



Alliance for Addiction and Mental Health Services, Maine
The unified voice for Maine's community behavioral health providers

Malory Otteson Shaughnessy, Executive Director

March 13, 2021

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Karl Matzinger

Senior Consultant

Burns and Associates

Phoenix, AZ

Re: Maine Children's Residential Programs PNMI Rate Study Feedback

Dear Mr. Matzinger,

I'm writing today on behalf of the Alliance for Addiction and Mental Health Services (the Alliance) to provide additional feedback on the rate study process that is currently underway in preparation for assuring that Maine residential providers meet the QRTP requirements as outlined within the Families First Act.

Below please find input that we believe is critical to incorporate into your rate setting process.

Cost Analysis

It's essential to recognize and adjust for the fact that the costs used in the current rate study are drawn from 2019 Cost Reports. In effect the costs captured represent old data from a system that has been underfunded for more than a decade which must be adjusted for the current expenses as well as the change in operating environment brought on by the pandemic. These changes have had the effect of temporarily as well as permanently changing the landscape for the cost of personnel. We recommend that additional data be requested from participating agencies, asking for their actual mean per hour costs, as of today, for the positions identified.

In addition, the rate study has to go beyond understanding historical costs in order to truly understand what is needed to attract and maintain a viable workforce, one that is equipped to conduct the challenging work of providing for Maine's most challenged children and families. Given this there are additional data points that should be explored. Turnover rates for relevant positions should be explored as well as vacancy rates. In addition, the workforce itself and its credentialing should be reviewed. Over time staff credentials have been lowered to reflect the inability to attract and retain Bachelor's level workers. Rates should include reimbursement for the desired staff credentialing and not simply reflect what has happened over time in a system that has been ignored from a rate setting standpoint.

Costs should also include assumptions about meeting livable wage requirements in Maine today. It's critical that the base hourly rate not simply work from the lowest common denominator, but rather include a desired state to ensure workforce stability. With increasing minimum wages in Maine, not only frontline workers but clinical staff need to reflect the current competitive wages.

New QRTP Requirements

It is essential that each organization receive the funding needed to meet the new requirements identified as a part of meeting the Family's First QRTP requirements. It was unclear from the feedback provided that the funding assumptions in the rate study would meet the requirements of the Act. In addition, we ask that any deliverable activities for the aftercare requirement be clearly delineated as a part of the rate calculation.

Utilization Assumptions

From the presentation it appears that utilization for each program is built at 100%. It's only reasonable to consider some level of vacancy rate for any of the residential programs. Children are transitioned in an out of programming and there will be times when an opening remains as a new intake is scheduled a few days out from the earlier discharge. Given this we request that the rate be set at a 90% occupancy rate.

As you know the results of the rate study for children's PNMI services will form that basis for action going forward. It is our hope that an appropriate rate will result in the capacity to provide the highest quality services possible for Maine's children, youth and families and thereby help to relieve the current stress that the system is experiencing. Given this we are most appreciative of this important work and I would like to thank you on behalf of the Alliance for the opportunity to provide additional feedback.



Malory Shaughnessy,
Executive Director

Malory Shaughnessy
Augusta

This attachment is additional to the testimony submitted earlier. I could not submit two documents at once. Thanks!
Malory