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## Agenda

- Mercer Rate Study – Minimum Wage Impact
- Reimbursement Rate Talking Points
  - In-Home
  - Consumer Directed Services
  - Private Duty Nursing
  - Home Health
- SB595/HB1927
- Meeting with Elected Officials
- Discussion and Q&A

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## TODAY'S MESSAGE

**HOME CARE PROVIDER RATES  
MUST BE INCREASED**

**MISSOURI CANNOT CONTINUE  
TO IGNORE THE FACTS**

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## Here are the FACTS:

- November 2018, DHSS initiated a study to determine if HCBS provider rates are **REASONABLE AND APPROPRIATE**
- SFY2019 rates were studied (7-1-18 thru 6-30-19) – providers received 1.5% restore from previous year 3% cut
- The impact of the minimum wage increases were **NOT** included in the Wage Ranges published in the Mercer Rate Study
- January 1, 2019, minimum wage increased 9.5% (\$7.85 **↑** \$8.60)
- SFY20 (7-1-19 thru 6-30-20) – providers received 1.5% restore from previous cut – currently operating on SFY2017 Rates
  - Fun Fact – current rates are actually 1 cent less than FY2017 rates – state no longer “rounds” up
- January 1, 2020, minimum wage increased 9.9% (\$8.60 **↑** \$9.45)
- **FACT** – Providers funded **both** minimum wage increases with **NO** help from MO Medicaid

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## Mercer Rate Study Results Impacting Minimum Wage Services

- Personal Care (*State Plan, Waiver and HCY*), Homemaker, and Chore are **underpaid** by 10.7% - 47.6%
- Basic Respite is **underpaid** by 24.5% - 65.9%
- Advanced Respite is **underpaid** by 11.2% - 46.4%

Service	Unit Definition	SFY 2019 DHSS Fee Schedule Rate	Mercer Rate Study			
			Market-Based Modeled Rate Ranges		Rate % difference from current rate	
			Lower Bound	Upper Bound	Lower Bound	Upper Bound
Basic In-Home Respite	15 minutes	\$ 4.03	\$ 5.02	\$ 6.69	24.5%	65.9%
Homemaker	15 minutes	\$ 4.53	\$ 5.02	\$ 6.69	10.7%	47.6%
Chore	15 minutes	\$ 4.53	\$ 5.02	\$ 6.69	10.7%	47.6%
Attendant Care - MF	15 minutes	\$ 4.53	\$ 5.02	\$ 6.69	10.7%	47.6%
Attendant Care - AIDS	per day	\$ 201.00	\$ 225.71	\$ 300.95	12.3%	49.7%
State Plan Personal Care - Basic Level - in home	15 minutes	\$ 4.53	\$ 5.02	\$ 6.69	10.7%	47.6%
Waiver Personal Care - Basic Level	15 minutes	\$ 4.53	\$ 5.02	\$ 6.69	10.7%	47.6%
HCY Personal Care - Basic Level	15 minutes	\$ 4.53	\$ 5.02	\$ 6.69	10.7%	47.6%
Advanced Respite	15 minutes	\$ 4.84	\$ 5.38	\$ 7.09	11.2%	46.4%

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## Mercer Rate Study Results Impacting Minimum Wage Services – USING FY20 Rates

Even when looking at SFY2020 Rates, programs noted are still **grossly underpaid**:

- Personal Care (*State Plan, Waiver and HCY*), Homemaker, and Chore are **underpaid** by 9.37% - 45.75%
- Basic Respite is **underpaid** by 22.74% - 63.57%
- Advanced Respite is **underpaid** by 9.57% - 44.40%

Service	Unit Definition	Current DHSS Fee Schedule Rate	Mercer Rate Study			
			Market-Based Modeled Rate Ranges		Rate % difference from current rate	
			Lower Bound	Upper Bound	Lower Bound	Upper Bound
Basic In-Home Respite	15 minutes	\$ 4.09	\$ 5.02	\$ 6.69	22.74%	63.57%
Homemaker	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Chore	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Attendant Care - MF	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Attendant Care - AIDS	per day	\$ 201.00	\$ 225.71	\$ 300.95	12.29%	49.73%
State Plan Personal Care - Basic Level - in home	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Waiver Personal Care - Basic Level	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
HCY Personal Care - Basic Level	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Advanced Respite	15 minutes	\$ 4.91	\$ 5.38	\$ 7.09	9.57%	44.40%

Lower Bound - Included in Governor's budget request

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## Let's Compare Reimbursement Rates to Minimum Wage Increases

**\* (2014)** Not a full year of increased rate; 7/1/2013 – 9/30/2013 rates same as prior year due to Governor withhold (3 months); 10/1/2013 increased rate became effective (only 9 months increased rate received)

