 20,356 | $ 20,356 | $ 20,356 |
| Number of Employees | 2.5 | 2.5 | 2.5 |
| Total Hourly Wages | $ 24.47 | $ 24.47 | $ 24.47 |
| Total Annual Wages | $ 50,889 | $ 50,889 | $ 50,889 |
| Professional Supervision | | | |
| Hourly Wage | $ 28.22 | $ 28.22 | $ 28.22 |
| Annual Wage | $ 58,687 | $ 58,687 | $ 58,687 |
| Number of Employees | 1.0 | 1.0 | - |
| Total Hourly Wages | $ 28.22 | $ 28.22 | $ - |
| Total Annual Wages | $ 58,687 | $ 58,687 | $ - |
| Administrative Support | | | |
| Hourly Wage | $ 13.56 | $ 13.56 | $ 13.56 |
| Annual Wage | $ 28,212 | $ 28,212 | $ 28,212 |
| Number of Employees | - | - | - |
| Total Hourly Wages | $ - | $ - | $ - |
| Total Annual Wages | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Wage | $ 32.01 | $ 32.01 | $ 32.01 |
| Annual Wage | $ 66,589 | $ 66,589 | $ 66,589 |
| Number of Employees | 0.50 | - | - |
| Total Hourly Wages | $ 16.01 | $ - | $ - |
| Total Annual Wages | $ 33,295 | $ - | $ - |
| Maintenance | | | |
| Hourly Wage | $ 17.31 | $ 17.31 | $ 17.31 |
| Annual Wage | $ 35,998 | $ 35,998 | $ 35,998 |
| Number of Employees | 0.25 | - | - |
| Total Hourly Wages | $ 4.33 | $ - | $ - |
| Total Annual Wages | $ 9,000 | $ - | $ - |
| Cook | | | |
| Hourly Wage | $ 15.96 | $ 15.96 | $ 15.96 |
| Annual Wage | $ 33,202 | $ 33,202 | $ 33,202 |
| Number of Employees | 0.5 | 0.5 | - |
| Total Hourly Wages | $ 7.98 | $ 7.98 | $ - |
| Total Annual Wages | $ 16,601 | $ 16,601 | $ - |

**Exhibit III.6d**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care with Special Population**

| | Level III Advanced Group Residential Care with Special Population<br>Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| Direct Service Provider | | | |
| Hourly Compensation *(wages + ERE)* | $ 12.43 | $ 12.43 | $ 12.43 |
| Annual Compensation *(wages + ERE)* | $ 25,852 | $ 25,852 | $ 25,852 |
| Total Hourly Compensation (wages + ERE) | $ 31.07 | $ 31.07 | $ 31.07 |
| Total Annual Compensation (wages + ERE) | $ 64,629 | $ 64,629 | $ 64,629 |
| Professional Supervision | | | |
| Hourly Compensation *(wages + ERE)* | $ 35.83 | $ 35.83 | $ 35.83 |
| Annual Compensation *(wages + ERE)* | $ 74,533 | $ 74,533 | $ 74,533 |
| Total Hourly Compensation (wages + ERE) | $ 35.83 | $ 35.83 | $ - |
| Total Annual Compensation (wages + ERE) | $ 74,533 | $ 74,533 | $ - |
| Administrative Support | | | |
| Hourly Compensation *(wages + ERE)* | $ 17.23 | $ 17.23 | $ 17.23 |
| Annual Compensation *(wages + ERE)* | $ 35,829 | $ 35,829 | $ 35,829 |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Administrative/Director | | | |
| Hourly Compensation *(wages + ERE)* | $ 40.66 | $ 40.66 | $ 40.66 |
| Annual Compensation *(wages + ERE)* | $ 84,569 | $ 84,569 | $ 84,569 |
| Total Hourly Compensation (wages + ERE) | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 42,284 | $ - | $ - |
| Maintenance | | | |
| Hourly Compensation *(wages + ERE)* | $ 21.98 | $ 21.98 | $ 21.98 |
| Annual Compensation *(wages + ERE)* | $ 45,717 | $ 45,717 | $ 45,717 |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Cook | | | |
| Hourly Compensation *(wages + ERE)* | $ 20.27 | $ 20.27 | $ 20.27 |
| Annual Compensation *(wages + ERE)* | $ 42,167 | $ 42,167 | $ 42,167 |
| Total Hourly Compensation (wages + ERE) | $ 10.14 | $ 10.14 | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,083 | $ 21,083 | $ - |
| Total | | | |
| Hourly Compensation *(wages + ERE)* | $ 148.40 | $ 148.40 | $ 148.40 |
| Annual Compensation *(wages + ERE)* | 308,666 | 308,666 | 308,666 |
| Total Hourly Compensation (wages + ERE) | $ 102.87 | $ 77.04 | $ 31.07 |
| Total Annual Compensation (wages + ERE) | $ 213,960 | $ 160,246 | $ 64,629 |
| Number of Individuals | 16 | 16 | 16 |
| Hourly Rate per Person | $ 6.43 | $ 4.82 | $ 1.94 |
| Daily Compensation per Person | $ 51.43 | $ 38.52 | $ 15.54 |

**Exhibit III.6d**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care with Special Population**

| | Level III Advanced Group Residential Care with Special Population<br>Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **ERE as a Pct. of Wages plus Incentive** | | | |
| Direct Service Provider | | | |
| Total Hourly Compensation (wages + ERE) | $ 31.07 | $ 31.07 | $ 31.07 |
| Total Annual Compensation (wages + ERE) | $ 64,629 | $ 64,629 | $ 64,629 |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 31.07 | $ 32.63 | $ 34.18 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 64,629 | 67,861 | 71,092 |
| Professional Supervision | | | |
| Total Hourly Compensation (wages + ERE) | $ 35.83 | $ 35.83 | $ - |
| Total Annual Compensation (wages + ERE) | $ 74,533 | $ 74,533 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 35.83 | $ 37.62 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 74,533 | $ 78,260 | $ - |
| Administrative Support | | | |
| Total Hourly Compensation (wages + ERE) | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ - | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ - | $ - | $ - |
| Administrative/Director | | | |
| Total Hourly Compensation (wages + ERE) | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 42,284 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 20.33 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 42,284 | $ - | $ - |
| Maintenance | | | |
| Total Hourly Compensation (wages + ERE) | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) | $ 11,429 | $ - | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 5.49 | $ - | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 11,429 | $ - | $ - |
| Cook | | | |
| Total Hourly Compensation (wages + ERE) | $ 10.14 | $ 10.14 | $ - |
| Total Annual Compensation (wages + ERE) | $ 21,083 | $ 21,083 | $ - |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 10.14 | $ 10.64 | $ - |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 21,083 | $ 22,138 | $ - |
| **Total** | | | |
| Total Hourly Compensation (wages + ERE) | $ 102.87 | $ 77.04 | $ 31.07 |
| Total Annual Compensation (wages + ERE) | $ 213,960 | $ 160,246 | $ 64,629 |
| Percent Adjustment | 0.0% | 5.0% | 10.0% |
| Total Hourly Compensation (wages + ERE) plus Incentive | $ 102.87 | $ 80.89 | $ 34.18 |
| Total Annual Compensation (wages + ERE) plus Incentive | $ 213,960 | $ 168,258 | $ 71,092 |
| Number of Individuals | **16** | **16** | **16** |
| Hourly Rate per Person | **$ 6.43** | **$ 5.06** | **$ 2.14** |
| Daily Compensation per Person | **$ 51.43** | **$ 40.45** | **$ 17.09** |

