



# Oregon Adult Residential Rate Standardization Year 1 Review

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**MAY 12, 2021**

# Discussion Topics

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- Data Collection Overview
- Financial Template Review
- Direct Support Wage
- Engagement Hours
- Staffing Levels
- Standards of Care
- Year 2 Analysis

# Data Collection Overview

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- As part of the Oregon Health Authority's continued efforts to providing equitable reimbursement rates for services provided to individuals in OHA-licensed mental health residential settings, OHA contracted with Optumas to conduct a review of the rates after one year of experience.
- In the fall of 2020, Optumas/OHA requested financial templates summarizing year one experience.
  - Template responses were received from 85 of the 115 providers spanning all provider types, house sizes, regions and acuity levels.

# Financial Template Review

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- Inherent within each financial template, Optumas requested that the providers include detailed information on each of the following topics:
  - Member Acuity, Engagement, and Occupancy Levels
  - Staffing Costs and Models
  - Revenue
  - Expenses

# Financial Template Review

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- Through evaluation of financial templates collected, Optumas observed that while the program was operating at a profit (approximately 10%), there were certain subsets where payment could be better aligned to risk.
- This led to a detailed review of the rating assumptions that make up the standardized rates:
  - Direct Support Wage
  - Engagement Hours
  - Staffing Levels

# Direct Support Wage

- The methodology relies on expense component percentages relative to direct support wages.
- Data review indicated that two regions reported higher wages than used during the development.
- Updates were made to direct support wage by region:

Region	FTE	Current Wage	Adjusted Wage	Impact
Portland Metro	244	\$17.69	\$17.69	0.0%
Standard	207	\$15.92	\$16.04	0.7%
Non-Urban	86	\$15.57	\$16.04	3.0%
<b>Total</b>	<b>537</b>	<b>\$16.67</b>	<b>\$16.79</b>	<b>0.7%</b>

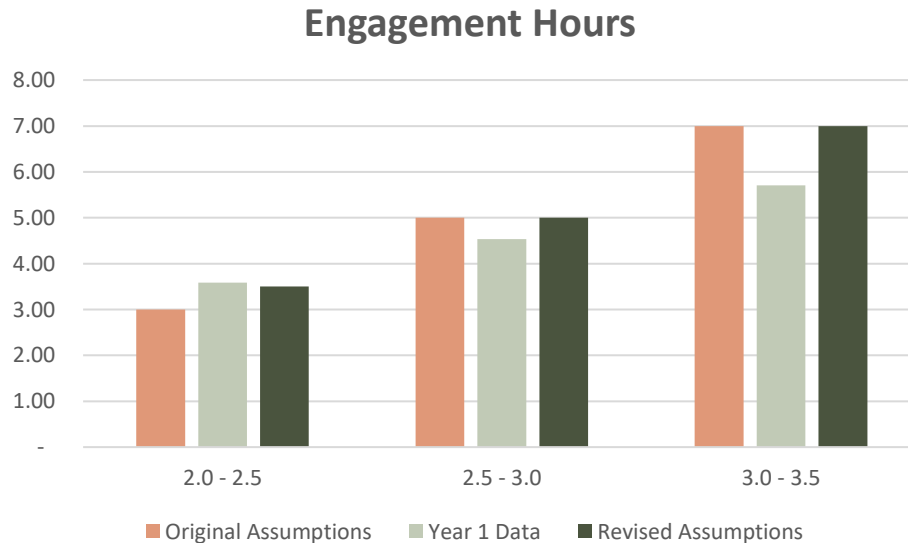
# Engagement Hours – Types of Hour

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- In Oregon, there are two primary types of hour in the adult residential setting:
  - Active Engagement Hours -
    - (A) May include providing habilitation services to an individual or small groups
    - (B) May occur before, during, or after the provision of ADL and IADL services for an individual;
    - (C) May include offsite activities with program staff;
    - (D) May not include Psychosocial Rehabilitative Services (PRS).
  - Supervision Hours - means the staff hours in a mental health residential treatment program for overseeing patients' general activities throughout the day;
- Optumas/JVGA created a Brick (value of an hour) for each of these types of staff work, reimbursing engagement hours at a higher rate.

# Engagement Hours

- Do the engagement/supervision hour splits assumed in the rate development reflect the medical need of the patients in each band?



- Original assumptions fall below program average for Tier 2 and above for Tiers 3 and 4.



