ARKANSAS DEPARTMENT OF HUMAN SERVICES

Home and Community-Based Services Rate Report Summary

October 1, 2025

ARKANSAS DEPARTMENT OF HUMAN SERVICES

This document is a companion summary to the October 1, 2025 HCBS Rate Report and should not be considered complete without reference to the report.

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Summary

Project Timeline

Provider Survey

June 2025

- Survey released June 5
- Survey training held June 11 with recording available online
- Surveys were due June 27

Develop Service Rate Models

May to August 2025

- Provider workgroup meetings to provide feedback on provider survey, HCBS service delivery, and payment rate assumptions
- Ongoing development of payment rate assumptions and draft modeled payment rates, including review of survey data

Rate Report

September 2025

- Provider technical workgroup meeting held on September 5 to review and provide feedback on payment rate assumptions
- All-provider call held on October 1 to notify that the report and companion PowerPoint summary have been posted.

Changes to payment rates that may result from the rate report are pending any necessary state and federal approvals. State approvals will include consideration of maintaining overall budget neutrality for the Medicaid program.

Scope of Rate Report

CES Waiver Services

- Supportive Living (1, 2, 3-5, and 6-8 person 15 minute payment rates)
- Supportive Living Transportation
- Respite
- Supported Employment (1, 2-4, and 5-8 person 15 minute payment rates)
- Consultation

BH Services

- Crisis Stabilization Intervention – Mental Health Professional (MHP) and Qualified Behavioral Health Professional (QBHP)

  Note: MHPs cannot currently provide this service; DHS has indicated they will update the related policies and other program documentation to support the provision of this service by a MHP level staff.
- Individual Pharmacologic Counseling By Registered Nurse (RN)
- Peer Support
- Supportive Housing
- Residential Community Reintegration Program
- Therapeutic Communities (Levels 1-3)

  Note: Therapeutic Community Level 3 is a new level of this service. DHS is in the process of updating current TC service definitions and related program policy and documentation.
- Adult Rehabilitation Day Services (RDS)

  Note: DHS is in the process of changing payment for this service to a per diem and developing the related service definition and related changes to program policy and documentation.
- Adult Life Skills Development - individual and group
- Life Skills Development (16-20) - individual and group
- Behavioral Assistance
- Child And Youth Support Services
- Supportive Employment (1, 2-4, and 5-8 person 15 minute payment rates)

Context for Development of Modeled Payment Rates

- **Provider-Led Arkansas Shared Savings Entities (PASSEs) are able to contract with providers at rates that vary from archived fee schedule rates** to support access to services and individual member needs.
- **Modeled payment rates reflect a core set of services** with a defined billing unit.
  - Current payment rates for behavioral health (BH) services rely on an archived DHS fee schedule while those for CES waiver services are determined by fee schedules published on the webpage from each PASSE.
  - Variability in payment rates for CES waiver services exists related to billing units and how services are defined. For example, PASSE payment approaches for 1:1 supportive living services include 15 minute billing units and per diems with add-ons for acuity.
- **There is variability across providers.** For example, variations exist in wage levels, health insurance offerings, service delivery location, if transportation is involved, and if providers pay staff for travel time. As such, **the assumptions included in the modeled payment rates presented in the rate report do not match every provider's experience.**
- **Staffing costs – wages and employee-related expenses – are the primary drivers of home and community-based services (HCBS) payment rates.**
- The **independent rate model (IRM) approach provides the basis** for rate modeling.

Modeled Payment Rate Results – Highlights

- **Supported Living modeled payment rates are notably higher than current payment rates**, primarily driven by wage and staffing assumptions.
- **Supported Employment** was previously paid at a rate at or below Supportive Living; the modeled rate is higher than Supportive Living as this service has similar staffing as Supportive Living and also includes transportation costs and more indirect time.
- **Consultation services** modeled rates are lower than current rates based on the assumed staff type delivering the service; DHS anticipates further review of PASSE authorization processes for this service.
- **BH services experience a mix of payment rate increases and decreases**
  - While Therapeutic Community (TC) Level 1's modeled payment rate is slightly higher than current payment rates, the TC Level 2 modeled payment rate is lower.
  - Modeled payment rates for RDS and 1:1 Adult Life Skills Development and Life Skills Development (16-20 years old) increased notably while Behavioral Assistance and Child and Youth Support Services decreased.
  - Modeled payment rates for group Adult Life Skills Development and Life Skills Development (16-20 years old) services decreased overall, primarily based on the number of individuals assumed per group (3).

Appendix A lists the modeled payment rates as compared to current rates.