**Exhibit III.6d**
**Children's Mental Health Rehabilitative Services**
**Level III Advanced Group Residential Care with Special Population**

| | Level III Advanced Group Residential Care with Special Population<br>Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Employee Supervision by a Licensed Professional** | $ 47.26 | $ 47.26 | $ 47.26 |
| - Hourly Compensation | 0.25 | 0.25 | 0.25 |
| **Average Supervisory Cost per Hour** | **$ 0.74** | **$ 0.74** | **$ 0.74** |
| **Group Counseling** | | | |
| Hourly Wage | $ 28.22 | | |
| Annual Wage | $ 58,687 | | |
| **ERE as a Percentage of Wages** | **27%** | | |
| Hourly Compensation *(wages + ERE)* | $ 35.83 | | |
| Annual Compensation *(wages + ERE)* | $ 74,533 | | |
| Hours per Year | 96 | | |
| Total Compensation per Year | $ 3,440 | | |
| Average Group Size | 8 | | |
| **Total Group Counseling per Day** | **$ 1.18** | | |
| **Van Lease and Associated Costs** | | | |
| - Number of vans | 2 | | |
| - Annual Amount of lease per van | $ 500 | | |
| - Total Annual Van Lease Amount | $ 1,000 | | |
| - Total Yearly Van Lease Amount | $ 12,000 | | |
| - **Total Van Lease Amount per Day** | **$ 2.05** | | |
| - Monthly Amount for Insurance | $ 300 | | |
| - Total Insurance Amount | $ 600 | | |
| - Yearly Insurance Amount | $ 7,200 | | |
| - **Total Insurance Amount per Day** | **$ 1.23** | | |
| - Monthly Amount for Gas and Maintenance | $ 300 | | |
| - Total Gas and Maintenance Amount | $ 600 | | |
| - Yearly Amount for Gas and Maintenance | $ 7,200 | | |
| - **Total Gas Amount per Day** | **$ 1.23** | | |
| **Total Van Lease and Associated Costs per Day** | **$ 4.52** | | |
| **Meals** | | | |
| - Number of individuals | 16 | | |
| - Number of Meals per Day | 3 | | |
| - Amount per meal | $ 5.00 | | |
| **Total Meals Amount** | **$ 240.00** | | |
| **Total Meals Amount per Person per Day** | **$ 15.00** | | |
| **Capital** | | | |
| - Total Costs without Administrative Overhead | $ 72.87 | $ 41.19 | $ 17.83 |
| - Percent | 8.0% | 8.0% | 8.0% |
| **Total Capital per Day** | **$ 5.83** | **$ 3.29** | **$ 1.43** |

## Exhibit III.6d
## Children's Mental Health Rehabilitative Services
## Level III Advanced Group Residential Care with Special Population

| | Level III Advanced Group Residential Care with Special Population<br>Weekend/School Vacation | | |
|---|---|---|---|
| **Shift Assumptions** | **7:00am-3:00pm** | **3:00pm-11:00pm** | **11:00pm-7:00am** |
| **Miscellaneous Expenses (2)** | | | |
| Miscellaneous Percentage | 6.0% | 6.0% | 6.0% |
| Non-travel cost | $ 72.87 | $ 41.19 | $ 17.83 |
| **Administrative Cost** ***(Admin. Pct. X Non-travel Cost)*** | **$ 4.37** | **$ 2.47** | **$ 1.07** |
| | per shift | per shift | per shift |
| **Rate** | **$ 83.07** | **$ 46.95** | **$ 20.32** |
| | per Day | | |
| **Rate Across all Shifts** | **$ 150.34** | | |
| **Recommended Rate (3)** | **$ 150.50** | | |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) To include insurance, housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

(3) Rounded to the nearest 50 cents

**EXHIBIT III.6d**

**ASSUMPTIONS**
**LEVEL III ADVANCED GROUP RESIDENTIAL CARE WITH SPECIAL POPULATION**

The assumptions for the Level III Advanced Group Residential Care with Special Population (In-School) and Level III Advanced Group Residential Care with Special Population (Weekend/School Vacation) are the same except for the staffing patterns.

- See attached chart for in-school and weekend/school vacation staffing assumptions

  The major differences in the models between the Level III Advanced Group Residential Care and the Level III Advanced Group Residential Care with Special Population is the staffing ratios.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- Facility Size: 16 bed facility

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Incentive Pay:
  - 7:00am – 3:00pm shift: 0 percent
  - 3:00pm – 11:00pm shift: 5 percent
  - 11:00pm – 7:00am shift: 10 percent

- Employee Supervision: Required by a licensed professional for 45 minutes per day or 15 minutes for each shift (assumes a Clinical, Counseling or School Psychologist, Nevada Inflated Wage=$28.22). This function should not be billed separately by the licensed professional.

- Group Counseling:

  - Service provided by a Clinical, Counseling or School Psychologist (Nevada Inflated Wage=$28.22)
  - Individual's receive 96 hours of counseling per year
  - Average group size is 8 individuals

- Van Lease and Associated Costs: 2 vans

  Vans at $500 per van per month, insurance at $300 per van per month, and gas and maintenance at $300 per van per month.

- Meals: $5 per person per meal
  - Two meals in-school model
  - Three meals weekend/school vacation model

- Capital Cost: 8 percent of non-travel expense

- Miscellaneous Expenses: 6 percent to include insurance (including professional liability), housekeeping supplies, laundry, extracurricular activities, resident toiletries and expenses, and staff training materials.

## Exhibit III.6d
## Children's Mental Health Rehabilitative Services
## Level III Advanced Group Residential Care with Special Population

| | Nevada Wage | Level III Advanced Group Residential Care with Special Population | |
|---|---|---|---|
| | | In-School | Weekend/ School Vacation |
| **Staffing Assumptions** | | | |
| 7:00am to 3:00pm | | | |
| Direct Service Provider | $ 9.79 | 2.00 | 2.50 |
| Professional Supervision | $ 28.22 | 1.00 | 1.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.50 | 0.50 |
| Maintenance | $ 17.31 | 0.25 | 0.25 |
| Cook | $ 15.96 | 0.25 | 0.50 |
| 3:00pm to 11:00pm | | | |
| Direct Service Provider | $ 9.79 | 2.00 | 2.50 |
| Professional Supervision | $ 28.22 | 1.00 | 1.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.00 | 0.00 |
| Maintenance | $ 17.31 | 0.00 | 0.00 |
| Cook | $ 15.96 | 0.25 | 0.50 |
| 11:00pm to 7:00am | | | |
| Direct Service Provider | $ 9.79 | 2.00 | 2.50 |
| Professional Supervision | $ 28.22 | 0.00 | 0.00 |
| Administrative Support | $ 13.56 | 0.00 | 0.00 |
| Administrative/Director | $ 32.01 | 0.00 | 0.00 |
| Maintenance | $ 17.31 | 0.00 | 0.00 |
| Cook | $ 15.96 | 0.00 | 0.00 |

