



Home Health ~ Behavioral Health
Case Management ~ Veterans Services

Testimony of Mike Stair

President & CEO

**Before the Joint Standing Committee on
Health and Human Services**

In support of LD 1528:

**Resolve, Directing the Department of
Health and Human Services To Adjust
Reimbursement Rates for Certain
Home-based Services**

Presented by Rep. STOVER of Boothbay

May 3, 2021

SUPPLEMENTAL TESTIMONY

LD 1528 – Underlying Calculations

Senator Claxton, Representative Meyer and members of the Joint Standing Committee on Health and Human Services, I am pleased to present this additional information in support of my testimony in support of LD 1528.

Current MaineCare Section 19 & 96 RN rates of \$13.74 per 15 min. unit were made effective 7/1/2018, but are based on the study by Burns & Associates, Inc. released February 1, 2016, using data from 2014, 2015 and earlier.

“Rate Review for Personal Care and Related Services: Final Rate Models” prepared by Burns & Associates is enclosed here as **Attachment A**.

- Burns’ model for the RN rate is shown on Page 6
- Burns’ model for the LPN rate is shown on Page 7
- Supporting documentation for data in both RN & LPN Burns’ models is shown in
- Appendices A (Wages), B (Benefits), and C (Productivity)
- As shown in Appendix A-1, wage data used in the models is based on May 2014 BLS estimates for Maine, at the 50th percentile.
- As shown in Appendix B-1, Health Insurance cost used in the models is based on 2012 and 2015 data.

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Given DHHS' indication in the March 16, 2021 "MaineCare Comprehensive Rate System Evaluation Implementation Planning Report" (p.19) that a rate study for Nursing Services for MaineCare Sections 19 & 96 would be started in "SFY24 or later", with "6-9 months for development and completion", followed by "approximately 12-18 months for State Plan Amendments and rulemakings", providers came to understand that nursing rates in Sections 19 & 96 would not be adjusted until at least SFY26 to SFY28, or for another 4 to 6 years. As a practical matter, providers would be essentially unable to offer nursing services long before that time.

Fortunately, since the model underpinning the current nursing rates is available and fully transparent, we were able to easily bring the data forward to produce LD 1528 by making the following adjustments, as shown on the enclosed **Attachment B**:

1. Replace the wage assumption with the May 2020 BLS median wage for Registered Nurses in Maine (the most recent data available, and the equivalent to the source used by Burns), then project the wage forward from 2020 to SFY 24 at 3% per year. We understand this will still be 2 years behind the Department's estimated completion date of SFY26-SFY28.
2. Adjust the Burns "Missed Appointment" and "Miles Traveled" estimates from 0.5 hours and 60 miles per week to more realistic averages of 1.0 hours and 275 miles per week, both more reflective of the realities of home care nursing.
3. Incorporate costs for Electronic Visit Verification, Maine Background Check Center, and MaineCare Bonding, none of which were anticipated when the Burns Study was conducted.

Considering these adjustments applied to the model developed by Burns & Associates, the updated RN rate comes to \$19.06 per 15 min. unit, or 38.7% above the current rate.

I am pleased to address questions regarding any of the above or attached.

Respectfully submitted,

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Rate Review for Personal Care and Related Services

Final Rate Models

- prepared for -

Maine Department of Health and Human Services

- prepared by -

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February 1, 2016

Rate Review for Personal Care and Related Services - Final Rate Models
prepared for: Maine Department of Health and Human Services

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Rate Review for Personal Care and Related Services - Final Rate Models
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Comparison of Current and Final Rates