Independent Rate Model Framework

Overview

1 

Direct/Clinical Care Staff and Supervisor Salary and Wages

- Wages
- Service required billable and non-billable time
- Supervisor time
- Paid time off and training
- Ratio of staff to persons served

2 

Employee Related Expenses

- Employee related taxes and fees
- Employee benefits, such as health insurance and retirement contributions

3 

Transportation Expenses

- Expenses related to ownership, maintenance, and operation of vehicles
- Mileage paid to employees for use of own vehicle

4 

Administration and Program Support

- All other operating expenses
- Excludes room and board per Medicaid regulations

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Service Rate (Per Unit Per Person)

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Modeled Payment Rate Assumptions – Staff Types and Service Time

Staff Type and Service Time Assumptions Overview

The following service-specific assumptions were identified based on service definition requirements, feedback from DHS program experts, the provider technical workgroup, the provider survey, and experience with similar services on other states.

All Services	15 min and hourly services	Therapeutic Communities	Residential Community Reintegration	Supportive Living 3+ Multiperson
Direct care staff types (including supervisors)	▪ Supervisor span of control ▪ Indirect time	Weekly hours by staff type, which reflect assumptions regarding staff to client ratios and supervisory spans of control		

Indirect and Direct Time Overview

Direct Time: Time spent providing the service face-to-face or other relevant billable time

Indirect Time: Time spent by non-supervisory direct service staff to provide the service, but is not spent "person facing," and does not result in a billable unit of service.

- Examples: Service planning, summarizing notes, updating medical records, and other non-billable but appropriate time not otherwise included in the billable unit of time.
- Payment rate modeling
  - Indirect time assumptions are based on a percent of direct time, with provider survey results informing these assumptions. For example, providers reported delivering approximately 50-60 minutes of direct time with approximately 10-15 minutes of indirect time for Life Skills Development (16-20 years old), Behavioral Assistance, and Child and Youth Support Services, with minor variation by service. Payment rate modeling includes 17% of indirect time per 15 minutes for these services, which is equal to 10 minutes per hour of service.
  - The sum of the direct and indirect time is used to estimate wage costs incurred by the provider.

CES Waiver Services
Staff Type, Supervisor and Indirect Time Assumptions

Service*	Indirect Time	Direct / Clinical Care Staff	Supervisor / Supervisor Span of Control
Supportive Living, 1:1 Supportive Living, 2 people	3.125% or roughly a half-minute indirect time for every 15 minutes direct time	Direct Support Professional (DSP)	Waiver Program Manager 1:30
Supported Employment	30% or 4.5 minutes indirect time for every 15 minutes direct time		
Consultation – Treatment Planning	75% or 45 minutes indirect time for every 60 minutes direct time	Waiver Program Manager	N/A
Consultation – Training staff and/or family			
Consultation – Updates to assessments**			
Consultation – Medicaid eligibility paperwork			
Consultation – Behavior support plans/training			

* Respite is not listed separately as respite is assumed to have the same payment rate as Supportive Living 1:1.
** Adaptive assessments only; psychological assessments are assumed to be performed by other providers via a referral / outsourcing.

CES Waiver Services: Supportive Living 3+ Multiple Person Weekly Staffing Assumptions

- The assumed identified staff types and staffing patterns for the Supportive Living shared staffing services were developed using the service definition and supportive living staffing as reported by providers via the provider survey.
- 3-5 and 6-8 person services are assumed to occur in a home where providers have staff on-site 24 hours a day. As such, staffing assumptions are developed by estimating the number of FTEs by shift, resulting in the total weekly hours listed below. These staffing assumptions are intended to illustrate the resources needed for service delivery, and are not new shift-specific staffing requirements.

Weekly Hours Estimates for Supportive Living: Shared Staffing			
	Direct Care Staff	**Waiver Program Manager**	**Total**
3-5 person (assumes 4 individuals)	**280**	**47**	**327**
6-8 person (assumes 7 individuals)	**392**	**39**	**431**

Behavioral Health: 15 Minute and Hourly Services Staff Type, Supervisor and Indirect Time Assumptions

Service	Indirect Time	Direct / Clinical Care Staff Type	Supervisor / Span of Control
Adult Life Skills Development	17%, equal to 10 minutes of indirect time for every hour of direct time *Note:* For Adult Life Skills provided in the community, indirect time is 25%, equal to 15 minutes of indirect time.	QBHP	QBHP Team Lead: 1:8 Independently licensed clinician: 1:10 *Note: No supervisor time is included in the crisis stabilization intervention payment rate modeling when the service is delivered by a MHP – Independently Licensed.*
Behavioral Assistance Child and Youth Support Services Life Skills Development (16-20 years old)	17%, equal to 10 minutes of indirect time for every hour of direct time		
Supported Housing	10%, equal to 6 minutes of indirect time for every hour of direct time		
Crisis Stabilization Intervention*	17%, equal to 10 minutes of indirect time for every hour of direct time	QBHP MHP– independently licensed	
Peer Support	30%, equal to 18 minutes of indirect time for every hour of direct time *Note: Indirect time is higher than the services listed above due to peer support-specific supervisory time.*	Peer Support Specialist	QBHP Team Lead: 1:6 Independently licensed clinician: 1:8 *Note: The independently licensed clinical supervisory span of control ratio is lower than the services listed above due to peer support-specific supervisory time.*
Individual Pharmacologic Counseling By RN	30%, equal to 18 minutes of indirect time for every hour of direct time	RN	Doctor of Medicine (MD) / Doctor of Osteopathic Medicine (DO): 1:30

