

REBECCA PASTERNIK-IKARD  
CHIEF EXECUTIVE OFFICER



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GOVERNOR

STATE OF OKLAHOMA  
OKLAHOMA HEALTH CARE AUTHORITY

# February SPARC Agenda

## February 7, 2019

### 2:00 PM

### OHCA Board Room

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**Rate issues to be addressed:**

1. Residential Behavior Management Services (RBMS) Rates

## RESIDENTIAL BEHAVIOR MANAGEMENT SERVICES (RBMS) RATES

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate and Method Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Increase

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The Oklahoma Department of Human Services (DHS) and the Oklahoma Office of Juvenile Affairs (OJA) requests a rate and a rate method change for Residential Behavioral Management Services (RBMS) rates. The rates and rate method has not been changed or updated since 1996. Due to the rate/rate methodology being developed over 20 years ago, the exact calculations for the current rates are not available.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current methodology is similar to the proposed methodology. The current methodology was created in 1996 and the direct care cost adjustment factors could not be located.

Level	Total Beds Budgeted	Current Per Diem Rate amount	Direct Care Cost Adj Factor	Proposed Medicaid Rate
C	12	\$100.10	18.00%	\$18.02
D	28	\$101.72	N/A	\$0.00
D+	104	\$134.20	33.10%	\$44.42
E	188	\$169.40	52.65%	\$89.20
E+	16	\$256.00	52.65%	\$134.78
Enhanced E	12	\$307.20	52.65%	\$161.74
ITS	9	\$214.50	53.96%	\$115.74

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

The proposed methodology is similar to the previous methodology using updated calculations. The proposed methodology is as follows:

Staff cost is calculated by using state salary and benefit package guidelines for similar jobs. Jobs at the group homes consist of Direct Care staff and supervisors, Nurses, Therapist,

Program Director, and administrative staff. The total staff cost can then be divided into a, per day per child rate.

Facility cost is based on the Oklahoma Child Care licensing standard for the minimum square foot in the living quarters for each resident. That square footage is then grossed up to include common spaces, administrative office space, and activity areas. The total square footage is used to calculate the total facility cost by using the standard rent estimates for Oklahoma. The total cost is then divided into a, per day per child rate.

Operational cost include food, clothing, transportation, liability insurance (required), accreditation (if applicable), and miscellaneous. The amounts for food, clothing, and transportation come from the USDA cost of raising a child report. Liability Insurance and miscellaneous come from actual cost incurred by facilities and reported on audited financial statements. The total cost is then divided into a, per day per child rate.

The total per child per day rate is sum of all three and is referred to as the group home per diem rate for that level of care with an additional 15% admin cost. The per diem rate is compensable for both Medicaid and Title IV-E funding. The allocation of cost between the two programs is as follows.

Staff – Direct care staff perform Basic Living Skills Redevelopment, Social Skills Redevelopment, and Behavior redirection to children in the facility during all times the child is awake and not in school, whether on or off campus school, therefore the direct care staff time allocated to Medicaid is calculated as follows:

24 hr. per day  
8 hr. average sleep time per day  
2.96 hr. average time per day in school (Oklahoma requires 1,080 per year)  
13.04 hr. allocated to Medicaid or 54.34%

Therapist and Nurses salary are 100% compensable to Medicaid. Using the formula below gives the percent of program staff allocated to Medicaid.

$(54.34\% \times \text{Direct Care Sal.} + \text{Therapist Sal.} + \text{Nurse Sal.})$   
 $(\text{Direct Care Sal.} + \text{Therapist Sal.} + \text{Nurse Sal.})$

**STATE PLAN AMENDMENT RATE COMMITTEE**

This percentage will then be applied to the Program Director, Administrative personnel, facility cost, miscellaneous, and the 15% admin cost because these cost apply at that percent to both Medicaid and IV-E. Food, clothing, transportation, liability insurance, and accreditation cost are allocated entirely to Title IV-E.

Level	Total Beds Budgeted	Proposed Per Diem Rate amount	Direct Care Cost Adj Factor	Proposed Medicaid Rate
C	12	\$172.07	53.18%	\$91.51
D	32	\$140.81	0.00%	\$0.00
D+	108	\$201.80	61.43%	\$123.97
E	188	\$225.86	59.21%	\$133.73
E+	16	\$307.45	57.23%	\$175.95
Enhanced E	12	\$339.03	55.17%	\$187.04
ITS	9	\$312.75	58.50%	\$182.96

**6. BUDGET ESTIMATE.**

The estimated budget impact for the remainder of SFY2020 will be an increase of \$5,309,136 total; of which \$1,804,045 is state share. The state share will be paid by the Oklahoma Department of Human Services (DHS) and the Oklahoma Office of Juvenile Affairs (OJA).

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Department of Human Services (DHS) and the Oklahoma Office of Juvenile Affairs (OJA) does not anticipate any negative impact on access to care.

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**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Department of Human Services (DHS) and the Oklahoma Office of Juvenile Affairs (OJA) requests a rate and a rate method change for Residential Behavioral Management Services (RBMS) rates listed in the following table:

Level	Total Beds Budgeted	Proposed Per Diem Rate amount	Direct Care Cost Adj Factor	Proposed Medicaid Rate
C	12	\$172.07	53.18%	\$91.51
D	32	\$140.81	0.00%	\$0.00
D+	108	\$201.80	61.43%	\$123.97
E	188	\$225.86	59.21%	\$133.73
E+	16	\$307.45	57.23%	\$175.95
Enhanced E	12	\$339.03	55.17%	\$187.04
ITS	9	\$312.75	58.50%	\$182.96

**9. EFFECTIVE DATE OF CHANGE.**

September 1, 2019