Service				Unit	Final Rate	Current MaineCare Rates						Current State-Only Rates				
						Section 12		Section 19		Section 96		OADS Manual Ch. 5, Sec. 63 ^{2,3}		OADS Manual Part 2, Ch. 11 ³		
						Code	Rate	Code	Rate	Code	Rate	Code	Rate	Code	Rate	
Personal Care/ Personal Support Svcs.	Respite	Short-Term		15 min.	\$5.13											
			2 Person	15 min.	\$2.82											
			3 Person	15 min.	\$2.05											
		Long-Term		15 min.	\$4.54		T1019	\$4.10	T1019	\$4.10	N/A	\$4.10				
			2 Person	15 min.	\$2.50											
			3 Person	15 min.	\$1.82											
	Visit		Visit	\$21.57					S5125 TF ¹	\$19.25	N/A	\$19.25				
		2 Person	Visit	\$11.87												
		3 Person	Visit	\$8.63												
		Respite	Short-Term		15 min.	\$5.13										
				2 Person	15 min.	\$2.82										
				3 Person	15 min.	\$2.05										
Long-Term		15 min.	\$4.54		T1005	\$3.75			N/A	\$3.75						
	2 Person	15 min.	\$2.50													
	3 Person	15 min.	\$1.82													
	Personal Support - Consumer-Directed	Short-Term		15 min.	\$3.73											
			2 Person	15 min.	\$2.05		S5125 U2	\$2.93	S5125	\$3.21	S5125	\$3.71	N/A	\$3.71	N/A	\$2.61
			3 Person	15 min.	\$1.49											
Long-Term			15 min.	\$3.23												
		2 Person	15 min.	\$1.77												
		3 Person	15 min.	\$1.29												
Respite		Short-Term		15 min.	\$3.73											
			2 Person	15 min.	\$2.05											
			3 Person	15 min.	\$1.49		T1005 U7	\$2.93			N/A	\$3.39				
	Long-Term		15 min.	\$3.23												
		2 Person	15 min.	\$1.77												
		3 Person	15 min.	\$1.29												
Home Health Aide/ Certified Nursing Asst.	Short-Term		15 min.	\$5.50												
		2 Person	15 min.	\$3.03												
		3 Person	15 min.	\$2.20		T1004/ G0156	\$4.30	T1004	\$4.30	N/A	\$4.30					
		Long-Term		15 min.	\$4.89											
			2 Person	15 min.	\$2.69											
			3 Person	15 min.	\$1.96											
	Visit		Visit	\$22.91												
		2 Person	Visit	\$12.60		G0152 (0571)	\$39.84									
		3 Person	Visit	\$9.16												
	Respite	Short-Term		15 min.	\$5.50											
			2 Person	15 min.	\$3.03											
			3 Person	15 min.	\$2.20		T1005 (0669)	\$4.30			N/A	\$4.30				
		Long-Term		15 min.	\$4.89											
			2 Person	15 min.	\$2.69											
			3 Person	15 min.	\$1.96											

Rate Review for Personal Care and Related Services - Final Rate Models
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Comparison of Current and Final Rates

Service				Unit	Final Rate	Current MaineCare Rates						Current State-Only Rates				
						Section 12		Section 19		Section 96		OADS Manual Ch. 5, Sec. 63 ^{2,3}		OADS Manual Part 2, Ch. 11 ³		
						Code	Rate	Code	Rate	Code	Rate	Code	Rate	Code	Rate	
Skilled Nursing, Registered Nurse	Independent	Short-Term		15 min.	\$13.74					T1002	\$10.58	N/A	\$11.06			
			2 Person	15 min.	\$7.56				T1002 TT	\$6.94						
			3 Person	15 min.	\$5.50											
		Long-Term		15 min.	\$11.70		G0154 TD	\$11.06		T1002	\$10.58					
			2 Person	15 min.	\$6.44				T1002 TT	\$6.94						
			3 Person	15 min.	\$4.68											
		Visit		Visit	\$53.60		T1005 (0551)	\$84.10								
			2 Person	Visit	\$29.48											
			3 Person	Visit	\$21.44											
		Long-Term	Short-Term		15 min.	\$13.74					T1000 TD	\$8.17	N/A	\$8.17		
				2 Person	15 min.	\$7.56					T1000 TD TT	\$6.13				
				3 Person	15 min.	\$5.50		G0154 TD	\$8.17							
			Long-Term		15 min.	\$11.70					T1000 TD	\$8.17				
				2 Person	15 min.	\$6.44					T1000 TD TT	\$6.13				
				3 Person	15 min.	\$4.68										
			Visit		Visit	\$53.60										
				2 Person	Visit	\$29.48										
				3 Person	Visit	\$21.44										
Skilled Nursing, Licensed Practical Nurse	Independent	Short-Term		15 min.	\$9.75					T1003	\$6.32	N/A	\$6.32			
			2 Person	15 min.	\$5.37					T1003 TT	\$4.74					
			3 Person	15 min.	\$3.90		G0154 TE	\$6.32								
		Long-Term		15 min.	\$8.23					T1003	\$6.32					
			2 Person	15 min.	\$4.53					T1003 TT	\$4.74					
			3 Person	15 min.	\$3.29											
		Visit		Visit	\$39.05		T1005 (0559)	\$58.88								
			2 Person	Visit	\$21.48											
			3 Person	Visit	\$15.62											

¹Current rate is billed in 15-minute increments, but is presented as an hourly amount (as providers are permitted to bill four units per visit) for comparative purposes.

²Nursing services are currently billed in half-hour increments, but are presented as quarter hours for comparative purposes.

