

New Jersey Department of Health Early Intervention System Rate Study

NJEIS Rate Study State Interagency Coordinating Council Presentation

October 8, 2021

Agenda

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Introductions and PCG Background

Introduction to PCG

- Founded in 1986, PCG is headquartered in Boston, MA and employs more than 2,000 professionals in 62 offices
- Public Sector Focus: Management consulting to assist public sector agencies to better serve their targeted population, specifically: Human Services | Health | Education | Technology Consulting | Public Partnerships, LLC (PPL).
- PCG has completed rate studies like this in the majority of U.S. states for various health and human services organizations, including Early Intervention rate studies in Indiana, New Mexico and New York.



Introductions

Public Consulting Group

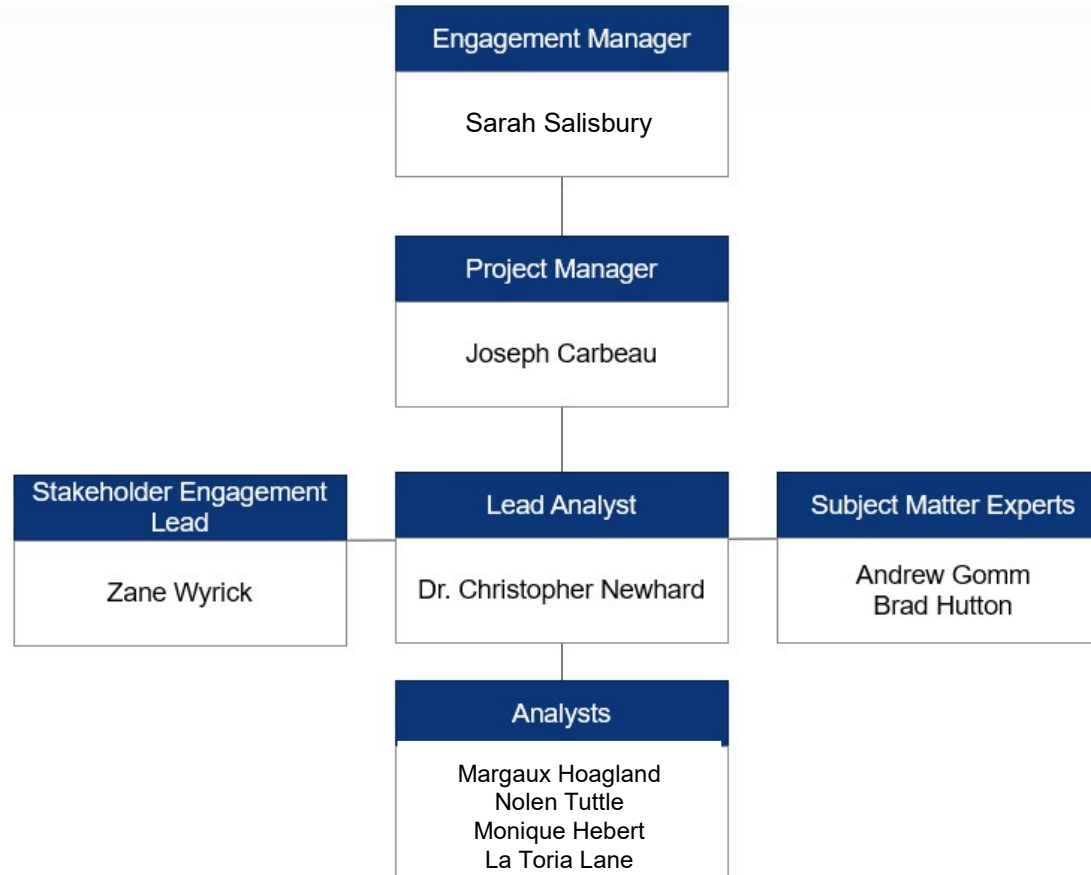


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New Jersey Early Intervention State Interagency Coordinating Council (SICC)



Project Team Roles and Responsibilities



Stakeholder Engagement

The image is a solid blue background with the text "Stakeholder Engagement" in a bold, yellow, sans-serif font. The text is centered horizontally and positioned in the lower half of the frame. There are several faint, light blue geometric shapes scattered across the background, including squares and rounded rectangles, some of which are outlined and others are solid. These shapes are arranged in a way that suggests a network or a process flow, with some shapes overlapping others. The overall aesthetic is clean and professional.

Stakeholder Engagement: Background



- **2002 Rate Study:** The last independent rate study of NJEIS occurred in 2002.
- **2020 Reimbursement Changes:** NJ SICC voted in November to recommend to NJEIS that 1) telehealth be reimbursed at same rate as in person 2) no shows be reimbursed at 50% of the fee
<https://www.nj.gov/health/fhs/eis/documents/SICC%20Meeting%20Minutes%20of%2011.20.20%20APPROVED.pdf>
- **2021 Rate Study:** The Department issued a procurement (originally in 2020) seeking to engage a vendor to assist in developing a study which establishes usual and customary rates for the provision of Federal Part C Early Intervention Services, through NJEIS
 - This ICC group participated in the elements that were included in the scope of work and procurement in January 2020. Delay in the project occurred because of the pandemic.