# Exhibit III.7

# Adult Community-Based Services
# Independent Models

## Exhibit III.7
## Adult Mental Health Rehabilitative Services
## Independent Living

| | Independent Living |
|---|---|
| **Hourly Wage (1)** | **$ 9.79** |
| **Annual Wage** | **$ 20,356** |
| **ERE as a Pct. of Wages** | **27%** |
| **Hourly Compensation *(wages + ERE)*** | **$ 12.43** |
| **Annual Compensation *(wages + ERE)*** | **$ 25,852** |
| **Productivity Assumptions** | |
| - Total Hours | 8 |
| - Average Travel after arrival at first client and before leaving last client | 0.50 |
| - Time allocated to notes/med records | 0.50 |
| - Missed Appointments/Down Time (phone calls etc.) | 0.50 |
| - Average on-site time; "Billable Hours" | 6.50 |
| - *Productivity Adjustment* | *1.23* |
| **Hourly Compensation After Adjustment** | **$ 15.30** |
| **Annual Compensation After Adjustment** | **$ 25,852** |
| **Employee Supervision Time by a Professional** | |
| Hourly Compensation | $ 22.87 |
| Average daily portion of an hour | 0.25 |
| **Average Supervisory Cost per Hour** | **$ 0.71** |
| **Mileage** | |
| - Number of Miles | 10 |
| - Amount per mile | $ 0.345 |
| **Total Mileage Amount** | **$ 3.45** |
| **Hourly Mileage Amount** | **$ 0.53** |
| **Administrative Overhead** | |
| Administrative Pct. | 15% |
| Non-travel cost | $ 16.01 |
| **Administrative Cost *(Admin. Pct. X Non-travel Cost)*** | **$ 2.40** |
| **Total Rate** | per Hour |
| | **$ 18.94** |
| | per Hour |
| **Recommended July 1, 2003 Rate (2)** | **$ 19.00** |

| | |
|---|---|
| | per Hour |
| **Current Rate** | **$ 18.29** |
| **Pct. Increase Over Current Rate** | 3.9% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT III.7**

**ASSUMPTIONS**
**INDEPENDENT LIVING**

- Hourly Wage: Assumes that on average services are provided by a Personal and Home Care Aide (Nevada Inflated Wage=$9.79).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 30 minutes per day

- Time allocated to notes/medical records: 30 minutes per day

- Missed Appointments/Down Time: 30 minutes per day

- Average on-site time; "Billable Hours:" 6 hours and 30 minutes per day

- Employee Supervision: Required by a professional approximately 15 minutes a day (assumes a Mental Health Counselor, Nevada Inflated Wage=$22.87). This function should not be billed separately by the professional.

- Mileage: 10 miles per day

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

## Exhibit III.7
## Adult Mental Health Rehabilitative Services
## Psychosocial Rehabilitation

| | Psychosocial Rehabilitation | | |
|---|---|---|---|
| | **Direct Service Provider Individual** | **Direct Service Provider Group - 3 to 5 Participants** | **Direct Service Provider Group - 6 to 8 Participants** |
| **Hourly Wage (1)** | **$ 25.11** | **$ 25.11** | **$ 25.11** |
| **Annual Wage** | **$ 52,229** | **$ 52,229** | **$ 52,229** |
| **ERE as a Pct. of Wages** | **27%** | **27%** | **27%** |
| **Hourly Compensation *(wages + ERE)*** | **$ 31.89** | **$ 31.89** | **$ 31.89** |
| **Annual Compensation *(wages + ERE)*** | **$ 66,331** | **$ 66,331** | **$ 66,331** |
| **Productivity Assumptions** | | | |
| - Total Hours | 8 | 8 | 8 |
| - Average Travel after arrival at first client and before leaving last client | 1.00 | 0.50 | 0.50 |
| - Time allocated to notes/med records | 0.25 | 0.25 | 0.50 |
| - Missed Appointments/Down Time (phone calls etc.) | - | - | - |
| - Average on-site time; "Billable Hours" | 6.75 | 7.25 | 7.00 |
| - *Productivity Adjustment* | *1.19* | *1.10* | *1.14* |
| **Hourly Compensation After Adjustment** | **$ 37.80** | **$ 35.19** | **$ 36.45** |
| **Annual Compensation After Adjustment** | **$ 66,331** | **$ 66,331** | **$ 66,331** |
| **Employee Supervision Time by a Licensed Professional** | | | |
| Hourly Compensation | $ 66.31 | $ 66.31 | $ 66.31 |
| Average daily portion of an hour | 0.20 | 0.20 | 0.20 |
| **Average Supervisory Cost per Counseling Hour** | **$ 1.66** | **$ 1.66** | **$ 1.66** |
| **Mileage** | | | |
| - Number of Miles | 20 | 10 | 10 |
| - Amount per mile | $ 0.345 | $ 0.345 | $ 0.345 |
| **Total Mileage Amount** | **$ 6.90** | **$ 3.45** | **$ 3.45** |
| **Hourly Mileage Amount** | **$ 1.02** | **$ 0.48** | **$ 0.49** |
| **Administrative Overhead** | | | |
| Administrative Pct. | 15% | 15% | 15% |
| Non-travel cost | $ 39.45 | $ 36.85 | $ 38.10 |
| **Administrative Cost *(Admin. Pct. X Non-travel Cost)*** | **$ 5.92** | **$ 5.53** | **$ 5.72** |
| **Total Rate** | per Hour | per Hour | per Hour |
| | **$ 46.39** | **$ 42.85** | **$ 44.31** |
| | | Average Group Size | Average Group Size |
| | | 4 | 7 |
| | per Hour | per Peson per Hour | per Peson per Hour |
| **Recommended July 1, 2003 Rate (2)** | **$ 46.50** | **$ 10.50** | **$ 6.50** |

| Compared to Direct Service Provider Individual | per Hour |
|---|---|
| **Current Rate** | **$ 82.00** |
| **Pct. Increase Over Current Rate** | -43.3% |

(1) Hourly wages for all services are from the Bureau of Labor Statistics (2000) average Nevada wages inflated to December '03 (For specific wage category as well as all assumptions used to develop the model, see attached assumptions document).

(2) Rounded to the nearest 50 cents

**EXHIBIT III.7**

**ASSUMPTIONS**
**PSYCHOSOCIAL REHABILITATION**

**Direct Service Provider - Individual**

- Hourly Wage: Assumes that on average services are provided 50 percent of the time by a Mental Health Counselor (Nevada Inflated Wage=$22.87) and 50 percent of the time by a Registered Nurse (Nevada Inflated Wage=$27.35).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 1 hour per day

- Time allocated to notes/medical records: 15 minutes per day

- Missed Appointments/Down Time: 0

- Average on-site time; “Billable Hours:” 6 hours and 45 minutes per day

- Employee Supervision: Required by a licensed professional less than 15 minutes a day (assumes Psychiatrist, Nevada Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.