³PSS and Home Health Aide services are currently billed in hourly increments, but are presented as quarter hours for comparative purposes.

Rate Review for Personal Care and Related Services - Final Rate Models

prepared for: Maine Department of Health and Human Services

Personal Support Services - Agency-Directed

	Unit of Service	Short-Term 15 Minutes ¹	Long-Term 15 Minutes ¹	Visit Visit ²
Direct Support Staff Wages and Benefits	<i>Wages</i>			
	Direct Staff Hourly Wage	\$10.28	\$10.28	\$10.28
	<i>Employee Benefits</i>			
	Benefit Rate (as a percent of wages)	46.4%	46.4%	46.4%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	\$15.05	\$15.05	\$15.05
	<i>Productivity Assumptions</i>			
	Total Hours	40.00	40.00	40.00
	- Travel Time (Between Consumers)	2.00	-	8.00
	- Employer and One-on-One Supervision Time	0.50	0.50	0.50
	- Training	0.50	0.50	0.50
	- Missed Appointments	0.50	-	0.50
	"Billable" Hours	36.50	39.00	30.50
Overhead/ Operating	Productivity Adjustment	1.10	1.03	1.31
	Staff Cost After Productivity Adjustment	\$16.49	\$15.44	\$19.74
Mileage	- Number of Miles Traveled per Week	60	0	250
	- Amount per Mile	\$0.575	\$0.575	\$0.575
	Weekly Mileage Cost	\$34.50	\$0.00	\$143.75
	Mileage Cost per Billable Hour	\$0.95	\$0.00	\$4.71
Overhead/ Operating	Cost per Billable Hour Before Operating and Overhead	\$17.44	\$15.44	\$24.45
	- Operating and Overhead Rate	15.0%	15.0%	15.0%
	Operating and Overhead Costs per Billable Hour	\$3.08	\$2.72	\$4.31
	Total Cost per Billable Hour	\$20.52	\$18.16	\$28.76
	Rate per 15 Minutes	\$5.13	\$4.54	
	Rate for a Visit (Based on 0.75 Hours)			\$21.57
Multiple Consumer Rates	<i>2 Consumers</i>			
	Rate Premium	10%	10%	10%
	Total Billing per Hour (Visit)	\$22.57	\$19.98	\$23.73
	Rate per Consumer per 15 Minutes (Visit)	\$2.82	\$2.50	\$11.87
	<i>3 Consumers</i>			
	Rate Premium	20%	20%	20%
	Total Billing per Hour (Visit)	\$24.62	\$21.79	\$25.88
	Rate per Consumer per 15 Minutes (Visit)	\$2.05	\$1.82	\$8.63

¹The 'short-term' rate may be billed for the first 24 units of service in a day (6 hours); all subsequent units will be billed at the long-term rate

²The visit rate can be billed only once per day per client and cannot be billed the same day as a 15-minute rate

Rate Review for Personal Care and Related Services - Final Rate Models

prepared for: Maine Department of Health and Human Services

Personal Support Services - Consumer-Directed

		Short-Term	Long-Term
	Unit of Service	15 Minutes ¹	15 Minutes ¹
Direct Support Staff Wages and Benefits	<i>Wages</i>		
	Direct Staff Hourly Wage	\$10.28	\$10.28
	<i>Employee Benefits</i>		
	Benefit Rate (as a percent of wages)	23.9%	23.9%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	\$12.74	\$12.74
	<i>Productivity Assumptions</i>		
	Total Hours	40.00	40.00
	- Travel Time (Between Consumers)	2.00	-
	- Administrative Activities	1.00	-
	- Training	0.50	0.50
	- Missed Appointments	-	-
	"Billable" Hours	36.50	39.50
	Productivity Adjustment	1.10	1.01
	Staff Cost After Productivity Adjustment	\$13.96	\$12.90
Mileage	- Number of Miles Traveled per Week	60	0
	- Amount per Mile	\$0.575	\$0.575
	Weekly Mileage Cost	\$34.50	\$0.00
	Mileage Cost per Billable Hour	\$0.95	\$0.00
	Total Cost per Billable Hour	\$14.91	\$12.90
	Rate per 15 Minutes	\$3.73	\$3.23
Multiple Consumer Rates	<i>2 Consumers</i>		
	Rate Premium	10%	10%
	Total Billing per Hour (Visit)	\$16.40	\$14.19
	Rate per Consumer per 15 Minutes (Visit)	\$2.05	\$1.77
	<i>3 Consumers</i>		
	Rate Premium	20%	20%
	Total Billing per Hour (Visit)	\$17.89	\$15.48
	Rate per Consumer per 15 Minutes (Visit)	\$1.49	\$1.29