* There is a service titled “Crisis Intervention” (delivered by MHPs only) that is defined in DHS’ Crisis Manual and is not included in this rate report.

Behavioral Health: Therapeutic Communities
Weekly Staffing Assumptions

- TC staff types and hours were developed using (1) current and proposed TC service definitions, (2) existing TC 1 and TC 2 staffing, as reported by providers via the ad hoc TC data collection tool, and (3) provider feedback from the Serious Mental Illness (SMI) Advisory Group.
- These staffing assumptions are intended to illustrate the resources needed for service delivery and are not new shift-specific staffing requirements.

Weekly Hours Estimates for 16 Individuals							
	Direct Care Staff	Non-Independently Licensed MHP	Independently Licensed MHP	Physician / Prescriber	Registered Nurse (RN)	Licensed Practical Nurse (LPN)	Total
Level 1	756	40	56	20	40	40	952
Level 2	280	40	56	10	40	N/A	426
Level 3	174	48	40	10	1.2	8	281

- The modeled payment rates incorporate the RDS per diem to reflect the additional supports that the individuals served may need. For TC 1 and 2, the payment rates include the equivalent of six full RDS per diems per person per week. For TC 3, the payment rates include two partial RDS per diems per week.

Behavioral Health: Therapeutic Communities Staffing Assumptions by Level

Level	Direct Care Staff	MHP Licensed Staff	Physician / Prescriber	Nursing Staff
Level 1	Hours reflect the assumption that there are 3-4 clients per staff member during the first and second shifts and 4-5 clients per staff member during the third shift (overnight).	Hours reflect time spent by independently licensed and non-independently licensed staff, including clinical supervision and client service delivery responsibilities by an MHP.	0.50 FTE assumption reflects the monthly service requirements and an allocation of on-call, supervision of nursing staff and other indirect time involved with providing the service.	1.0 FTE of a RN and 1.0 FTE of a licensed practical nurse (LPN).
Level 2	Hours reflect the assumption that there are eight clients per staff member during the first and second shifts and 16 clients per staff member overnight.		0.25 FTE assumption reflects the monthly service requirements and an allocation of on-call, supervision of nursing staff and other indirect time involved with providing the service.	1.0 FTE of a RN. LPN hours were not included in Level 2 based on provider survey results that Level 2 staffing relies on RNs only, as compared to a mix of RN and LPN staffing in Level 1.
Level 3	Hours reflect service requirement that include 5 hours per client a week with on-call availability overnight.			**RN:** 0.03 of FTEs assumed to be supervising LPN staff, approximately 1:7 supervision span of control. **LPN:** 0.20 of FTEs assumed to serving 16 members per week, reflecting an estimate of two hours per member per month.

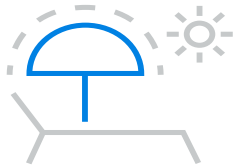
Behavioral Health: Residential Community Reintegration Weekly Staffing Assumptions

The assumed identified staff types and staffing patterns for this service were developed using the service definition and existing staffing, as reported via the provider survey.

Weekly Hour Estimates for 15 Individuals								
	Residential Community Reintegration Staff	QBHP	Independently Licensed MHP	Physician	RN	LPN	Dietician	Total
Total weekly hours	**876**	**120**	**80**	**2**	**8**	**60**	**4**	**1,150**

Modeled Payment Rate Assumptions – Paid Time Off and Training Factor

Paid Time Off and Training Assumptions Approach

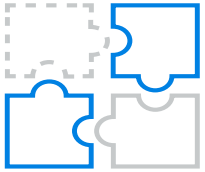


Paid Time Off (PTO)

- Accounts for additional time that must be covered over the course of a year by other clinical/direct care staff, thereby representing additional clinical/direct care staff time per unit.
- Reflects paid vacation, holiday, and sick time.

Ongoing Training Time

- Annual training and/or conference time expected to be incurred by clinical/direct care staff and supervisors.



