



BRS Rate Study Completion Frequently Asked Questions (FAQ)

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How does this rate model build upon the existing rate structure?

This model builds on the previously co-created methodology, developed collaboratively with providers and state agencies, while incorporating updates to better reflect the current cost of providing services. Specifically, it recommends:

- Updates wages for direct care staff, including a 5% adjustment, and aligns stipends such as Proctor Foster with direct care roles.
- Adds separate line items for key components such as aftercare services and insurance costs, providing greater transparency and flexibility.
- Refines cost allocations based on recent provider-submitted data to ensure rates reflect actual program and operational costs.

In short, the model maintains the methodology providers helped design while introducing refinements that improve accuracy, equity, and sustainability.

How did the consultant arrive at a 5% wage adjustment?

The rate model is designed to ensure that compensation for key positions is reviewed regularly against national labor market data and best-practice benchmarks.

When rates are approved for a biennium, they are adjusted to the midpoint of the two-year budget cycle to account for anticipated wage growth over that period. To develop updated wage assumptions, the consultants analyzed national labor market data from the U.S. Bureau of Labor Statistics (BLS) and applied actuarial standards commonly used in rate development.

Based on this analysis, the consultants recommended an additional 5% wage adjustment for direct care staff to better align wages with current labor market trends and anticipated wage growth over the biennium.

The Portland Metro Area has wages at 18% above the National Average, how does this track with the cost of living.

The rate study relies on national labor market data from the U.S. Bureau of Labor Statistics (BLS), which incorporates wage data from across the country. While some areas, such as the Portland Metro region, have wages that are higher than the national average, other areas report lower wages. BLS statisticians aggregate and analyze this data to establish national wage benchmarks.

The consultants relied on several BLS data sources in their analysis, including:

- National Compensation Survey (NCS)
- Employment Cost Index (ECI)
- Employer Costs for Employee Compensation (ECEC)

These data sources are widely used in rate-setting and actuarial analysis to establish standardized wage assumptions across service systems.

Why was Proctor Foster moved to “direct care” from “other program costs.”

In the current rate model, the Proctor Foster stipend is categorized under “Other Program Costs.” Because it is not classified as a direct care role in the rate model, the stipend has historically not been adjusted for wage inflation in the same way as other direct care positions.

Under the recommended updated rate model, the Proctor Foster role is recommended to be reclassified as Direct Care which is in line with how Proctor Fosters are considered in rule. This change recognizes the caregiving responsibilities associated with the role and allows the stipend to receive the same wage adjustments applied to other direct care staff, including the recommended 5% wage adjustment.

This change helps ensure that compensation for Proctor Foster caregivers keeps pace with inflation and broader wage trends over time.

If Proctor Foster staff were not connected to the inflationary index for a year, is there consideration for a one-time correction to better match Proctor Foster staff to direct care rates?

Historically, the Proctor Foster stipend was not included within the portion of the rate model tied to the inflationary wage index for direct care positions. When listed under Other Program Costs, Proctor Care costs were raised by the general inflation rate, the same as all other program costs. The rate study identified this would be better represented within the direct care section of the model.

The recommended change to classify Proctor Foster caregivers as Direct Care within the rate model addresses this issue going forward by allowing the stipend to receive the same wage adjustments applied to other direct care roles.

At this time, the rate study recommendation focuses on correcting the structure of the model prospectively. Any additional changes to the methodology or rate structure beyond those recommendations would require further review and approval through the appropriate state and federal processes, including potential legislative authorization and approval from the Centers for Medicare & Medicaid Services (CMS).

Will the rate change from Proctor Foster to direct care impact any agency licensing requirements?

No. This change will not impact licensing requirements or program operations.

BRS rules already identify Proctor Foster caregivers as direct care staff and include training requirements for those roles. The change in the rate model simply aligns the payment structure with how Proctor Foster caregivers are already defined in the BRS rules.

In other words, this change only affects how the role is categorized within the rate model and does not create new licensing, staffing, or training requirements for providers.

Did any providers who submitted data receive a request from the consultant to provide additional clarification or data?

Yes. During the review process, the consultant contacted some providers to request additional documentation or clarification related to information submitted in the survey.

Where providers supplied additional information or clarification, the consultant incorporated that information into the final analysis and adjusted survey data as appropriate before integrating it into the rate model.

If your agency was not contacted for follow-up, it generally means the information submitted in your survey was sufficiently complete for the purposes of the analysis. Not all providers received follow-up requests, as clarification was only requested when needed to ensure the accuracy and consistency of the data used in the rate study.

Does the rate change take into account of cost of insurance increases for providers?

Yes. Information shared by BRS providers about insurance-related expenses was reviewed and incorporated into the rate study analysis.

Based on that review, M&S found that the existing rate model, which relies on historical cost assumptions, does not adequately reflect the current cost of insurance for providers. As a result, the consultant recommended separating insurance into its own line item within the rate model rather than embedding it within broader administrative or program costs.

It was also recommended to shift from a historical cost approach to a sustainability-based cost approach, which would provide greater flexibility to respond to changing insurance costs over time.

Insurance costs are currently highly variable across providers, with reported premium changes ranging from no increase to as much as 700%. Because of this variability, the consultant recommended beginning with this structural change to the rate model.