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Rate Review for Personal Care and Related Services - Final Rate Models

prepared for: Maine Department of Health and Human Services

Home Health Aide/ Certified Nursing Assistant

	Unit of Service	Short-Term 15 Minutes ¹	Long-Term 15 Minutes ¹	Visit Visit ²
Direct Support Staff Wages and Benefits	<i>Wages</i>			
	Direct Staff Hourly Wage	\$11.24	\$11.24	\$11.24
	<i>Employee Benefits</i>			
	Benefit Rate (as a percent of wages)	44.1%	44.1%	44.1%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	\$16.20	\$16.20	\$16.20
	<i>Productivity Assumptions</i>			
	Total Hours	40.00	40.00	40.00
	- Travel Time (Between Consumers)	2.00	-	8.00
	- Employer and One-on-One Supervision Time	0.50	0.50	0.50
	- Training	0.50	0.50	0.50
	- Missed Appointments	0.50	-	0.50
	"Billable" Hours	36.50	39.00	30.50
	Productivity Adjustment	1.10	1.03	1.31
	Staff Cost After Productivity Adjustment	\$17.75	\$16.62	\$21.25
Mileage	- Number of Miles Traveled per Week	60	0	250
	- Amount per Mile	\$0.575	\$0.575	\$0.575
	Weekly Mileage Cost	\$34.50	\$0.00	\$143.75
	Mileage Cost per Billable Hour	\$0.95	\$0.00	\$4.71
Overhead/ Operating	Cost per Billable Hour Before Operating and Overhead	\$18.70	\$16.62	\$25.96
	- Operating and Overhead Rate	15.0%	15.0%	15.0%
	Operating and Overhead Costs per Billable Hour	\$3.30	\$2.93	\$4.58
	Total Cost per Billable Hour	\$22.00	\$19.55	\$30.54
	Rate per 15 Minutes	\$5.50	\$4.89	
	Rate for a Visit (Based on 0.75 Hours)			\$22.91
Multiple Consumer Rates	<i>2 Consumers</i>			
	Rate Premium	10%	10%	10%
	Total Billing per Hour (Visit)	\$24.20	\$21.51	\$25.20
	Rate per Consumer per 15 Minutes (Visit)	\$3.03	\$2.69	\$12.60
	<i>3 Consumers</i>			
	Rate Premium	20%	20%	20%
	Total Billing per Hour (Visit)	\$26.40	\$23.46	\$27.49
	Rate per Consumer per 15 Minutes (Visit)	\$2.20	\$1.96	\$9.16

¹The 'short-term' rate may be billed for the first 24 units of service in a day (6 hours); all subsequent units will be billed at the long-term rate

²The visit rate can be billed only once per day per client and cannot be billed the same day as a 15-minute rate

Rate Review for Personal Care and Related Services - Final Rate Models

prepared for: Maine Department of Health and Human Services

Skilled Nursing, Registered Nurse

	Unit of Service	Short-Term 15 Minutes ¹	Long-Term 15 Minutes ¹	Visit Visit ²
Direct Support Staff Wages and Benefits	<i>Wages</i>			
	Direct Staff Hourly Wage	\$29.79	\$29.79	\$29.79
	<i>Employee Benefits</i>			
	Benefit Rate (as a percent of wages)	29.4%	29.4%	29.4%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	\$38.55	\$38.55	\$38.55
	<i>Productivity Assumptions</i>			
	Total Hours	40.00	40.00	40.00
	- Travel Time (Between Consumers)	2.00	-	8.00
	- Plan-Writing, Other Documentation	2.50	-	2.50
	- Employer and One-on-One Supervision Time	0.50	0.50	0.50
	- Training	0.75	0.75	0.75
	- Missed Appointments	0.50	-	0.50
	"Billable" Hours	33.75	38.75	27.75
	Productivity Adjustment	1.19	1.03	1.44
	Staff Cost After Productivity Adjustment	\$45.69	\$39.79	\$55.57
Mileage	- Number of Miles Traveled per Week	60	0	250
	- Amount per Mile	\$0.575	\$0.575	\$0.575
	Weekly Mileage Cost	\$34.50	\$0.00	\$143.75
	Mileage Cost per Billable Hour	\$1.02	\$0.00	\$5.18
Overhead/ Operating	Cost per Billable Hour Before Operating and Overhead	\$46.71	\$39.79	\$60.75
	- Operating and Overhead Rate	15.0%	15.0%	15.0%
	Operating and Overhead Costs per Billable Hour	\$8.24	\$7.02	\$10.72
	Total Cost per Billable Hour/ Visit Rate	\$54.95	\$46.81	\$71.47
	Rate per 15 Minutes	\$13.74	\$11.70	
	Rate for a Visit (Based on 0.75 Hours)			\$53.60
Multiple Consumer Rates	<i>2 Consumers</i>			
	Rate Premium	10%	10%	10%
	Total Billing per Hour (Visit)	\$15.11	\$12.87	\$58.96
	Rate per Consumer per 15 Minutes (Visit)	\$7.56	\$6.44	\$29.48
	<i>3 Consumers</i>			
	Rate Premium	20%	20%	20%
	Total Billing per Hour (Visit)	\$16.49	\$14.04	\$64.32
	Rate per Consumer per 15 Minutes (Visit)	\$5.50	\$4.68	\$21.44