**\*\* (2015)** Telephony or Electronic Visit Verification Unfunded Mandate for In-Home and CDS personal care providers

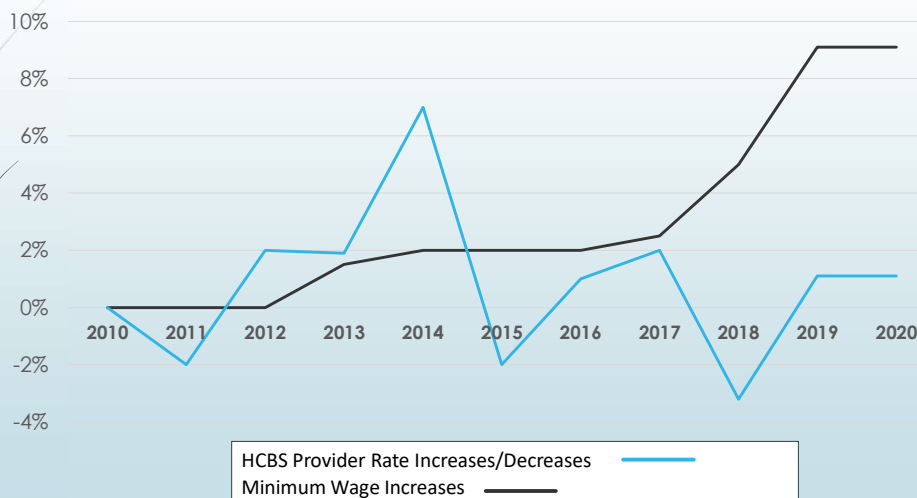
**\*\*\* (2016)** Rate increase from Tax Amnesty Fund – increase effective 1/1/2016 – 6/30/2016 (only 6 months increased rate received)

**\*\*\*\* 2019-2020** Unfunded Minimum Wage mandate

Year	Reimbursement Rates (In-Home)	Reimbursement Rates (CDS)	% increase/decrease (from prior year)	Minimum Wage Rate	% increase (from prior year)
2010	\$4.24/unit = (16.96/hour)	3.69/unit = (14.76/hour)	0%	\$7.25	2.1%
2011	\$4.16/unit = (16.64/hour)	3.62/unit = (14.48/hour)	(2%)	\$7.25	0%
2012	\$4.24/unit = (16.96/hour)	3.69/unit = (14.76/hour)	2%	\$7.25	0%
2013	\$4.24/unit = (16.96/hour)	3.69/unit = (14.76/hour)	0%	\$7.35	1.4%
2014	\$4.54/unit = (18.16/hour)	3.95/unit = (15.80/hour)	7%*	\$7.50	2%
2015	\$4.47/unit = (17.88/hour)	3.89/unit = (15.56/hour)	(2%)**	\$7.65	2%
2016	\$4.51/unit = (18.04/hour)	3.93/unit = (15.72/hour)	1%***	\$7.65	0%
2017	\$4.60/unit = (18.40/hour)	4.01/unit = (16.04/hour)	2%	\$7.70	.7%
2018	\$4.47/unit = (17.88/hour)	3.89/unit = (15.56/hour)	(3%)	\$7.85	2%
2019****	\$4.53/unit = (18.12/hour)	3.94/unit = (15.76/hour)	1.5%	\$8.60	9.5%
2020****	\$4.59/unit = (18.36/hour)	3.99/unit = (15.96/hour)	1.5%	\$9.45	9.9%
2021				\$10.30	9%
2022				\$11.15	8.3%
2023				\$12.00	7.6%

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Last 10 years  
% of Reimbursement Rate adjustments versus  
% of minimum wage rate increases



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## DHSS Heard our VOICE!

Included information related to the 2020 and future minimum wage increases.

Based on FY19 lower bound rates, these services would no longer be compliant with minimum wage requirements

### PROJECTED ESTIMATED IMPACTS TO SFY2019 MODELED LOWER BOUND RATES TO COMPLY WITH MINIMUM WAGE

Service Name	Effective Date			
	January-20	January-21	January-22	January-23
Basic In-Home, Respite, Homemaker, Chore, Attendant Care, Personal Care (Agency)	0.1%	6.4%	5.9%	5.6%
Advanced Respite, Advanced In-Home Personal Care	n/a	n/a	5.1%	5.6%
CDS Personal Care (State Plan)	0.1%	8.6%	7.9%	7.4%
CDS Waiver Personal Care	0.1%	8.9%	8.1%	7.6%

**NOTE:** Only the minimum wage increase was considered; other potential cost changes associated with cost of living increases or other market changes were **not** analyzed and are **not** reflected in the above chart.

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## What's Our Message?