It is also important to note that national and state efforts are underway to address broader challenges related to insurance availability and affordability. These larger efforts will be necessary to address the underlying insurance market issues that extend beyond the BRS rate structure.

Is there a breakdown of a cost the 5% translates to?

Yes. The rate study examined wage information submitted by BRS providers to better understand compensation levels across positions within provider organizations.

Through stakeholder discussions and provider feedback received, it became clear that recruiting and retaining direct care staff is one of the most significant challenges facing the BRS provider community. This includes attracting staff who reflect the demographics and cultural needs of the youth served.

Provider-reported wage data was incorporated into the rate model, allowing M&S to analyze staff wages as individual cost components. Based on this analysis, the consultant recommended a 5% wage adjustment specifically for direct care staff positions within the rate model.

This adjustment is intended to help providers remain competitive in the labor market and support recruitment and retention of the direct care workforce.

What was the rationale to pull out aftercare services on their own in the rate model?

Information shared by BRS providers about the costs associated with aftercare services was incorporated into the rate study analysis. The existing model does not fully reflect the true cost of providing aftercare when it was embedded within broader program costs.

As a result, M&S recommended separating aftercare into its own line item within the rate model. Establishing a distinct rate component allows for greater transparency in

how aftercare services are funded and provides more flexibility to adjust the rate in the future as service expectations evolve.

Following discussions with providers, partner agencies and the consultant, it was also recommended that aftercare services be modeled to support a more robust level of service for youth and families following discharge. Moving aftercare to its own rate structure will allow additional policy and program development to better define expectations for aftercare moving forward.

What will Aftercare services look like with having its own rate?

Separating aftercare into its own rate component creates an opportunity to further define and strengthen expectations for aftercare services within the BRS model.

OHA and partner agencies plan to engage BRS providers and system partners in future discussions to explore how aftercare services can be structured to better support youth and families during the transition from BRS care back into community settings.

Additional guidance regarding aftercare service expectations will be developed through this engagement process and existing aftercare expectations will remain in place while further engagement occurs.

Is it possible to get the methodologies and formulas used to develop the rate?

Yes. M&S conducted a cost survey with BRS providers to collect historical cost data for a consistent 12-month period. Providers submitted information related to staffing costs, administrative costs, and facility-related expenses associated with operating BRS programs.

Provider-submitted costs were organized into several primary categories for the purposes of rate modeling, including:

- Direct Care and Administrative Costs
- Room and Board (Partial and Full)

- Other Program Costs

Room and board costs include items such as rent, utilities, and food. These costs were grouped within the maintenance rate category, which is not reimbursed through Medicaid.

For modeling purposes, the consultant further organized reported expenses into specific cost categories, including:

- Program Supplies
- Staff Training and Accreditation
- Professional Fees
- Client Maintenance and Assistance
- Proctor Care
- Facility Overhead
- Administrative Costs
- Non-Reimbursed Costs

Providers were able to allocate shared costs to the BRS program using allocation methods such as square footage, revenue share, or full-time equivalent (FTE) staffing. Costs that were not allocated to BRS were excluded from the rate modeling.

The cost survey also allowed providers to report sustainability costs when those differed from historical financial statements to better reflect the cost of operating programs moving forward.

Has a recommended rate for aftercare been established?

Yes. The consultant recommended establishing a separate rate for aftercare services, rather than embedding aftercare within the daily BRS rate.

Under the proposed structure, aftercare services would be billed separately at a rate of \$21.88 per 15-minute increment of service, once the associated aftercare rules are finalized and implemented.

Separating aftercare into its own rate provides greater transparency in how the service is funded and allows the rate to be adjusted independently in the future if needed.

Does the proposed rate methodology need to go to the Oregon Legislature, Ways and Means Committee, to review every part of the rate?

Any changes to rates ultimately require Legislative approval through the state budget process.

Because the proposed BRS rate model builds upon the existing methodology rather than creating an entirely new system, agencies can incorporate the recommended changes into its agency budget request rather than submitting a separate policy proposal for each component of the rate.

The Oregon Legislature reviews and approves agency budgets every two years through the Ways and Means Committee. Updated rates cannot take effect without that legislative approval.

In this case, the recommended rate adjustments can be included within the agencies' base budget or budget adjustment requests, rather than requiring a separate Policy Option Package.

This approach allows the agencies to present the rate updates as part of the broader budget request for maintaining and supporting services. The Legislature then reviews the request as part of the overall agency budget during the biennial budget process. This is beneficial as state agencies will not be allowed to request Policy Option Packages that include new funding requests for the foreseeable future due to budget constraints.

Does the rate include COLAs every year to go along with the Consumer Price Index (CPI) Risers, or is the rate adjusted every 2 years?

Rates are typically established as part of the biennial state budget cycle, which occurs every two years.

State agencies submit their proposed budgets to the Governor’s Office, which then forwards the recommended budget to the Oregon Legislature. Once approved, a two-year fee schedule is established for services.

Because rates are set within the two-year budget cycle, adjustments tied to inflation — such as CPI updates — are generally incorporated during the development of the next biennial budget, rather than being automatically adjusted each year.

When would the new BRS rates take effect if approved?

State agency budgets are reviewed and approved during the Legislature’s long sessions in odd-numbered years, as part of the biennial budget process. If the budgets are adopted as submitted, the recommended changes to BRS rates would take effect on July 1, 2027.

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