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²The visit rate can be billed only once per day per client and cannot be billed the same day as a 15-minute rate

Rate Review for Personal Care and Related Services - Final Rate Models

prepared for: Maine Department of Health and Human Services

Skilled Nursing, Licensed Practical Nurse

	Unit of Service	Short-Term 15 Minutes ²	Long-Term 15 Minutes ²	Visit Visit ¹
Direct Support Staff Wages and Benefits	<i>Wages</i>			
	Direct Staff Hourly Wage	\$20.32	\$20.32	\$20.32
	<i>Employee Benefits</i>			
	Benefit Rate (as a percent of wages)	33.4%	33.4%	33.4%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	\$27.11	\$27.11	\$27.11
	<i>Productivity Assumptions</i>			
	Total Hours	40.00	40.00	40.00
	- Travel Time (Between Consumers)	2.00	-	8.00
	- Plan-Writing, Other Documentation	2.50	-	2.50
	- Employer and One-on-One Supervision Time	0.50	0.50	0.50
	- Training	0.75	0.75	0.75
	- Missed Appointments	0.50	-	0.50
	"Billable" Hours	33.75	38.75	27.75
Mileage	Productivity Adjustment	1.19	1.03	1.44
	Staff Cost After Productivity Adjustment	\$32.13	\$27.98	\$39.08
Mileage	- Number of Miles Traveled per Week	60	0	250
	- Amount per Mile	\$0.575	\$0.575	\$0.575
	Weekly Mileage Cost	\$34.50	\$0.00	\$143.75
	Mileage Cost per Billable Hour	\$1.02	\$0.00	\$5.18
Overhead/ Operating	Cost per Billable Hour Before Operating and Overhead	\$33.15	\$27.98	\$44.26
	- Operating and Overhead Rate	15.0%	15.0%	15.0%
	Operating and Overhead Costs per Billable Hour	\$5.85	\$4.94	\$7.81
	Total Cost per Billable Hour/ Visit Rate	\$39.00	\$32.92	\$52.07
	Rate per 15 Minutes	\$9.75	\$8.23	
	Rate for a Visit (Based on 0.75 Hours)			\$39.05
Multiple Consumer Rates	<i>2 Consumers</i>			
	Rate Premium	10%	10%	10%
	Total Billing per Hour (Visit)	\$10.73	\$9.05	\$42.96
	Rate per Consumer per 15 Minutes (Visit)	\$5.37	\$4.53	\$21.48
	<i>3 Consumers</i>			
	Rate Premium	20%	20%	20%
	Total Billing per Hour (Visit)	\$11.70	\$9.88	\$46.86
	Rate per Consumer per 15 Minutes (Visit)	\$3.90	\$3.29	\$15.62

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²The visit rate can be billed only once per day per client and cannot be billed the same day as a 15-minute rate

Rate Review for Personal Care and Related Services

Appendices of Supporting Documentation
for Final Rate Models

- prepared for -

Maine Department of Health and Human Services

- prepared by -

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February 1, 2016

Rate Review for Personal Care and Related Services - Final Rate Models
prepared for: Maine Department of Health and Human Services

Appendix A: Wage Assumptions
Bureau of Labor Statistics Information for Job Classifications Used in the Rate Models