Training for New Hires

- The payment rate buildup accounts for the one-time training/onboarding time and considers the frequency of this type of training time attributable to employee turnover.

Paid Time Off Assumptions

Survey Responses	Assumptions
50th Percentile CES Waiver • Direct care staff and supervisors: 17 days • RN: 14 days BH Services • Direct care staff: 26.5 days • MHPs: 30.3 days • Medical staff (RN, Physician, Psychologist): 32.3 days Additional Feedback Paid time off hours were set higher than the survey responses for CES waiver services based on Provider Technical Workgroup feedback that CES waiver survey results were low compared to actual experience; DHS program staff concurred with this feedback.	CES Waiver • 20 days for all staff types BH Services • 25 days for QBHPs and Peer Support Specialists • 30 days for all other staff

Training Assumptions

Program	Survey Results	Assumptions
CES Waiver	50th Percentile Direct care staff and supervisors • New hire: 16 hours • Ongoing: 15 hours RN • New hire: 16 hours • Ongoing: 12 hours	New hire: • 40 hours for all staff Ongoing training • 20 hours for all staff Training hours were set higher than the survey responses for CES waiver services based on Provider Technical Workgroup feedback that CES waiver survey results were low compared to actual experience; DHS program staff concurred with this feedback.
BH Services	50th Percentile QBHPs: • New hire: 56 hours • Ongoing: 39 hours All other staff: • New hire: 55 hours • Ongoing: 43 hours	New hire: • 60 hours for all staff Ongoing training • 80 hours for Peer Support Specialists • 40 hours for all other staff

Turnover Assumptions

Survey Results	Assumptions

Provider Survey Results – 50th Percentile Turnover Rates for Non-contracted Staff
• All survey respondents: 30%
• CES waiver services only: 26%
• BH services only: 37%
 	
NCI-IDD Survey (2023)*
• Median turnover rates for direct support professionals (DSPs) in neighboring states that participated in the survey:
  • Louisiana: 20.6%
  • Missouri: 41.7%
  • Oklahoma: 31.7%
  • Tennessee: 31.5%
	• 30% for all staff types

* National Core Indicators Intellectual and Developmental Disabilities. 2023. State of the Workforce. Retrieved from: 2023-NCI-IDD-SoTW_241126_FINAL.pdf. Twenty-six states participated in this survey.

PTO & Training Assumptions

Paid Time Off and Training Time									
	A	B	C	D	E	F	G	H	J
Provider Group	Annual PTO	Annual Ongoing Training	Total PTO & Ongoing Training	Unadjusted New Hire Training	Turnover percentage	Adjusted New Hire Training	Total PTO & Training	Total Hours Per Employee	PTO & Training Time Adjustment Factor
			A + B			D * E	C + F		(H / H - G) - 1
DSP	160	20	**180**	40	30%	**12**	**192**	2,080	**10.17%**
Waiver Program Manager	160	20	**180**	40	30%	**12**	**192**	2,080	**10.17%**
QBHP	200	40	**240**	60	30%	**18**	**258**	2,080	**14.16%**
Peer Support	200	80	**280**	60	30%	**18**	**298**	2,080	**16.72%**
MHP - Unlicensed and Non-Independently Licensed Masters	240	40	**280**	60	30%	**18**	**298**	2,080	**16.72%**
QBHP Supervisor - Degreed	240	40	**280**	60	30%	**18**	**298**	2,080	**16.72%**
MHP - Independently Licensed Masters	240	40	**280**	60	30%	**18**	**298**	2,080	**16.72%**
MHP Supervisor - Independently Licensed Masters	240	40	**280**	60	30%	**18**	**298**	2,080	**16.72%**
Registered Nurse	240	40	**280**	60	30%	**18**	**298**	2,080	**16.72%**
Physician	240	40	**280**	60	30%	**18**	**298**	2,080	**16.72%**
Licensed Practical Nurse	240	40	**280**	60	30%	**18**	**298**	2,080	**16.72%**
Residential Community Reintegration Staff	200	40	**240**	60	30%	**18**	**258**	2,080	**14.16%**
Dietician	240	40	**280**	60	30%	**18**	**298**	2,080	**16.72%**

Modeled Payment Rate Assumptions – Direct/Clinical Care Staff Wages

Context for Wage Identification

- **Wage selections consider existing wages in the current behavioral health and intellectual/developmental disabilities workforce** (inflated to Calendar Year 2026), recognizing that there may be wage pressures from other industries or employers.
- **Geographic variation.** An analysis of the 50th percentile of Bureau of Labor Statistics (BLS) wages for select BLS occupation codes indicates some wage differentials across metropolitan statistical area (MSA) and non-MSA regions within Arkansas. Current HCBS archived payment rates do not vary by geographic region, and DHS is not changing this approach for purposes of modeled payment rates.