- Mileage: 20 miles per day in an urban area

- Administrative Overhead (to include staff training): 15 percent

Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

**Direct Service Provider – Group - 3 to 5 Participants**

- Average Group Size: 4 individuals

- Hourly Wage: Assumes that on average services are provided 50 percent of the time by a Mental Health Counselor (Nevada Inflated Wage=$22.87) and 50 percent of the time by a Registered Nurse (Nevada Inflated Wage=$27.35).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 30 minutes per day

- Time allocated to notes/medical records: 15 minutes per day

- Missed Appointments/Down Time: 0

- Average on-site time; "Billable Hours:" 7 hours and 15 minutes per day

- Employee Supervision: Required by a licensed professional less than 15 minutes a day (assumes Psychiatrist, Nevada Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.

- Mileage: 10 miles per day in an urban area

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

**Direct Service Provider – Group - 6 to 8 Participants**

- Average Group Size: 7 individuals

- Hourly Wage: Assumes that on average services are provided 50 percent of the time by a Mental Health Counselor (Nevada Inflated Wage=$22.87) and 50 percent of the time by a Registered Nurse (Nevada Inflated Wage=$27.35).

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.A) for the 2000 Occupational Employment and Wage Estimates for all occupations used in the Independent Models.

- ERE Assumption: 27 percent

  Benefits include paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, and other benefits.

  See the Appendix provided with this report (Independent Model Background Material, Exhibit 1.B) for the Report on Employer Costs per Hour for Employee Compensation.

- Total Hours: 8 hours per day

- Average Travel: 30 minutes per day

- Time allocated to notes/medical records: 30 minutes per day

- Missed Appointments/Down Time: 0

- Average on-site time; "Billable Hours:" 7 hours per day

- Employee Supervision: Required by a licensed professional less than 15 minutes a day (assumes Psychiatrist, Nevada Inflated Wage=$66.31). This function should not be billed separately by the licensed professional.

- Mileage: 10 miles per day in an urban area

- Administrative Overhead (to include staff training): 15 percent

  Overhead includes insurance, administrative staff, capital and related expenses, operations and management activities and office supplies.

**SECTION IV**
**THERAPIES**

## Background

Therapy services include physical therapy, occupational therapy and speech therapy as provided under the Nevada State plan. Currently, there are seven allowable physical and occupational therapy current procedural terminology (CPT) codes and eight allowable speech therapy CPT codes that Nevada reimburses for. If a provider submits one of the other CPT codes, depending on the code, it is either converted to one of the allowable CPT codes or it is denied. The table on page 3 summarizes the CPT codes and whether it is covered by Medicaid, converted to an allowable code or denied.

## Stakeholder Input

The majority of comments received on occupational therapy, physical therapy, and speech therapy services were critical of the current reimbursement rates and the length of time it takes to receive payments; however, more than one provider did comment that the Medicaid customer service representatives were friendly and easy to work with. Ten providers submitted comments to the Task Force. Comments have been grouped into the following categories:

- Level of Medicaid Reimbursement Rates
- Medicaid Billing Process
- Medicaid Required Billing Codes
- Care Coordination Billing Code
- Comparability of Medicaid to Other Payers
- Referrals and Prior Authorization Review

*Level of Medicaid Reimbursement Rates*

Nine of the ten providers, and almost half of the total number of comments, mentioned reimbursement rates. The consensus was that Medicaid reimbursement rates, having not been updated for several years, are out of date, too low, and do not cover the cost of providing care.

*Medicaid Billing Process*

The second most prominent issue mentioned by providers (mentioned by six of the ten providers) was that the reimbursement process is too slow and that there is too much paperwork. One provider stated that "reimbursement delay tactics are about to put me out of business" and another said "excessive paperwork and/or long lag times for reimbursement will limit our ability to serve the Medicaid population."

*Medicaid Required Billing Codes*

Only two providers offered comments about the required billing codes, both expressing a desire for additional codes. One suggested using the current AMA CPT codes.

*Service Coordination Billing Code*

Two providers specifically addressed the need for a service coordination code in order to be reimbursed when interacting with other providers on care coordination issues.

*Comparability of Medicaid to Other Payers*

Four providers compared Medicaid with other payers; these comments focused primarily on reimbursement rates and the billing process.

*Referrals and Prior Authorization Review*

Four providers commented on referrals and Prior Authorization Review (PAR). These comments were generally critical of the time it takes to receive approval under the current system. One provider stated "we have 26 evaluation requests on hold, and have had to reduce the number of Medicaid clients to a lower percentage of our client population. We experience a 30-day turn-around time for prior authorization, which results in poor quality care as the client may have had changes during that time and the therapist has to re-establish a relationship in order to provide an appropriate program."

**Interstate Survey**

A total of ten states were surveyed on therapy services provided by an independent practitioner through the state plan. The range of services offered under the state plans varies from state to state with most states utilizing some of the CPT code structure. Often times states use a combination of CPT codes, Health Care Financing Administration Common Procedure Coding System (HCPCS) and state-only or local codes. An analysis of the data collected as part of the interstate survey shows the following:

- Nine states utilize all or part of the CPT coding structure
- In addition to CPTs, five states use either HCPCS or state-only codes
- California uses HCPCS

A summary of our findings for states using CPT codes is shown on Table IV.1 on the following pages. More detailed information from the interstate state survey can be found in the Appendix to this report.

**Table IV.1**
**Interstate Survey - Physical and Occupational Therapy**

| CPT Code | Code Covered by Nevada | Nevada Fee Schedule | Medicare | Interstate Average | Arizona | Idaho | Iowa | Kentucky | Minnesota | Montana | Oklahoma | Oregon | Utah |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Physical and Occupational Therapy** | | | | | | | | | | | | | |
| 97001 | ✓ | $80.55 per visit | $69.09 per visit | $58.85 per Visit | $75.29 | $67.01 | $62.64 | $52.75 | Excluded[1] | $54.71 | $51.08 | $48.50 | * |
| 97002 | ✓ | $52.36 per visit | $36.74 per visit | $28.74 per Visit | $37.57 | $32.17 | $29.77 | $21.16 | Excluded[1] | $27.42 | $27.25 | $25.81 | * |
| 97003 | ✓ | $80.55 per visit | $71.80 per visit | $59.70 per Visit | $76.14 | * | $62.64 | * | Excluded[1] | $55.80 | $53.85 | $50.05 | * |
| 97004 | ✓ | $52.36 per visit | $48.65 per visit | $32.09 per Visit | $39.05 | * | $29.43 | * | Excluded[1] | $28.67 | $35.95 | $27.38 | * |
| *Supervised* | | | | | | | | | | | | | |
| 97010 | Converted to 97110 | | * | $11.61 per visit | $12.76 | $19.01 | $10.30 | $10.66 | $18.37 | $0.00 | $2.94 | * | $7.21 |
| 97012 | Converted to 97110 | | $13.67 per visit | $15.15 per visit | $21.31 | $13.52 | $17.55 | $14.73 | $19.26 | $15.49 | $10.32 | $13.81 | $11.85 |
| 97014 | Converted to 97110 | | $14.13 per visit | $13.53 per visit | $17.61 | $13.64 | $14.88 | $12.69 | $17.48 | $12.71 | $10.39 | $11.47 | $10.30 |
| 97016 | Converted to 97110 | | $12.25 per visit | $13.68 per visit | $18.41 | $11.90 | $15.93 | $14.22 | $18.91 | $13.30 | $9.07 | $11.47 | $11.34 |
| 97018 | Converted to 97110 | | $7.13 per visit | $10.21 per visit | $12.25 | $6.65 | $10.65 | $11.84 | $24.51 | $8.71 | $5.05 | $7.57 | $7.72 |
| 97020 | Converted to 97110 | | $4.50 per visit | $9.25 per visit | $12.25 | $4.22 | $10.30 | $10.35 | $23.79 | $8.89 | $3.20 | $7.83 | $7.21 |
| 97022 | Converted to 97110 | | $16.40 per visit | $16.23 per visit | $22.86 | $15.70 | $14.85 | $14.73 | $23.63 | $16.44 | $11.95 | $15.90 | $9.78 |
| 97024 | Converted to 97110 | | $4.50 per visit | $8.75 per visit | $12.65 | $4.22 | $10.30 | $10.66 | $17.48 | $9.15 | $3.20 | $8.08 | $7.21 |
| 97026 | Converted to 97110 | | $4.50 per visit | $8.45 per visit | $11.85 | $4.22 | $9.94 | $10.04 | $17.28 | $8.92 | $3.20 | $7.57 | $6.95 |
| 97028 | Converted to 97110 | | $5.60 per visit | $8.36 per visit | $12.68 | $5.32 | $10.70 | $12.78 | $8.30 | $8.86 | $4.04 | $8.08 | $7.21 |