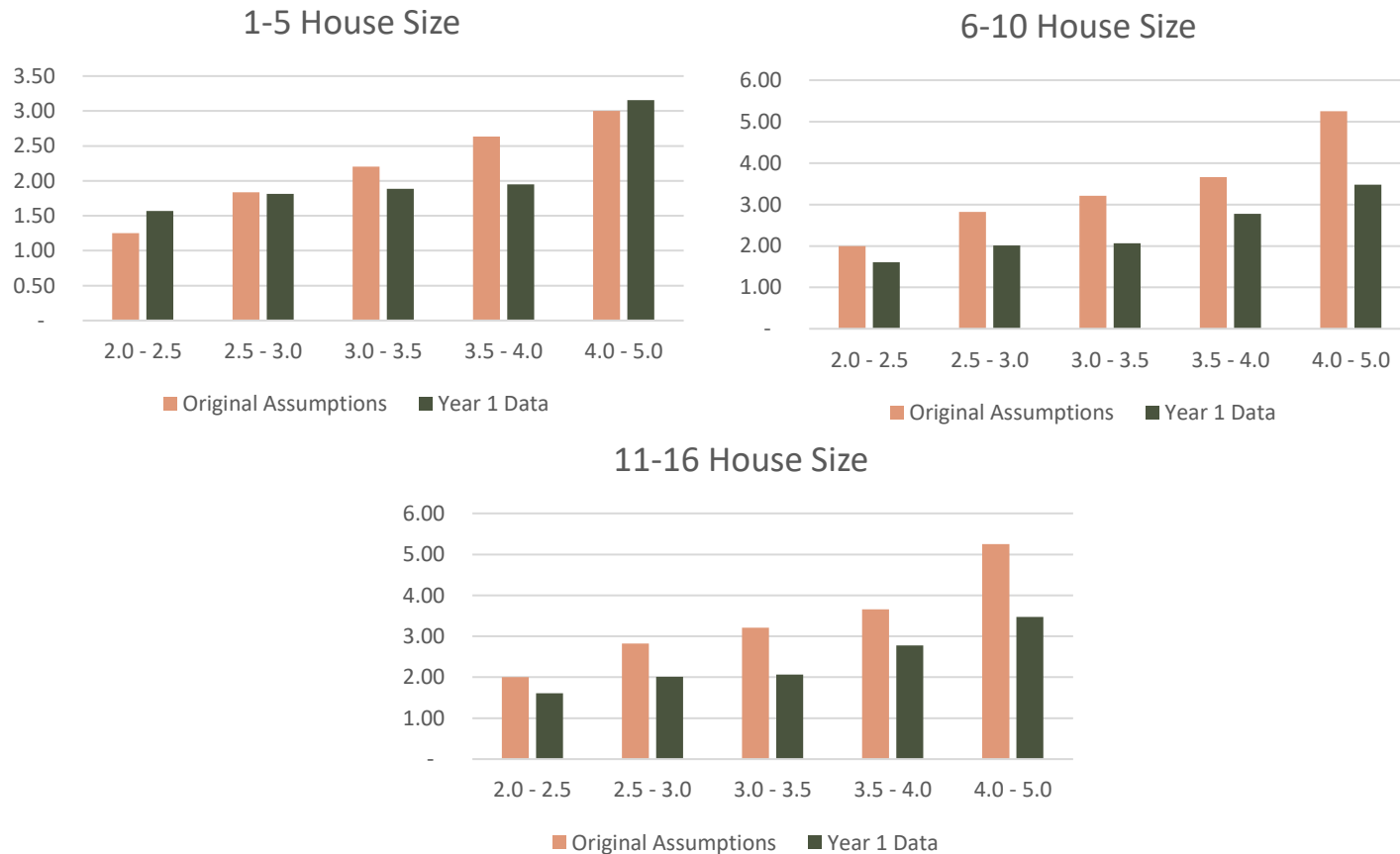
# Staffing Levels

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- Does the intensity of supports vary by facility size?
  - In order to account for increased need for support depending on the number of people in a home, OHA provided an additional matrix which detailed the intensity of the staffing ratios.
- When paired with the type of hour split, this gives the total number of engagement and supervision hours for the day.
- The total hours can then be multiplied by the hourly rate (the brick) to calculate an initial Per Home Per Diem.

# Staffing Levels

- Do staffing levels assumed in the rate development reflect what is implemented in practice?



# Standards of Care

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- Assumed values are being increased where the original assumption was lower than the emerging data.
- Assumed values are not being decreased where the original assumption was lower than the emerging data.
- OHA requires providers to meet the standards of care funded by the rate assumptions (e.g. staffing ratios, engagement hours etc.).

## Standards of Care (cont.)

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- OHA must be a responsible steward of taxpayer funds and will consider further policy changes if funding does not go to member care.
- Future data collection will continue to analyze where care exceeds or falls short of the practices funded via the rate build.

# Year 2 Analysis

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- Optumas and OHA will create a similar template to collect data from 7/1/20 – 6/30/21.
- Template will be very similar but may contain new data requests and more consistent phrasing.
- *It is critical that as many providers as possible complete the template.*
  - If a provider does not respond, then we cannot react to any challenges or difficulties that provider is facing.
  - We will have an incomplete picture of the Adult Residential care setting.
- If an aspect of your business model or a challenge you face is not conveyed via the template, please communicate it to OHA and/or address it in a free entry cell in the template.

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