



The Hilltop Institute

analysis to advance the health of vulnerable populations

Long-Term Care Payment Advisory Committee

Discussion of Rate Methodology for Community-Based Services: Personal Care

State Plan Personal Care			
Maryland's Current Rate Structure	Options	Pros	Cons
<ul style="list-style-type: none"> Client must need assistance with 1 or more activities of daily living (ADLs) Per diem rates vary by level of care <ul style="list-style-type: none"> Level 1 (usually 1-2 hours): \$12.74 Level 2 (usually 2-4 hours): \$25.48 Level 2B (usually 6+ hours): \$38.23 Level 3 (care available 24 hours): \$55.21 Rates adjust annually by the increase in the March Consumer Price Index for All Urban Consumers (CPI-U), all items component, for the Washington-Baltimore area; annual increase can be no more than 5%, budget permitting 	Pay according to a specified unit of service (e.g., hour, 15 minutes)	Payment would more closely correspond to actual units of service delivered	<p>May be somewhat less flexible than per diem rates</p> <p>Administratively more complex; would require record-keeping of units of service provided</p> <p>State spending would likely increase</p>
	Pay different rates for agency providers versus independent providers	Recognizes management and overhead costs of agency providers including worker's compensation and unemployment insurance	<p>Could result in a more complex rate structure</p> <p>Depending on how rates were adjusted, could result in higher overall State spending</p>
	Pay lower rates, per person, for households with 2 or more clients	Recognizes efficiencies in caring for 2 or more clients simultaneously	<p>Clients may have very different needs, so may be administratively complex</p>

State Plan Personal Care

Maryland's Current Rate Structure	Options	Pros	Cons
	Pay different rates for different geographic regions of the state	Would recognize geographic variations in wages, transportation, etc.	<p>Rates would require periodic updating based on information on regional wages and other input costs</p> <p>Could be administratively difficult to implement</p>
	Pay enhanced rates to agencies that provide health insurance or other benefits to workers	Would encourage agencies to provide benefits	<p>Could create a more complex rate structure and potentially greater cost to the State</p> <p>Would require monitoring by the State</p>



Living at Home and Older Adults Waivers: Personal/Attendant Care

Maryland's Current Rate Structure	Options	Pros	Cons
<ul style="list-style-type: none"> For Living at Home (LAH) Waiver and the Older Adults Waiver (OAW) client must require nursing home level-of-care Both waivers pay different rates for agency versus independent providers OAW pays a different rate for medication administration Rates increase on July 1 each year by the lesser of: 2.5% or the change from March to March in the CPI-U all items component, Washington-Baltimore, US Dept. of Labor, or budget constraints <p>LAH Waiver Rates:</p> <ul style="list-style-type: none"> Attendant care (consumer-employed provider): \$13.06 Attendant care (agency provider): \$16.69 <p>OAW Waiver Rates:</p> <ul style="list-style-type: none"> Attendant Care (self-employed, no meds): \$9.97 Attendant Care (self-employed, with meds): \$13.00 Attendant Care (agency, no meds): \$12.75 Attendant Care (agency, with meds): \$16.61 	<p>Pay the same rates for LAH and OAW</p>	<p>Greater equity in payment structure</p> <p>May be able to have one point of provider entry if payment and required credentials are the same</p>	<p>Could reduce rates for certain providers</p>
	<p>For LAH, pay different rates for providers who administer medications</p>	<p>Would help align LAH and OAW rates</p>	<p>Adds administrative complexity since need to track whether medication administration is involved; client needs may change over time</p> <p>Would require credentialing of LAH providers, as a certified medicine aide or registered medication assistant per COMAR</p> <p>Could result in rate reductions for LAH providers who do not administer medications</p>
	<p>Pay different rates for providers who perform higher levels of care</p>	<p>Recognizes different training and skill levels of providers</p> <p>Potentially improve quality of care by increasing skill level, retention of workers</p>	<p>Could increase State spending</p>
	<p>Pay lower rates, per person, for households with 2 or more clients</p>	<p>Recognizes efficiencies in caring for 2 or more clients simultaneously</p>	<p>Clients may have very different needs, so may be administratively complex</p>



Living at Home and Older Adults Waivers: Personal/Attendant Care

Maryland's Current Rate Structure	Options	Pros	Cons
	Pay different rates for different geographic regions of the state	Would recognize geographic variations in wages, transportation, etc.	Rates would require periodic updating based on regional wage studies, etc. Could be administratively difficult to implement
	Pay enhanced rates to agencies that provide health insurance and other benefits to workers	Would incentivize agencies to provide benefits	Could create a more complex rate structure and potentially greater cost to the State Would require monitoring by the State

For questions or comments, please contact Harriet L. Komisar, senior research analyst, at hkomisar@hilltop.umbc.edu or 410.455.6740 or Cynthia H. Woodcock, director of Long-Term Supports and Services at cwoodcock@hilltop.umbc.edu or 410.455.6273.