**Table IV.1**
**Interstate Survey - Physical and Occupational Therapy**

| CPT Code | Code Covered by Nevada | Nevada Fee Schedule | Medicare | Interstate Average | Arizona | Idaho | Iowa | Kentucky | Minnesota | Montana | Oklahoma | Oregon | Utah |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Constant Attendance* | | | | | | | | | | | | | |
| 97032 | Converted to 97110 | | $17.43 per 15 min. | $15.50 per 15 min. | $20.90 | $16.99 | $16.85 | $12.92 | $17.10 | $15.21 | $12.96 | $14.08 | $10.56 |
| 97033 | Converted to 97110 | | $14.85 per 15 min. | $15.59 per 15 min. | $22.60 | $14.44 | $17.59 | $13.53 | $18.81 | $16.35 | $11.02 | $15.38 | $11.34 |
| 97034 | Converted to 97110 | | $13.34 per 15 min. | $13.39 per 15 min. | $18.44 | $13.04 | $14.62 | $10.36 | $19.26 | $13.40 | $9.94 | $12.78 | $8.75 |
| 97035 | Converted to 97110 | | $11.09 per 15 min. | $11.73 per 15 min. | $15.60 | $10.95 | $12.51 | $10.67 | $17.55 | $11.37 | $8.37 | $10.17 | $9.02 |
| 97036 | Converted to 97110 | | $23.41 per 15 min. | $19.58 per 15 min. | $25.37 | $22.66 | $20.46 | $19.69 | $22.26 | $14.36 | $17.26 | $16.95 | $13.39 |
| 97039 | Converted to 97110 | | $10.35 unit not specified | could not calculate rate | $19.65 | By Report | $16.70 | $17.87 | $22.30 | $14.22 | $7.81 | Excluded[1] | $11.59 |
| *Therapeutic Procedures* | | | | | | | | | | | | | |
| 97110 | ✓ | $13.69 per 15 min. | $27.09 per 15 min. | $20.53 per 15 min. | $27.27 | $26.37 | Excluded[1] | * | $16.62 | $19.92 | $20.11 | $17.47 | $15.97 |
| 97112 | Converted to 97110 | | $28.15 per 15 min. | $22.65 per 15 min. | $30.03 | $24.82 | $24.75 | * | $17.61 | $21.98 | $21.03 | $20.07 | $15.45 |
| 97113 | Converted to 97110 | | $29.73 per 15 min. | $23.69 per 15 min. | $31.71 | $23.52 | $26.12 | * | $12.85 | $23.03 | $21.93 | $20.60 | |
| 97116 | Converted to 97110 | | $23.33 per 15 min. | $20.40 per 15 min. | $27.97 | $22.89 | $22.23 | * | $16.62 | $20.41 | $17.47 | $18.77 | $13.91 |
| 97124 | Converted to 97110 | | $21.07 per 15 min. | $18.28 per 15 min. | $24.61 | * | $20.32 | * | $17.05 | $18.02 | $15.88 | $16.69 | $12.62 |
| 97139 | Converted to 97110 | | $15.98 unit not specified | could not calculate rate | $18.44 | By Report | $15.32 | * | $25.92 | $11.92 | $11.79 | $12.26 | $10.04 |
| 97140 | Converted to 97110 | | $25.17 per 15 min. | $23.12 per 15 min. | $31.23 | $24.73 | $26.80 | * | $22.45 | $22.80 | $18.86 | $19.81 | $16.23 |
| 97150 | ✓ | $6.44 per 30 min. | $18.22 unit not specified | $18.23 per visit | $22.61 | * | $18.93 | * | By Report | $16.39 | $13.41 | $19.81 | * |

**Table IV.1**
**Interstate Survey - Physical and Occupational Therapy**

| CPT Code | Code Covered by Nevada | Nevada Fee Schedule | Medicare | Interstate Average | Arizona | Idaho | Iowa | Kentucky | Minnesota | Montana | Oklahoma | Oregon | Utah |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 97504 | Denied | | $27.09 per 15 min. | $23.10 per 15 min. | $30.50 | $23.74 | * | * | $19.26 | $22.21 | $20.11 | $18.77 | * |
| 97520 | Denied | | $25.14 per 15 min. | $20.73 per 15 min. | $30.43 | $22.31 | Excluded[1] | * | $14.87 | $22.28 | $18.92 | $20.07 | $16.23 |
| 97530 | Denied | | $33.81 per 15 min. | $21.39 per 15 min. | $26.38 | $14.27 | Excluded[1] | * | $26.67 | $19.36 | $24.96 | $16.69 | * |
| 97532 | Converted to 97535 or 97110 | | $22.84 per 15 min. | $21.20 per 15 min. | $27.92 | * | By Report | * | $17.25 | $20.54 | $17.45 | * | * |
| 97533 | Converted to 97535 or 97110 | | $24.34 per 15 min. | $22.03 per 15 min. | $30.35 | * | By Report | * | $14.71 | $22.25 | $18.49 | * | * |
| 97535 | ✓ | $12.35 per 15 min. | $30.41 per 15 min. | $23.36 per 15 min. | $30.43 | $26.69 | $25.45 | * | $14.87 | $17.37 | $22.62 | $19.03 | * |
| 97537 | Denied | | $24.33 per 15 min. | $21.76 per 15 min. | $29.95 | * | $25.20 | * | $18.39 | $17.17 | $18.53 | $18.77 | * |
| 97542 | Denied | | $25.08 per 15 min. | $18.28 per 15 min. | $20.49 | $22.44 | $17.21 | * | $14.30 | $14.91 | $19.05 | $12.78 | * |
| 97545 | Denied | | * | * | By Report | * | * | * | By Report | By Report | * | * | * |
| 97546 | Denied | | * | * | By Report | * | * | * | By Report | By Report | * | * | * |
| *Tests and Measurements* | | | | | | | | | | | | | |
| 97703 | Denied | | $26.52 per 15 min. | $17.51 per 15 min. | * | $22.68 | $15.43 | * | $21.15 | $12.87 | $19.16 | $10.95 | $11.34 |
| 97750 | Closed; Converted to 97001 - 97004 | | $26.27 per 15 min. | $24.88 per 15 min. | $29.62 | $25.83 | $26.16 | * | $24.87 | $21.69 | $19.72 | * | * |