Wage Identification Approach

Step 1: Identify direct/clinical care staff types

Staff types reflect current program requirements and similar skill, education and licensure levels.

Step 2: Match Bureau of Labor Statistics (BLS) occupational code(s) to each staff type, using one of the following approaches:

- One-to-one match if a direct match with an occupational code exists (e.g., RN)
- Blend of occupational codes when a one-to-one match does not exist, intended to reflect the specific staff type's range of responsibilities, skills and education (e.g., QBHP)

Step 3: Compare trended BLS wages to trended provider survey* staff wages

Arkansas-specific May 2024 BLS wages** were trended to July 2026 (the midpoint of CY 2026) using a 2.81% annual trend assumption based on BLS monthly wage reporting*** through April 2025.

Step 4: Make BLS wage selections

Consider median wages by staff type from the provider survey trended to July 2026 and review relative differences between wage levels across staff types for appropriateness.

* State of Arkansas, Department of Human Services. Provider Cost and Wage Survey for Home and Community-Based Services, 2025. Administered in June 2025 with wage data reflecting providers' May 2025 experience.
** U.S. Bureau of Labor Statistics. (2024). State Occupational Employment and Wage Estimates. Retrieved from https://www.bls.gov/oes/current/oes_ar.htm
***U.S. Bureau of Labor Statistics. (2025). Private Education and Health Services Average Hourly Earnings (Series IDs: CEU650000000, SMU05000006500000003). Retrieved from https://data.bls.gov/series-report?redirect=true

BLS and Survey Wage Data Summary *(slide 1 of 3)*

Staff Types and Corresponding BLS SOCs	Blend %	BLS Wages Trended to July 2026					Arkansas Provider Survey Data Trended to July 2026
		25th Percentile	50th Percentile	Midpoint 50th & 75th Percentile	75th Percentile	90th Percentile	50th Percentile
Direct Support Professional (DSP)	**100%**	**$13.71**	**$14.88**	**$15.68**	**$16.48**	**$17.66**	**$14.64**
Home Health and Personal Care Aides	80%	$13.07	$13.84	$14.28	$14.73	$15.79	
Social and Human Service Assistants	20%	$16.28	$19.06	$21.27	$23.48	$25.14	
Residential Community Reintegration Staff	**100%**	**$13.71**	**$14.88**	**$15.68**	**$16.48**	**$17.66**	**$15.71**
Home Health and Personal Care Aides	80%	$13.07	$13.84	$14.28	$14.73	$15.79	
Social and Human Service Assistants	20%	$16.28	$19.06	$21.27	$23.48	$25.14	
Waiver Program Manager	**100%**	**$15.96**	**$18.54**	**$20.57**	**$22.60**	**$24.21**	**$22.03**
Home Health and Personal Care Aides	10%	$13.07	$13.84	$14.28	$14.73	$15.79	
Social and Human Service Assistants	90%	$16.28	$19.06	$21.27	$23.48	$25.14	

Source notes are provided on slide 3 of 3. Totals may not tie due to rounding. Green boxes indicate wage selections used in payment rate modeling.

BLS and Survey Wage Data Summary *(slide 2 of 3)*

Staff Types and Corresponding BLS SOCs	Blend %	BLS Wages Trended to July 2026					Arkansas Provider Survey Data Trended to July 2026
		25th Percentile	50th Percentile	Midpoint 50th & 75th Percentile	75th Percentile	90th Percentile	50th Percentile
Peer Support Specialist	**100%**	**$16.79**	**$19.52**	**$21.79**	**$24.06**	**$26.08**	**$19.25**
Social and Human Service Assistants	90%	$16.28	$19.06	$21.27	$23.48	$25.14	
Child, Family, and School Social Workers	5%	$19.74	$21.93	$23.87	$25.81	$30.20	
Mental Health and Substance Abuse Social Workers	5%	$23.02	$25.43	$29.11	$32.80	$38.84	
QBHP	**100%**	**$16.79**	**$19.52**	**$21.79**	**$24.06**	**$26.08**	**$19.64**
Social and Human Service Assistants	90%	$16.28	$19.06	$21.27	$23.48	$25.14	
Child, Family, and School Social Workers	5%	$19.74	$21.93	$23.87	$25.81	$30.20	
Mental Health and Substance Abuse Social Workers	5%	$23.02	$25.43	$29.11	$32.80	$38.84	
QBHP Supervisor - Degreed	**100%**	**$17.63**	**$20.30**	**$22.71**	**$25.11**	**$27.70**	**$27.82**
Social and Human Service Assistants	75%	$16.28	$19.06	$21.27	$23.48	$25.14	
Child, Family, and School Social Workers	10%	$19.74	$21.93	$23.87	$25.81	$30.20	
Mental Health and Substance Abuse Social Workers	15%	$23.02	$25.43	$29.11	$32.80	$38.84	
MHP - Unlicensed and Non-Independently Masters	**100%**	**$20.10**	**$26.12**	**$30.75**	**$35.38**	**$49.92**	**$30.57**
Substance Abuse, Behavioral Disorder, and Mental Health Counse	80%	$19.03	$25.52	$30.53	$35.55	$52.27	
Mental Health and Substance Abuse Social Workers	10%	$23.02	$25.43	$29.11	$32.80	$38.84	
Healthcare Social Workers	10%	$25.80	$31.67	$34.15	$36.62	$42.19	
MHP - Independently Licensed Masters	**100%**	**$20.33**	**$25.93**	**$31.36**	**$36.80**	**$50.41**	**$36.77**
Substance Abuse, Behavioral Disorder, and Mental Health Counse	70%	$19.03	$25.52	$30.53	$35.55	$52.27	
Mental Health and Substance Abuse Social Workers	10%	$23.02	$25.43	$29.11	$32.80	$38.84	
Healthcare Social Workers	10%	$25.80	$31.67	$34.15	$36.62	$42.19	
Social Workers, All Other	10%	$21.29	$23.58	$36.64	$49.70	$57.19	