BLS Code and Title	Description	Typical Education Requirement	Typical Work Experience	Typical On-The-Job Training Needed To Attain Competency	Wages (from May 2014 BLS estimates for Maine)					Used in Rate Models
					10th %-ile	25th %-ile	50th %-ile	75th %-ile	90th %-ile	
Registered Nurses (29-1141)	Assess patient health problems and needs, develop and implement nursing care plans, and maintain medical records. Administer nursing care to ill, injured, convalescent, or disabled patients. May advise patients on health maintenance and disease prevention or provide case management. Licensing or registration required. Includes Clinical Nurse Specialists. Excludes "Nurse Anesthetists" (29-1151), "Nurse Midwives" (29-1161), and "Nurse Practitioners" (29-1171).	Associate's degree	None	None	\$21.85	\$25.43	\$29.79	\$35.34	\$40.88	Skilled Nursing, Registered Nurse
Licensed Practical and Licensed Vocational Nurses (29-2061)	Care for ill, injured, or convalescing patients or persons with disabilities in hospitals, nursing homes, clinics, private homes, group homes, and similar institutions. May work under the supervision of a registered nurse. Licensing required.	Postsecondary non-degree award	None	None	\$15.85	\$17.78	\$20.32	\$22.34	\$23.82	Skilled Nursing, Licensed Practical Nurse
Home Health Aides (31-1011)	Provide routine individualized healthcare such as changing bandages and dressing wounds, and applying topical medications to the elderly, convalescents, or persons with disabilities at the patient's home or in a care facility. Monitor or report changes in health status. May also provide personal care such as bathing, dressing, and grooming of patient.	Less than high school	None	Short-term on-the-job training	\$8.66	\$9.75	\$10.94	\$12.90	\$15.44	50% of Wage for Home Health Aide/ Certified Nursing Assistant
Nursing Assistants (31-1014)	Provide basic patient care under direction of nursing staff. Perform duties such as feed, bathe, dress, groom, or move patients, or change linens. May transfer or transport patients. Includes nursing care attendants, nursing aides, and nursing attendants.	Postsecondary non-degree award	None	None	\$9.31	\$10.18	\$11.54	\$13.57	\$14.96	50% of Wage for Home Health Aide/ Certified Nursing Assistant

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Appendix A: Wage Assumptions
Bureau of Labor Statistics Information for Job Classifications Used in the Rate Models

BLS Code and Title	Description	Typical Education Requirement	Typical Work Experience	Typical On-The-Job Training Needed To Attain Competency	Wages (from May 2014 BLS estimates for Maine)					Used in Rate Models
					10th %ile	25th %ile	50th %ile	75th %ile	90th %ile	
Personal Care Aides (39-9021)	Assist the elderly, convalescents, or persons with disabilities with daily living activities at the person's home or in a care facility. Duties performed at a place of residence may include keeping house (making beds, doing laundry, washing dishes) and preparing meals. May provide assistance at non-residential care facilities. May advise families, the elderly, convalescents, and persons with disabilities regarding such things as nutrition, cleanliness, and household activities.	Less than high school	None	Short-term on-the-job training	\$8.16	\$9.03	\$10.28	\$11.41	\$13.17	Personal Support Services

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Appendix B: Benefits Assumptions

% of Employees with Access			% of Employees Who Receive ('Participation')			Benefit Level for Participating Employees			Effective Benefit Level (Accounts for Participation)		
BLS Data ¹	Rate Model		BLS Data ¹	Rate Model		BLS Data ¹	Rate Model		BLS Data ¹	Rate Model	
	Agency-Directed	Consumer-Directed		Agency-Directed	Consumer-Directed		Agency-Directed	Consumer-Directed		Agency-Directed	Consumer-Directed

Mandatory Benefits

FICA ²										7.65%	7.65%
Federal UI ³										0.60%	0.60%
State UI ⁴										2.20%	2.20%
Workers' Comp.										3.20%	3.20%

Paid Time Off⁵

							<i>Days per year</i>			<i>Days per year</i>		
Holidays	77%	100%	0%	77%	100%	0%	8.0	10.0	0.0	6.2	10.0	0.0
Vacation Leave	75%	100%	0%	75%	100%	0%	10.0	15.0	0.0	7.5	15.0	0.0
Sick Leave	65%			65%			7.0			4.6		
Total							25.0	25.0	0.0	18.2	25.0	0.0

Health Insurance⁶

							<i>Employer contribution per month</i>			<i>Employer contribution per month</i>		
	70%	100%	0%	56%	100%	0%	\$392	\$400	\$0	\$219	\$400	\$0

Retirement

							<i>Employer contribution (% of salary)</i>			<i>Employer contribution (% of salary)</i>		
	65%	100%	0%	50%	100%	0%	NR	0.0%	0.0%	NR	0.0%	0.0%

Other Benefits⁷

							<i>Employer contribution per month</i>			<i>Employer contribution per month</i>		
		100%	100%		100%	100%	\$25	\$200		\$25	\$200	

Notes

¹BLS' 2013 National Compensation Survey (http://www.bls.gov/ncs/ebs/benefits/2013/ownership_private.htm); data reported is for private employers in the New England region.