* Service not provided

[1] Service provided but not enough information to include rate in Interstate rate calculation

**Table IV.1**
**Interstate Survey - Speech Therapy**

| CPT Code | Nevada Fee Schedule | Medicare | Interstate Average | Arizona | Idaho | Kentucky | Minnesota | Montana | Oklahoma | Oregon | Utah |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Speech Therapy** | | | | | | | | | | | |
| 92506 | $40.28 per 30 min. | $97.73 per visit | $60.13 per visit | $65.13 | $83.99 | $46.05 | Excluded[1] | $63.36 | Excluded[1] | $61.79 | $40.45 |
| 92507 | $21.48 per 30 min. | $77.71 per visit | $41.96 per visit | $40.23 | $66.39 | $28.32 | Excluded[1] | $48.32 | Excluded[1] | Excluded[1] | $26.53 |
| 92508 | $6.44 per 30 min. | $76.47 per visit | Could not be calculated | * | * | $14.75 | Negotiated | $23.97 per visit | $54.40 per 30 min. | $8.08 per 15 min. | $15.20 |
| 92510 | $112.13 per visit | $136.56 per visit | $107.85 per visit | $138.73 | $131.60 | $95.92 | Negotiated | $100.78 | $100.18 | * | $79.87 |
| 92511 | $76.20 per visit | $83.02 per visit | $67.26 per visit | $84.20 | $71.85 | $56.58 | * | * | $60.76 | * | $47.15 |
| 92512 | $39.85 per visit | $63.38 per visit | $49.50 per visit | $62.06 | $60.62 | $34.15 | * | * | $46.10 | * | $30.66 |
| 92516 | $32.01 per visit | $51.87 per visit | $39.92 per visit | $50.64 | $47.54 | $27.42 | * | * | $37.60 | * | $24.47 |
| 92520 | $49.89 per visit | $48.52 per visit | $44.41 per visit | $55.82 | $47.54 | $43.01 | * | * | $36.27 | * | $35.29 |
| 92525 | * | * | $77.34 per visit | $111.34 | $100.25 | $72.03 | Excluded[1] | $89.80 | $89.23 | $78.74 | * |
| 92526 | * | $79.18 per visit | $56.21 per visit | $72.98 | $75.25 | * | Excluded[1] | $52.68 | $57.18 | Excluded[1] | * |

* Service not provided

[1] Service provided but not enough information to include rate in Interstate rate calculation

**SECTION V**
**RECOMMENDATIONS**

The Provider Rates Task Force has developed recommendations for rates, rate setting methodologies, and other operational issues we encountered when examining Phase II services. These decisions were made at the August 13, 2002 Task Force meeting.

**Home- and Community-Based Services to Seniors and People with Disabilities**

The following sources were considered in recommending the remaining home- and community-based services rates:

| Service | Cost Data | Independent Model | Intrastate Rates | | Interstate Rate |
|---|---|---|---|---|---|
| Supported Employment | Insufficient Data | $23.50 per Hour | MR/DD Waiver | $20.14 per Hour | $25.20 per Hour |
| Personal Care - Agency | No Data Submitted | $ 18.50 per Hour | State Plan | $17.00 per Hour | $13.72 per Hour |
| | | | CHIP Waiver | $16.00 per Hour | |
| | | | Physically Disabled Waiver | $14.50 per Hour | |
| Personal Care - Individual | Did Not Survey | $15.50 per Hour | State Plan | $14.50 per Hour | |
| | | | Physically Disabled Waiver | $10.00 per Hour | |

Recommendations

There were several recommendations made in the July 15 strategic plan that are applicable to the remaining HCBS services, including:

- Require providers to submit cost information annually to the State so that the State can develop a baseline of information for each service. The survey instrument should be similar to the one used by the Task Force to collect data.

- The State shall rebase the rates paid no less frequently than every five years.

- For years where rates are not rebased, rates shall be increased by an independent inflation index. The July 15 strategic plan indicated a formal recommendation would be made in this strategic plan. At this time, the Task Force recommends using the

DRI CMS Home Health Agency Market Basket. This is a nationally recognized inflation index that forecasts growth based on a combination of weighting between the Consumer Price Index (CPI), Employment Cost Index (ECI), Producer Price Index, as well as other indices.

The Task Force recommends implementing the rates from the Independent Model for Supported Employment and Personal Assistance services. The table below summarizes the assumptions used in building the Independent Models for these services, paid on an hourly basis, along with the recommended rates.

| Service | Beginning Wage[1] | Employee Related Expensed | Billable Hours | Training | Mileage Reim. Included | Overhead | Rate | Unit |
|---|---|---|---|---|---|---|---|---|
| Supported Employment | $17.01 | 27% | 7.67 | No | No | 5% | $23.50 | per Hour |
| Personal Assistance | | | | | | | | |
| Agency | $9.79 | 27% | 6.50 | Yes | Yes | 12% | $18.50 | per Hour |
| Individual | $9.79 | 27% | 7.00 | No | Yes | 7% | $15.50 | per Hour |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

While the Task Force is recommending Supported Employment continue as an hourly rate, as a long term strategy, we also recommend the State develop a Supported Employment service delivery model for MR/DD individuals that can be implemented statewide and move to a per member per month rate. The service delivery model would only apply to individuals under the MR/DD waiver and should be applicable statewide. Should the State decide to provide this service to additional populations, they would have to develop an appropriate service delivery model and provide the service under an existing or new waiver. The State should also develop performance measures and outcomes for the MR/DD population.

For Personal Assistance services, the Task Force would like to caution that while the rate is applicable to all Medicaid programs, it may not be sufficient for programs covered with State funds or grants. Our review showed these programs contained components not included in the Independent Model and billed separately by the Medicaid programs (i.e. assessments). These programs may need an alternative method for compensating these costs since they are not included in the personal assistance rate.

For the remaining HCBS services, the Task Force recommends the following:

- Adult Day Health Care: No rate is recommended as the Task Force received insufficient data and minimal program descriptions and provider qualifications. The Task Force does recommend the State develop service definitions, provider qualifications and service delivery model for social and medical adult day health care. The current rates will need to be reviewed once these tasks have been completed.

- Assisted Living: No change to the rate of $105.00 per day as it bumps up against the 90 percent threshold of the nursing facility rate of $109.50 per day. Given this, it would not be sound policy to increase the rate.