**DON'T IGNORE THE FACTS ANY LONGER**

**Providers and those they serve deserve better!**

**WE NEED YOUR SUPPORT!**

**PLEASE HELP MEDICAID PROVIDERS WITH  
THE INCREASING MINIMUM WAGE!**

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## Talking Points: In-Home & CDS

- One months' worth of HCBS costs less than 1 day in the hospital.
  - average cost per day/per person in hospital = \$2,000
  - average cost per month/per person of HCBS - \$1,013
- HCBS is the most cost-effective option for Missouri seniors and disabled.
  - **FY20 projected annual cost: HCBS = \$12,150; Nursing Home = \$41,906**
- Unnecessary ER visits and Hospital readmissions is a nationwide epidemic.
  - HCBS providers are sought out by hospitals to help alleviate this costly issue

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## Talking Points: In-Home & CDS

- Minimum Wage Increases – unsustainable challenge for providers
  - Provide the **FACTS**
- Stagnant or fluctuating rate increases
  - Currently providing services on **FY17 rates**
- Unfunded Mandates
  - Electronic Visit Verification (EVV)
- Tell **YOUR** Story

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## Talking Points: Private Duty Nursing

- Continues to be in **"CRISIS MODE"**
  - Current federal Medicaid law requires states to set payment rates at levels that "are sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area"
- EPSDT is a Federal Mandate
  - See "Letter to Editor"
- Private Duty Nursing - services provided in the home for medically complex children that qualify for Medicaid
  - The higher cost of serving pediatric patients with complex medical needs must be recognized!

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## Talking Points: Private Duty Nursing

- Reimbursement rates are not competitive or sufficient to hire more staff or retain staff to fill the need.
  - Workforce issues and competing with hospitals and nursing homes that can pay RNs and LPNs higher hourly rate
- When private duty nursing is not available, the only alternative is to remain in a hospital.
  - Delayed discharges cost the Medicaid system HUGE dollars!
- According to MO HealthNet, only 75% of PDN authorized services are being delivered.
  - **25% (one quarter) of needed services go undelivered because of staffing shortages!!**

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## Talking Points: Private Duty Nursing

- Stagnant or fluctuating rate increases
  - Currently providing services on **FY17 rates**
- Mercer Rate Study
  - validity of the lower bound LPN, RN and supervisory rates?
- Tell **YOUR** Story

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## Talking Points: Home Health

- MO HealthNet - by managing an acute illness successfully in the home with Home Health services, the cost of Inpatient Hospital and/or Nursing Home services can be averted
- Average cost comparison per member per year:
  - **Home Health = \$1,144** (estimate FY20)
  - Inpatient Hospital = \$11,952 (estimate FY20)
  - Nursing Facility = \$32,852 (estimate FY20)
- Therapy **only** during a **hospital** stay or in a **nursing home** which increases cost to Medicaid program
  - Removes choice of least restrictive setting
  - Limited options: go without services and increase risk of re-hospitalizations or go to nursing home
  - **Fund therapies in the home setting!**

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## Talking Points: Home Health

- Inadequate reimbursement leading to **access issues**
  - discouraging providers from participating in the program
  - forcing some to **limit acceptance** of Medicaid patients
  - potentially forcing them into a nursing home for needed care
- Stagnant or fluctuating rate increases
  - Currently providing services on **FY17 rates**
- Cost drivers unique to Home Care
  - gas/mileage/worker's compensation/overtime and drive-time/training

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## Talking Points: Home Health

- Minimum wage increases are an unsustainable challenge
  - Low reimbursement equals workforce shortage and high staff turnover
- Rates must adequately reflect the cost of providing care
  - base rates off Medicare cost reports
- Tell **YOUR** Story

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## Talking Points - SB595/HB1927

### Background:

- Enormous growth in both CDS vendors and consumers
  - Currently 877 CDS vendors and 119 pending contract applications (as of February 2020)
- MIS-LABELED as “wrought with fraud”
- Lack of authority and capacity of Missouri Medicaid Audit and Compliance (MMAC) to provide required oversight to the current providers
- Lack of operational knowledge of new providers entering the program.

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## Talking Points - SB595/HB1927

- Supports the true intent of the CDS program
- Supports MMAC in their ability to provide oversight and provider accountability
- Ensures quality services are delivered
  - Certified Manager Training
  - Bi-annual face-to-face visits with each consumer
- Ensures consumer responsibility
  - Falsification of condition, functional capacity, or level of care need

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## Talking Points - SB595/HB1927

- No barriers to small business owners or access to care issues
- Reinforces intent to establish a strong business model and establishes a higher level of accountability for both the provider and consumer
  - Reinforces federal, state, and local business location requirements (such as ADA accessible)
  - Protects the CDS Vendor from being seen as a Third-Party Employer under Department of Labor
  - Removes potential conflict of interest by requiring separation of duties
  - Gives the consumer a voice

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## Three Tips for Communicating With Your Elected Officials

1. **Get to the Point** — the quicker, the better
  - Say who you are and indicate where you are from
  - State your support or opposition on the issue and ask for a response
  - For extra impact, tell how you are personally affected
2. **If Questioned, Don't Panic** — You do not have to know everything about the issue to be effective
  - listen and refer questions you can't answer
  - If an elected official disagrees with you, don't argue. Be prepared, however, to politely restate your position
3. **Remember to Say "Thank You"** — even if it's just for listening to your concerns
  - A "thank you" is a powerful way to earn your elected official's attention

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## Discussion and Q&A



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