Stakeholder Engagement: Project Partners

- **ICC Participation:** PCG will provide updates to the ICC at meetings like today's as directed by the Department.
- **DOH:** PCG and the Department engage in biweekly status meetings. Ad hoc meetings are conducted as needed.
- **NJEIS Rate Study Advisory Group:** The Department needs participation and cooperation from a smaller group of 13-16 people to advise PCG on the process 1-2 times per month. DOH is vetting the final list with PCG, and it seeks to include representation as follows:
 - **Co-Chairs:** Two DOH Employees will chair the advisory group.
 - **Medicaid:** Two Medicaid representatives (one clinical, one fiscal).
 - **EI Parent Member:** A parent member will be invited to participate.
 - **NJEIS Providers:** 8-11 providers based on region, size (NJEIS funding) and organization type.

*****PCG is committed to a collaborative process but will still complete this analysis and will make its own findings and recommendations independently.*****



Project Timeline & Goals

Project Workplan and Timeline

CALLING ALL EARLY INTERVENTION PRACTITIONERS!

In partnership with Public Consulting Group (PCG), NJEIS is facilitating a **Rate Study** to better understand the cost of providing EI services.

Your participation in this study is **necessary** to help inform NJEIS on the **true cost** of providing these **critical services** to New Jersey children and families. Through this work, PCG will **provide rate recommendations** to NJEIS which are based on your input.



Questions? Contact us!
NJEISRateStudy@pcgus.com

Disclaimer: NJEIS may use all, some, or none of the recommendations provided by PCG.



Project Goals

PCG understands the goal of the NJEIS is to implement a comprehensive study of the cost of delivering early intervention services, provided by contracted provider agencies, that promotes best practices in early intervention, supports the recruitment and retention of qualified EI staff, and provides a budget impact model.



What are the goals of the NJEIS rate study?

1. Update Rates for NJEIS Services



2. Determine Cost Per Child

3. Other Goals?

- General NJEIS activities (EIPs and TETs but not SCU and REICS rates)
- Eligibility Determination
- Travel time to deliver direct EI Services
- Other federally-mandated EI program Components
- Teleintervention



What are the goals of the NJEIS rate study?

1. Update Rates for NJEIS Services
2. Determine Cost Per Child
3. Other Goals?



- Determination of an average cost per child for NJEIS services, by service
- Review of provider wages and costs to hire and retain qualified staff
- Analysis of costs for administration, building, and travel



What are the goals of the NJEIS rate study?

1. Update Rates for NJEIS Services
2. Determine Cost Per Child
3. Other Goals?



- Meet best practice standards
- Objectives/benefits outlined on pages 2-3 of scope
- Engage with all provider agencies (via interviews) and other NJEIS stakeholders
- Analyze total agency budget and current available data





Data Collection Tool and Process Overview

Cost Study Overview

- **Cost Study Tools (October to November 2021)**
- **What cost information will be collected?** Revenue, expense and service details from State Fiscal Year 2021 (July 1, 2020 to June 30, 2021).
- **Why?** DOH is the lead agency for the federal Part C program under the Individuals with Disabilities Education Act (IDEA) and, as such, holds responsibility to ensure an appropriate and compliant administration of the program for eligible children and families. A standard rate system provides equity to service providers as the set rates are non-negotiable, are not unique to any provider or practitioner. Standard rates allow for improved budgeting on the part of the State and the provider agencies.
- **When?** Three live training webinars will take place between Monday, November 8 and Friday, November 19. A training will be recorded and shared along with other training resources. Cost reports will be due on Friday, December 17, 2021.
- **How?** Through two Excel workbooks along with backup documentation.
 - **Cost Report Tool:** Excel workbook, which should be filled out by fiscal staff at your agency (one per provider agency). The cost report will capture revenue, personnel expenses, and other expenses associated with providing early intervention services within a fiscal year.
 - **Personnel Roster:** Excel workbook that will capture information about all employees and subcontractors at your agency that deliver early intervention services.



Time Study Overview

- **Time Study Tool (January to March 2022)**
- **What is a time study?** A time study measures the amount of time spent performing direct service and administrative activities. For this time study, participants will record 10 consecutive working days within a three-week time period.
- **Why?** The time study will allow PCG and the Department to allocate costs based on service activities and capture necessary administrative services that can be included in rate calculations.
- **When?** 10 consecutive working days between 21-day period between Monday, January 24, 2022 and Sunday, February 13, 2022. Training sessions and materials will be available to participants between Monday, January 10, 2022 and Friday, January 21, 2022.
- **How?** Through the collection of 10 consecutive working days over the 21-day time study period.
- **Time Study Tool:** Excel workbook or web-based tool that will capture activities of personnel providing early intervention services over a two-week period. The time study will run for two periods and participants should participate in one period, which will take place at a time to be announced in the coming months.