- Group Residential: No recommendation is being made for Group Residential as these services are being phased out and will no longer be provided under the MR Waiver.

**Children and Adult Mental Health Rehabilitative Services**

As the Task Force began examining the mental health rehabilitative services provided to both children and adults, the Task Force learned that the State was in the process of implementing new services as well as revising current service definitions and updating applicable provider qualifications. As a result, the rates proposed by the Task Force are based on where the State intends to go with their service delivery, not the current delivery structure. The Task Force understands that service definitions and/or provider qualifications may change as the service delivery system is defined. This will mean that the rates may need to be refined. These refinements will build on the models proposed here.

Similar to the HCBS services discussed earlier, the Task Force reviewed a variety of sources before recommending mental health rates. However, the Task Force has opted not to include the cost and comparative information we received either because the data was insufficient, there was no data, or the service definitions were not comparable from state to state. Given this, we felt the data was misleading and did not give an accurate comparison across the various areas of analysis.

<u>Recommendations</u>

The Task Force recommends implementing the rates from the Independent Model for all mental health services. Again, the Task Force would like to caution that the recommended rates are only applicable under the service definition and provider qualifications reviewed by this Task Force. Should the State decide to further modify either the service definition or provider qualifications, the rates would need to be evaluated for appropriateness under the new requirements. The Task Force also makes the following recommendations for all mental health services:

- Establish individual billing codes for each rate.

- Pay a rural travel add-on for providers who travel more than 50 miles in a given day. The State should consider the following:

    - Paraprofessional: $12.43 (wage plus ERE) divided by 65 (on average miles per hour) plus $0.345 for an add-on of $0.54 per mile

    - Professional: $29.04 (wage plus ERE) divided by 65 (on average miles per hour) plus $0.345 for an add-on of $0.79 per mile

    - Professional with License: $35.83 (wage plus ERE) divided by 65 (on average miles per hour) plus $0.345 for an add-on of $0.90 per mile

  This add-on can be applied to other community-based services but should not be billed until the provider has traveled 10 miles more than the assumptions found in the independent models.

- Update policy and procedure manuals to reflect the change in and addition of services.

- Update the billing manual to ensure uniform and consistent billing practices.

- Educate the providers on the importance of maintaining accurate cost data.

- Require providers to submit cost information annually to the State so that the State can develop a baseline of information for each service. The survey instrument should be similar to the one used by the Task Force to collect data.

- The State shall rebase the rates paid no less frequently than every five years.

- For years where rates are not rebased, rates shall be increased by an independent inflation index. The July 15 strategic plan indicated a formal recommendation would be made in this strategic plan, at this time the Task Force recommends using the DRI CMS Home Health Agency Market Basket. This is a nationally recognized inflation index that forecasts growth based on a combination of weighting between the Consumer Price Index (CPI), Employment Cost Index (ECI), Producer Price Index as well as other indices.

*Children's Community-Based Services*

The table below summarizes the assumptions used in building the Independent Models for community-based services paid on an hourly basis, along with the recommended rates.

| Service | Beginning Wage[1] | Employee Related Expensed | Billable Hours | Employee Supervision | Mileage Rim. Included | Overhead | Avg. Group Size | Rate | Unit | Current Intrastate Rates DCFS[2] | Current Intrastate Rates Non-DCFS[3] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Intensive Community-Based Service | | | | | | | | | | $80.00 per Hour Max. | $ 60.00 per Hour Avg. |
| School-Based | $22.87 | 27% | 6.00 | Yes | No | 15% | N/A | $50.50 | per Hour | | |
| Community-Based | $28.22 | 27% | 5.00 | Not Required | Yes | 15% | N/A | $68.50 | per Hour | | |
| Rehabilitation Skills Training | | | | | | | | | | $ 117.00 per Hour Max. | $ 37.75 per Hour Avg. |
| Individual - Paraprofessional | $9.79 | 27% | 5.50 | Yes | Yes | 15% | N/A | $29.00 | per Hour | | |
| Group - Professional | $28.22 | 27% | 4.75 | Not Required | Yes | 15% | 8 | $9.00 | per Person per Hour | | |
| Group - Paraprofessional | $9.79 | 27% | 5.25 | Yes | Yes | 15% | 10 | $3.00 | per Person per Hour | | |
| Parent/Family Support and Training | | | | | | | | | | New Service Not Applicable | New Service Not Applicable |
| Individual | $9.79 | 27% | 6.25 | Yes | Yes | 15% | N/A | $ 22.50 | per Hour | | |
| Group | $9.79 | 27% | 6.00 | Yes | Yes | 15% | 8 | $3.00 | per Hour per Person | | |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

[2] Maximum contracted rate

[3] Average contracted rate

For Attendant Care services, the Task Force recommends using the Personal Care rate and program already established under the State Plan. The State will need to develop a functional assessment for children with behavioral healthcare needs for this purpose.

*Rehab Partial Care*

The table below summarizes the assumptions used in building the Independent Models for Rehab Partial Care services reimbursed on an hourly basis, along with the recommended rates.

| Service | Beginning Wage[1] | Staffing Ratio | Employee Related Expensed | Employee Supervision | Capital | Meals | Trans. | Overhead | Rate | Unit | Current Intrastate Rates DCFS[2] | Current Intrastate Rates Non-DCFS[3] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Rehab Partial Care | | | | | | | | | | | $47.00 per Hour Max. | $23.43 per Hour Avg. |
| Day Treatment | $9.79<br>$16.33<br>$24.21 | 3 to 8 | 27% | Yes | Yes | 1 | Yes | 15% | $32.50 | per Hour | | |
| Psychosocial Rehab (Child) | $9.79<br>$16.33<br>$24.21 | 3 to 8 | 27% | Yes | Yes | 1 | Yes | 15% | $32.50 | per Hour | | |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

[2] Maximum contracted rate

[3] Average contracted rate

The Day Treatment and Psychosocial Rehab (Child) rates are the same because there are no differences in the model components that make up each service. The services do differ in setting in that Day Treatment services are located in a school setting while Psychosocial Rehab services are provided in stand-alone facilities. Additionally, Day Treatment has a psychiatric component that Psychosocial Rehab does not. However, both of these fall outside of the rate and thus the overall rates are the same.

For Hospital-Based Day Treatment, the Task Force recommends setting the rate at 50 percent more than the Day Treatment rate or $49.00 per hour.

*Crisis Mobile*

The table below summarizes the assumptions used in building the Independent Model for Crisis Mobile – Emergency Team 2 Person reimbursed on a 30-minute basis, along with the recommended rate.

| Service | Beginning Wage[1] | Employee Related Expensed | Direct Contact per Year | Employee Supervision | Capital | Trans. | Overhead | Rate | Unit | Current Intrastate Rates DCFS | Current Intrastate Rates Non-DCFS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Mobile Crisis - Emergency Team 2 Person | $25.54 Professional<br>$9.79 Para-professional | 27% | 1,040 per year | Yes | Yes | Billed Separately | 12% | $52.00 | per 30 minutes | New Service | New Service |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

The Task Force recommends setting the Mobile Crisis - Emergency Team 1 Person rate at 50 percent of the Mobile Crisis – Emergency Team 2 Person rate or $26.00 per 30 minutes (rate rounded to the nearest 50 cents). These rates are recommended for both children and adults.