Source notes are provided on slide 3 of 3. Totals may not tie due to rounding. Green boxes indicate wage selections used in payment rate modeling.

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BLS and Survey Wage Data Summary *(slide 3 of 3)*

Staff Types and Corresponding BLS SOCs	Blend %	BLS Wages Trended to July 2026					Arkansas Provider Survey Data Trended to July 2026
		25th Percentile	50th Percentile	Midpoint 50th & 75th Percentile	75th Percentile	90th Percentile	50th Percentile
Dietician	**100%**	**$28.03**	**$31.00**	**$33.61**	**$36.22**	**$45.00**	**$37.16**
Dietitians and Nutritionists	100%	$28.03	$31.00	$33.61	$36.22	$45.00	
Licensed Practical Nurse	**100%**	**$24.10**	**$26.05**	**$28.19**	**$30.33**	**$32.35**	**$27.48**
Licensed Practical and Licensed Vocational Nurses	100%	$24.10	$26.05	$28.19	$30.33	$32.35	
Registered Nurse	**100%**	**$33.41**	**$39.37**	**$41.31**	**$43.25**	**$51.03**	**$38.86**
Registered Nurses	100%	$33.41	$39.37	$41.31	$43.25	$51.03	
Physician	**100%**		**$126.54**				**$164.89**
Physicians, All Other	100%		$126.54				

Totals may not tie due to rounding. Green boxes indicate wage selections used in payment rate modeling.

Source Notes:

1. We trended hourly wages using an annual wage trend of 2.81% based on a blend of national (CEU650000000) and Arkansas (SMU05000006500000003) BLS Average Hourly Earnings data. (June 2025)
2. State of Arkansas, Department of Human Services. Provider Cost and Wage Survey for Home and Community-Based Services, 2025. Administered in June 2025 (2024-2025 experience).
3. Arkansas-specific wage data retrieved from: Bureau of Labor Statistics May 2024 State Occupational Employment and Wage Estimates. Retrieved from https://www.bls.gov/oes/current/oes_ar.htm
4. The BLS value for “Physicians, All Other” reflects the average wage reported, due to limited data for this occupational code.

Modeled Payment Rate Assumptions – Employee Related Expenses

Employee Related Expenses (ERE)

Employee-related expenses include the below components, with assumptions developed using data from BLS and federal and state agencies as described further on the following slides.

- Health insurance
- Retirement
- Workers' compensation
- Employer social security withholding
- Employer Medicare withholding
- FUTA tax
- SUI tax