²Combined Social Security tax rate of 6.2% and Medicare tax rate of 1.45%.

³Applies to first \$7,000 in wages.

⁴Applies to first \$12,000 in wages.

⁵BLS data for vacation and sick leave is based on employees with 1-5 years of experience (average for those with 6-10 experience is 14 days of vacation and 8 days of sick leave).

⁶In addition to BLS data, other sources were considered. According to U.S. DHHS' 2012 Medical Expenditure Panel, the average premium across all Maine employers was \$488.75 with an employer share of \$395.50 (Tables II.C.1 and II.C.2). According to Kaiser's review of individual health insurance plans offered through the State's health insurance exchange, the benchmark plan for a 40 year-old non-smoker in Portland is \$282 in 2015 (<http://files.kff.org/attachment/analysis-of-2015-premium-changes-in-the-affordable-care-acts-health-insurance-marketplaces-issue-brief>).

⁷BLS provides information for a variety of other benefits that cannot be combined.

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Appendix B: Benefits Assumptions
Benefit Rates by Wage Level

Hourly Wage	Annual Salary	Rate Model Assumptions ¹		
		Agency-Directed Personal Support	Consumer-Directed Personal Support	All Other Services
\$9	\$18,720	49.3%	25.3%	49.3%
\$10	\$20,800	46.4%	23.9%	46.4%
\$11	\$22,880	44.1%	22.7%	44.1%
\$12	\$24,960	42.1%	21.7%	42.1%
\$13	\$27,040	40.4%	20.9%	40.4%
\$14	\$29,120	39.0%	20.1%	39.0%
\$15	\$31,200	37.8%	19.5%	37.8%
\$16	\$33,280	36.7%	19.0%	36.7%
\$17	\$35,360	35.7%	18.5%	35.7%
\$18	\$37,440	34.9%	18.1%	34.9%
\$19	\$39,520	34.1%	17.7%	34.1%
\$20	\$41,600	33.4%	17.4%	33.4%
\$21	\$43,680	32.8%	17.0%	32.8%
\$22	\$45,760	32.3%	16.8%	32.3%
\$23	\$47,840	31.7%	16.5%	31.7%
\$24	\$49,920	31.3%	16.3%	31.3%
\$25	\$52,000	30.8%	16.1%	30.8%
\$26	\$54,080	30.4%	15.9%	30.4%
\$27	\$56,160	30.1%	15.7%	30.1%
\$28	\$58,240	29.7%	15.5%	29.7%
\$29	\$60,320	29.4%	15.3%	29.4%
\$30	\$62,400	29.1%	15.2%	29.1%
\$31	\$64,480	28.8%	15.0%	28.8%
\$32	\$66,560	28.6%	14.9%	28.6%
\$33	\$68,640	28.3%	14.8%	28.3%
\$34	\$70,720	28.1%	14.7%	28.1%
\$35	\$72,800	27.9%	14.6%	27.9%

¹Benefit rates based on the wage assumed in rate models, rounded down to the nearest dollar

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Appendix C: Productivity Assumptions

	Personal Support Services - Agency-Directed, Visit	Personal Support Services - Agency-Directed	Personal Support Services - Consumer-Directed	Home Health Aide/ Certified Nursing Assistant, Visit	Home Health Aide/ Certified Nursing Assistant	Skilled Nursing, Registered Nurse, Visit	Skilled Nursing, Registered Nurse	Skilled Nursing, Licensed Practical Nurse, Visit	Skilled Nursing, Licensed Practical Nurse
Direct services	30.50	36.50	36.50	30.50	36.50	27.75	33.75	27.75	33.75
Travel Time (Between Consumers)	8.00	2.00	2.00	8.00	2.00	8.00	2.00	8.00	2.00
Missed appointments	0.50	0.50	-	0.50	0.50	0.50	0.50	0.50	0.50
Plan-Writing, Other Documentation	-	-	-	-	-	2.50	2.50	2.50	2.50
Employer and One-on-One Supervision Time	0.50	0.50	-	0.50	0.50	0.50	0.50	0.50	0.50
Training	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75
Administrative Activities	-	-	1.00	-	-	-	-	-	-
Total	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00