Rate Calculation Discussion

Rate Calculation Overview

- The goal of any effective rate-setting methodology is to allow the provider to align the actual cost of service delivery with contract requirements.
- Similar to Medicaid and other reimbursement rates, payments to providers should be consistent with efficiency, economy, and quality of care (Social Security Act § 1902(a)(30)).
- Cost-based rates should include all direct and indirect costs related to the provision of the service by the provider.
- Cost-based rates may include several components:
 - Salaries of staff associated with service delivery
 - Tax and fringe of staff associated with service delivery
 - Operating costs (mileage, facility/occupancy, supplies etc.)
 - Organizational (parent) indirect costs
- Sources of data are provided and guided by the following:
 - Provider cost and service data
 - State claiming data
 - NJEIS specific and federal regulations for early intervention
 - Other federal, state and program rules and regulations

| |
|-----------------------------------|
| Salary Costs |
| + Tax and Fringe Costs |
| + Operating Costs |
| + <u>Indirect Costs</u> |
| = Expenses for Cost-Based Rate(s) |



Rate Calculation Goals: Balancing Cost, Quality, Fairness, and Simplicity

Cost

- Efficiency
- Cost containment
- Increased accountability
- Reduced fraud
- Balanced budget
- Optimizing multiple funding streams

Quality Control

- Services produce desired outcomes
- Use of evidence-based practices
- Individualized services
- Provider flexibility and capacity

Equity & Politics

- Geographical equity
- Disproportionate favoring of one type of service or delivery
- Stakeholder satisfaction
- Compliance with federal or state instructions/initiatives
- Positive relationships with providers

Simplicity

- Stability from year to year
- Common rates or standard methodologies for all providers or certain provider types
- Limited reporting requirements



Possible Rate Calculation Steps

Identify the Weighted Salary Cost Per Service

- Match time study results for each position to corresponding salary figures. Calculate the weighted salary used to deliver each service based on the time study results reported.

Determine Other Costs

- Using aggregated provider financial data, calculate the percentage of total cost for each line item. This may include “unbillable” time for necessary activities such as report writing and travel time.

Apply Other Costs to Rate

- Add other costs to the weighted salary cost per service. The contributions of each other cost to the rate can be modified to determine alternative rate structures. For example, DOH may want to see rates with and without certain elements such as mileage.

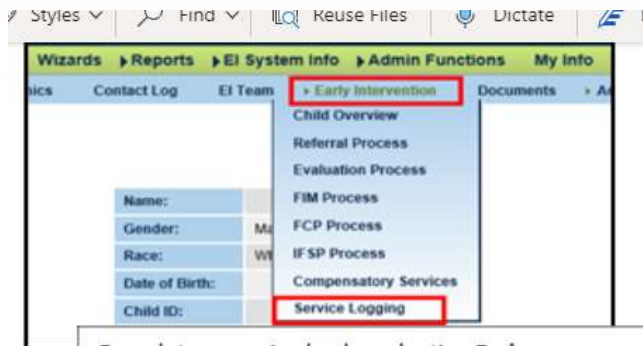


Rate Calculation Discussion

1. **Strengths:** What are the strengths of the current NJEIS rate structure?
2. **Pain Points:** What are the pain points?
3. **Best Practices Included:** Are there particular 'best practices' that NJEIS should assure are either included in the rate or can be billed in some other way that are not (or are perceived to be not) included currently?
4. **Other Best Practices to Know About:** Is there anything else related to 'best practices' NJEIS would like for us to know?
5. **Other Recommended Improvements:** What improvements would you suggest to the NJEIS rate structure?



NJEIS Service Logging Tip Sheet Question



What is in the “Service Type” dropdown list? Is it the same list as the “Service Logging” list shown to the left?

Complete a service log by selecting **Early Intervention > Service Logging** from an active or inactive child’s Personal Information page for all services authorized on an IFSP including...

- Audiology
- Developmental Intervention
- Family Training/Counseling
- Foreign Language Interpreter
- Health
- Interpreter for the Deaf
- Nursing
- Nutrition
- Occupational Therapy
- Physical Therapy
- Psychological
- Respite
- Sign Cued Language
- Social Work
- Speech Therapy
- Vision
- Compensatory Services

4. Select **Save**.



Next Steps and Wrap Up

Next Steps and Wrap Up

- Debrief today's meeting and incorporate feedback into our process
- Activate rate study advisory group
- Finalize data collection tools
- Finalize training resources
- Notify and train provider community for the cost study (October-December)
- Facilitate the time study (January-February)

Questions for us? Reach out at our NJEISRateStudy@pcgus.com email account.

| October 2021 | | | | |
|-----------------------|-----|-----|-----|----------------------------|
| MON | TUE | WED | THU | FRI |
| | | | | 1 |
| 4 | 5 | 6 | 7 | 8 ICC Meeting |
| 11 Federal Holiday | 12 | 13 | 14 | 15 Initial Notification |
| 18 | 19 | 20 | 21 | 22 |
| 25 | 26 | 27 | 28 | 29 |





Solutions that Matter