*Therapeutic Foster Care*

The table below summarizes the assumptions used in building the Independent Model for Therapeutic Foster Care reimbursed on a daily basis, along with the recommended rate.

| Service | Beginning Wage[1] | Trans. | On-Going Family Supervision and Training | Pre-Service Family Training | 24-Hour Supervisor Stand-By | Overhead | Rate | Unit | Current Intrastate Rates | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | DCFS[2] | Non-DCFS[3] |
| Therapeutic Foster Care | $9.79 | Yes | Yes | Yes | Yes | 2% | $84.50 | per Day | $60.50 per Day Max. | $70.33 per Day Avg. |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

[2] Maximum contracted rate

[3] Average contracted rate

The Task Force recommends that no less than 70 percent or $59.00 per day (rounded to the nearest 50 cents) of the recommended rate is passed on to the foster care family. The 70 percent is based on the components of the model attributed to providing direct care services by the foster care parent. (See the full report for the Therapeutic Foster Care model, as well as all models recommended in this executive summary.)

*Residential Care*

The table below summarizes the assumptions used in building the Independent Models for Residential Care Levels I through III reimbursed on a daily basis, along with the recommended rates.

| Service | Staffing Ratio | Employee Related Expensed | Employee Supervision | Additional Services | Meals | Trans. | Capital | Misc. Expenses | Rate | Unit | Current Intrastate Rates | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | DCFS[1] | Non-DCFS[2] |
| Level I Basic Group Residential Care | 1.67 to 16 | 27% | Not Required | No | Yes | Yes | 8% | 4% | $63.50 | per Day | $55.50 per Day Max. | $47.80 per Day Avg. |
| Level II Intermediate Group Residential Care | 2.09 to 16 | 27% | Yes | No | Yes | Yes | 8% | 4% | $76.00 | per Day | $65.50 per Day Max. | $67.87 per Day Avg. |
| Level III Advanced Group Residential Care | 2.42 to 16 | 27% | Yes | Group Counseling | Yes | Yes | 8% | 6% | $116.00 | per Day | $205.50 per Day Max. | $220.00 per Day Avg. |
| Level III Advanced Group Residential Care with Special Population | 3.42 to 16 | 27% | Yes | Group Counseling | Yes | Yes | 8% | 6% | $139.00 | per Day | | |

[1] Maximum contracted rate

[2] Average contracted rate

The Task Force recognizes that some Level III Advanced Group Residential Care with Special Population providers are treating more intensive individuals than the rate is intended for. When this occurs, it is recommended that the State and the provider negotiate an add-on rate. However, in order to avoid arbitrary negotiations, it is also recommended that the State develop specific criteria that each provider must meet in order to qualify for the additional payment.

*Adult Community-Based Services*

The table below summarizes the assumptions used in building the Independent Models for adult community-based services paid on an hourly basis, along with the recommended rates.

| Service | Beginning Wage[1] | Employee Related Expensed | Billable Hours | Employee Supervision | Mileage Reim. Included | Overhead | Average Group Size | Rate | Unit | MHDS Current Rate | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Rate | Unit |
| Independent Living | $9.79 | 27% | 6.50 | Yes | Yes | 15% | N/A | $19.00 | per Hour | $18.29 | per Hour |
| Psychosocial Rehabilitation | | | | | | | | | | $82.00 | per Hour |
| | | | | | | | | | | $27.33 | per Hour |
| Direct Service Provider Individual | $25.11 | 27% | 6.75 | Yes | Yes | 15% | N/A | $46.50 | per Hour | | (Group) |
| Direct Service Provider Group - 3 to 5 Participants | $25.11 | 27% | 7.25 | Yes | Yes | 15% | 4 | $10.50 | per Person per Hour | | |
| Direct Service Provider Group - 6 to 8 Participants | $25.11 | 27% | 7.00 | Yes | Yes | 15% | 7 | $6.50 | per Person per Hour | | |

[1] Hourly wages for all services are from the 2000 State Occupational Employment and Wage Estimates - Nevada and 2000 National Occupational Employment and Wage Estimates, average wages inflated to December '03.

## Therapies

The Task Force recommends the following for Physical, Occupational and Speech Therapies, provided under the State plan:

- Stop the current billing practice of converting CPT codes submitted by providers to one of the allowable Medicaid codes.
- Give the provider more flexibility by expanding the CPT codes.
- Implement a care coordination service code similar to the care coordination code recommended for Targeted Case Management. The Task Force recommends using the proposed level 2 HCPCS codes T1016 and T1017.
- At least annually, assess if the rates are adequate to ensure the active participation of a sufficient number of therapists.

- Establish an enhanced rate for speech therapy services that recognizes the more specialized needs of autistic children.

- Update the rates to 80 percent of the current Medicare rates or, if the current rates are higher, keep the current Nevada rates. Below are the most common current allowable Nevada Medicaid rates and the corresponding Nevada Medicare rates, along with the proposed rates. (This is not the comprehensive list of CPT codes and is not intended to be the list of recommended CPT codes.)

| CPT Code and Service | | Nevada Medicaid Fee Schedule | Medicare Fee Schedule | 80 % of Medicare Fee Schedule Rate | Proposed Rate |
|---|---|---|---|---|---|
| **Physical and Occupational Therapy** | | | | | |
| 97001 | Physical therapy evaluation | $80.55 per visit | $69.09 per visit | $55.27 per visit | $80.55 per visit |
| 97002 | Physical therapy re-evaluation | $52.36 per visit | $36.74 per visit | $29.39 per visit | $52.36 per visit |
| 97003 | Occupational therapy evaluation | $80.55 per visit | $71.80 per visit | $57.44 per visit | $80.55 per visit |
| 97004 | Occupational therapy re-evaluation | $52.36 per visit | $48.65 per visit | $38.92 per visit | $52.36 per visit |
| 97110 | Therapeutic procedure, one or more areas; therapeutic exercises to develop strength and endurance, range of motion and flexibility | $13.69 per 15 min. | $27.09 per 15 min. | $21.67 per 15 min. | $21.67 per 15 min. |
| 97150 | Therapeutic procedure(s), group (2 or more individuals) | $6.44 per 30 min. | $18.22 unit not provided | $14.58 unit not provided | $14.58 |
| 97535 | Self care/home management training, direct one-on-one contact by provider | $12.35 per 15 min. | $30.41 per 15 min. | $24.33 per 15 min. | $24.33 per 15 min. |
| **Speech Therapy** | | | | | |
| 92506 | Evaluation of speech, language, voice, communication, auditory processing, and/or aural rehabilitation status | $40.28 per 30 min. | $97.73 per visit | $78.18 per visit | $78.18 per visit |
| 92507 | Treatment of speech, language, voice, communication and/or auditory processing disorder; individual | $21.48 per 30 min. | $77.71 per visit | $62.17 per visit | $62.17 per visit |

The Task Forces review only included services provided under the State plan. We did not examine therapies provided outside of Medicaid and rates pertaining to those services should not be effected by these recommendations.