ERE
Assumptions

Employee Related Expenses											
	A	B	C	D	E	F	G	H	I	J	K
Provider Group	Trended Wage	Annual Employee Salary	Medicare Withholding	Social Security	FUTA	SUI	Workers Comp	Insurance	Retirement	ERE per Employee	ERE Percentage
Notes >>>		A * 2080	B * 1.45%	B * 6.2% up to $176,100 taxable limit	6% up to 7,000 tax limit	2.1% up to $7,000 tax limit	B * 1.19%	$6,157 * 50%	B * 3.7% * 50%	SUM (C to I)	J / B
DSP	$ 14.88	$ 30,950	$ 449	$ 1,919	$ 420	$ 147	$ 368	$ 3,078	$ 577	$ 6,958	22.5%
Residential Community Reintegration Staff	$ 14.88	$ 30,950	$ 449	$ 1,919	$ 420	$ 147	$ 368	$ 3,078	$ 577	$ 6,958	22.5%
QBHP	$ 19.52	$ 40,602	$ 589	$ 2,517	$ 420	$ 147	$ 483	$ 3,078	$ 757	$ 7,991	19.7%
Peer Support	$ 19.52	$ 40,602	$ 589	$ 2,517	$ 420	$ 147	$ 483	$ 3,078	$ 757	$ 7,991	19.7%
Waiver Program Manager	$ 22.60	$ 47,008	$ 682	$ 2,914	$ 420	$ 147	$ 559	$ 3,078	$ 877	$ 8,677	18.5%
Licensed Practical Nurse	$ 26.05	$ 54,184	$ 786	$ 3,359	$ 420	$ 147	$ 644	$ 3,078	$ 1,010	$ 9,445	17.4%
QBHP Supervisor - Degreed	$ 27.70	$ 57,616	$ 835	$ 3,572	$ 420	$ 147	$ 685	$ 3,078	$ 1,074	$ 9,812	17.0%
MHP - Unlicensed and Non-Independently Licensed Masters	$ 30.75	$ 63,960	$ 927	$ 3,966	$ 420	$ 147	$ 761	$ 3,078	$ 1,193	$ 10,492	16.4%
Dietician	$ 36.22	$ 75,338	$ 1,092	$ 4,671	$ 420	$ 147	$ 896	$ 3,078	$ 1,405	$ 11,709	15.5%
MHP - Independently Licensed Masters	$ 36.80	$ 76,544	$ 1,110	$ 4,746	$ 420	$ 147	$ 910	$ 3,078	$ 1,427	$ 11,839	15.5%
MHP Supervisor - Independently Licensed Masters	$ 36.80	$ 76,544	$ 1,110	$ 4,746	$ 420	$ 147	$ 910	$ 3,078	$ 1,427	$ 11,839	15.5%
Registered Nurse	$ 39.37	$ 81,890	$ 1,187	$ 5,077	$ 420	$ 147	$ 974	$ 3,078	$ 1,527	$ 12,411	15.2%
Physician	$ 164.89	$ 342,971	$ 4,973	$ 10,918	$ 420	$ 147	$ 4,078	$ 3,078	$ 6,396	$ 30,011	8.8%

Note: Totals may not tie due to rounding

Federal and State Withholdings and Taxes Assumptions

Components	Assumptions	Source
Federal Unemployment Tax Act (FUTA)	$420 for all staff types Calculated as 6.0% of first $7,000 of wages	Internal Revenue Service. Topic No. 759 From 940 – Employer's Annual Federal Unemployment (FUTA) Tax Return – Filing and Deposit Requirements. Retrieved from https://www.irs.gov/taxtopics/tc759
State Unemployment Insurance (SUI)	$147 for all staff types Calculated as 2.1% (average tax rate of lowest negative reserve and highest positive reserve) of first $7,000	Employer UI Contributions – AR Division of Workforce Services. Retrieved from https://dws.arkansas.gov/workforce-services/employers/employer-ui-contributions/
Employer Medicare Withholding	Employer Medicare Withholding: 1.45% Applied as a percentage to wages for all staff types	Internal Revenue Service. Topic No. 751 Social Security and Medicare Withholding Rates. Retrieved from https://www.irs.gov/taxtopics/tc751 Component of Federal Insurance Contributions Act (FICA)
Employer Social Security Withholding	Employer Social Security Withholding: 6.2% on first $176,100 Applied as a percentage to wages for all staff types	Internal Revenue Service. Topic No. 751 Social Security and Medicare Withholding Rates. Retrieved from https://www.irs.gov/taxtopics/tc751 Component of Federal Insurance Contributions Act (FICA)
Worker's Compensation	1.19% calculated as a percentage of Bureau of Labor Statistics Wage and Salaries and Paid Leave components per March 2025 national data Applied as a percentage to wages for all staff types	Bureau of Labor Statistics. Employer Cost for Employee Compensation (ECEC) – March 2025 Table 1, Private Industry Workers. Retrieved from https://www.bls.gov/news.release/pdf/ecec.pdf

ERE – Health Benefits Assumptions

Health benefit assumptions reflect costs representative of a lower participation in health insurance benefits by Arkansas clinical/direct care staff as compared to the national average.

