



Home and Community Based Services (HCBS) Fee Schedule

Bureau of Rate Setting

February 8, 2022

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Overview

- History and Context
- Guiding Principles and Goals
- Starting Assumptions
- Current Progress
- Timeline

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HISTORY AND CONTEXT

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Governor's Task Force On Caregiving Final Report

- “Require DHS to develop and implement by December 31, 2023 a statewide minimum rate band based on a comprehensive and transparent rate evaluation that results in transparent, equitable and sustainable rates for home and community-based long-term care supports.” (p.11)

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Governor's 2021-2023 Budget Request

Statewide Minimum Rate Band for Home and Community-Based Long-Term Care Supports

Governor: Require the Department to develop a statewide minimum rate band for home and community-based long-term care supports to establish equitable and sustainable minimum rates. Further, require the Department to include in its 2023-25 budget request a proposal to implement the rate band developed under this provision. Using a minimum rate band methodology would establish a fee schedule to set minimum rates paid to home and community-based long-term care providers participating in the Medicaid program.

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Why now?

- Family Care and IRIS have reached statewide entitlement
- Direct care workforce crisis
- Direct care workforce funding helps caregivers but does not address the structural problem of insufficient provider funding to both provide competitive wages and remain financially viable

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Why Now? (continued)

- The Department and policy makers need another lever to achieve sustainable rates and policy goals
- The American Rescue Plan Act (ARPA) provides additional federal funding to reinvest in home and community-based services (HCBS)
 - Can be used to help smooth the state's transition to a new rate schedule

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In-Scope Services

- Supportive Home Care
- Residential
 - 1-2 Bed Adult Family Homes (AFH)
 - 3-4 Bed AFH
 - Residential Care Apartment Complexes (RCACs)
 - Community Based Residential Facilities (CBRFs)

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Guiding Principles

- Member and Participant Centered
 - Maintaining access and minimizing disruption
 - Ensures goals of community integration and de-institutionalization
- Transparency
 - Both for the process and the rates themselves
- Provider, MCO, and Advocate Engagement Throughout
- Data driven
 - Model the current state and include clear placeholders for different assumptions
- Fair rates for the work being done
 - Adequate AND efficient

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STARTING ASSUMPTIONS

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High Level Design

- Ground-up rate development and will consider reasonable average costs of providing services
- Tiered rate structure for each provider type to capture variations in member acuity and that ensure access
- Regional adjustments will be considered
- Rates will be updated on a timeframe to be determined based on programmatic, state, and national cost trend data

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Current Progress

- DHS Implemented two mandatory provider rate increases for HCBS to immediately bolster providers during the COVID-19 pandemic and to serve as a bridge until a fee schedule is established
 - June 1, 2021 – 5% increase to most HCBS waiver providers
 - January 1, 2022 – 5% increase to all HCBS waiver providers

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Current Progress (Cont.)

- Contracted with Milliman for the ARPA HCBS fee schedule work
 - Milliman is the Department's vendor for setting the Family Care, BadgerCare Plus, and SSI managed care capitation rates, IRIS individual budget allocation, and hospital rates
- Examining previous experience setting rates for children's long term care services and other relevant rate initiatives

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Timeline

- February/March 2022 – finalize governance structure, internal workgroups, and external workgroups
- CY 2022 Proposed Milestones
 - Identify current services mapped to current rate structure
 - Identify cost centers by provider type
 - Identify basis for determining member cost tiers
 - Develop provider survey for cost/staffing information

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Timeline (Cont.)

- CY 2023 – CY 2024 Proposed Milestones
 - Collect and summarize provider survey responses
 - Model costs by provider type and variation by member needs/acuity
 - Develop and issue draft rates for provider and stakeholder feedback
 - Determine next steps related to ARPA funding
 - Finalize rates

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Questions?

Questions can be sent to:

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