BURNS MODEL RN RATE Eff 2018, 2014/2015 data					
Unit of Service	15 Minutes				
Direct Support Staff Wages And Benefits	Hourly				
Wages					
Direct Staff Hourly Wage	\$ 29.79	\$ 29.79	54.2%	BLS Maine RN Wage 50th percentile, May 2014	
Employee Benefits					
Benefit Rate (as a percent of wages)	29.4%	\$ 8.76	15.9%	<div> <div>FICA</div> <div>7.65% All wages</div> </div>	
Hourly Staff Cost Before Productivity Adj (wages + benefits)	\$ 38.55	\$ 38.55	70.1%	<div> <div>FUTA</div> <div>0.60% First \$7000 (assumed all)</div> </div>	
Productivity Assumptions				<div> <div>SUTA</div> <div>2.20% First \$12000 (assumed all)</div> </div>	
Total Hours	40.00			<div> <div>WC</div> <div>3.30% All wages</div> </div>	
- Travel Time (Between Consumers)	2.00	\$ 2.28	4.2%	<div> <div>13.75%</div> </div>	
- Plan-Writing, Other Documentation	2.50	\$ 2.86	5.2%	<div> <div>Other</div> <div>15.65% Health, 401k, PTO, training, ...</div> </div>	
- Employer and One-on-One Supervision Time	0.50	\$ 0.57	1.0%	<div> <div>29.40% Burns rate study 2015</div> </div>	
- Training	0.75	\$ 0.86	1.6%		
- Missed Appointments	0.50	\$ 0.57	1.0%		
"Billable" Hours	33.75			Burns rate study 2015	
Productivity Adjustment	1.19	\$ 7.14	13.0%		
Staff Cost After Productivity Adjustment	\$ 45.69	\$ 45.69	83.1%		
Mileage					
- Number of Miles Traveled Per Week	60			Burns rate study 2015	
- Amount per Mile	\$ 0.575			IRS rate 2015	
Weekly Mileage Cost	\$ 34.50				
Mileage Cost per Billable Hour	\$ 1.02	\$ 1.02	1.9%		
Overhead/Operating					
Cost per Billable Hour Before Operating and Overhead	\$ 46.71				
- Operating and Overhead Rate	15.0%			Burns rate study 2015	
Operating and Overhead Costs per Billable Hour	\$ 8.24	\$ 8.24	15.0%		
Mandated Costs				No EVV, bonding, etc.	
Total Cost per Billable Hour	\$ 54.95	\$ 54.95	100.0%		
Rate per 15 Minutes	\$ 13.74				

PROPOSED RN RATE				
Unit of Service	15 Minutes			
Direct Support Staff Wages And Benefits		Hourly		Comments
Wages				
Direct Staff Hourly Wage	\$ 37.61	\$ 37.61	49.3%	May 2020 BLS median wage proj to SFY24 @ 3%/yr
Employee Benefits				
Benefit Rate (as a percent of wages)	29.4%	\$ 11.06	14.5%	FICA 7.65% All wages
				FUTA 0.60% First \$7000 (assumed all)
				SUTA 2.20% First \$12000 (assumed all)
				WC 3.30% All wages
				13.75%
Hourly Staff Cost Before Productivity Adj (wages + benefits)	\$ 48.67	\$ 48.67	63.8%	Other 15.65% Health, 401k, PTO, training, ...
Productivity Assumptions				29.40% Burns rate study 2015
Total Hours	40.00			
- Travel Time (Between Consumers)	2.00	\$ 2.28	3.0%	
- Plan-Writing, Other Documentation	2.50	\$ 2.86	3.7%	
- Employer and One-on-One Supervision Time	0.50	\$ 0.57	0.7%	
- Training	0.75	\$ 0.86	1.1%	
- Missed Appointments	1.00	\$ 1.14	1.5%	Actual missed appointment rate
"Billable" Hours	33.25			
Productivity Adjustment	1.20	\$ 9.88	13.0%	
Staff Cost After Productivity Adjustment	\$ 58.55	\$ 58.55	76.8%	
Mileage				
- Number of Miles Traveled Per Week	275			Increased mileage reimbursement to nurses to more accurately reflect territories covered.
- Amount per Mile	\$ 0.575			
Weekly Mileage Cost	\$ 158.13			
Mileage Cost per Billable Hour	\$ 4.76	\$ 4.76	6.2%	
Overhead/Operating				
Cost per Billable Hour Before Operating and Overhead	\$ 63.31			
- Operating and Overhead Rate	15.0%			
Operating and Overhead Costs per Billable Hour	\$ 11.17	\$ 11.17	14.7%	
Mandated Costs	\$ 1.76	\$ 1.76	2.3%	Increased costs required since Burns model: EVV, Bonding, Background checks
Total Cost per Billable Hour	\$ 76.24	\$ 76.24	100.0%	
Rate per 15 Minutes	\$ 19.06	138.7%		