Assumptions	Additional Background
BLS reported insurance costs as of March 2025:* $6,157 in average annual employer costs for private industry workers in the West South-Central region trended to July 2026 using a 4.81% factor. We applied a factor of 50% to reflect the observed survey health insurance participation as compared to the national average. This resulted in health insurance costs that were between 1% and 10% of estimated employee salary, depending on the staff type.	National Employer Benefits Survey (2024)** Nationally, 53% of small firms (3 to 199 workers) and 98% of large firms (200+ workers) offered health benefits. For firms offering benefits across the nation, 60% of workers in small firms and 62% of workers in large firms had health insurance coverage, reflecting overall take up rates of 72% and 77%, respectively Provider survey: • Online abbreviated survey: Less than half of the 11 respondents indicated that they offer health benefits to their W-2 employees, excluding dental and vision coverage. Among these respondents, the average employee take-up rate for health insurance ranged from 16% to 80%. • Excel survey: Providers reported employer insurance costs ranging from 3.4% (25th percentile) to 8.7% (75th percentile) of total salary costs, with a median of 5.2%.

* Bureau of Labor Statistics. Employer Cost for Employee Compensation (ECEC) – March 2025 Table 7, West South Central. Retrieved from https://www.bls.gov/news.release/pdf/ecec.pdf; U.S. Bureau of Labor Statistics. (2025). Consumer Price Index – All Urban Consumers (CPI-U), June 2025. Retrieved from https://www.bls.gov/cpi/tables/supplemental-files/cpi-u-202506.xlsx

** Kaiser Family Foundation. (2024). Employer Health Benefits 2024 Annual Survey. Figure 2.3 and 3.1. Retrieved from https://files.kff.org/attachment/Employer-Health-Benefits-Survey-2024-Annual-Survey.pdf

ERE – Retirement Benefits Assumptions

Direct care worker retirement benefit assumptions reflect costs representative of a lower participation in retirement benefits by Arkansas HCBS staff as compared to the national average.

Assumptions	Additional Background
BLS reported retirement costs as of March 2025:* 1.86%, reflecting 50% of the 3.7% retirement cost as reported by BLS for private industry workers in the West South-Central Region.* We applied a factor of 50% to reflect the observed survey retirement benefit participation as compared to the national average. This resulted in retirement costs that were 1.86% of estimated employee salary.	U.S. Bureau of Labor Statistics (2024)** Nationally, 70% of private industry workers had access to defined contribution retirement plans. Provider survey: • Online abbreviated survey: Less than half of the 11 respondents indicated that they offer retirement benefits to their W-2 employees. Among these respondents, the average employee take-up rate for retirement benefits ranged from 20% to 100%. • Excel survey: Providers reported employer retirement contributions ranging from 0.6% (25th percentile) to 2.9% (75th percentile) of total salary costs, with a median of 1.2%.

* Bureau of Labor Statistics. Employer Cost for Employee Compensation (ECEC) – March 2025 Table 7, West South Central. Retrieved from https://www.bls.gov/news.release/pdf/ecec.pdf
** Bureau of Labor Statistics. Retirement benefits: Access, participation, and take-up rates for defined benefit and defined contribution plans. Retrieved from https://www.bls.gov/charts/employee-benefits/percent-access-participation-takeup-retirement-benefits.htm

Modeled Payment Rate Assumptions – Transportation

Approach to Including Transportation Costs in Service-Specific Payment Rates

General Parameters

Transportation costs vary by service and may include:

- Travel between clients
- Transporting members into the community (1:1 or shared rides)
- Out-of-home transportation without the client in the car (e.g., running errands)

Service-related travel time and miles are connected using an average miles per hour assumption.

Staff Time

Supportive living: Staff time traveling is assumed to be with the client and billable.

All other services with staff time spent traveling that is not billable: Transportation time is included as an indirect time assumption.

Vehicle Costs

The modeled payment rates use the federal mileage reimbursement rate based on the privately owned vehicle mileage reimbursement rate published by the U.S. General Services Administration (GSA). The CY 2025 GSA rate is $0.70 per mile for personal vehicle reimbursement.

Supportive living: Mileage costs are already accounted for in the separate supportive living transportation billing codes and therefore these costs will not be included in the service-specific modeled payment rate. Modeled payment rates include an estimate for increases to the separate supportive living transportation mileage payment to reflect the current federal mileage rate.

Note: DHS program staff and provider technical workgroup feedback was used to identify assumptions.

Transportation Assumptions by Service

Service Type	Transportation Assumption Trip: one-way travel to a location	Notes
Supportive Living	Transportation time is assumed to part of the direct time spent with the individual receiving services. The payment rate will not include mileage costs as providers can bill for mileage costs separately.	
Respite	Respite uses the supportive living rate.	
Supported and Supportive Employment	Transportation time is assumed to part of the direct time spent with the individual receiving services. The payment rate will not include mileage costs as providers can bill for mileage costs separately.	
Consultation	Staff have 2 trips on average per day of service billed.	Payment rate reflects staff travel time and mileage.
Crisis Stabilization Intervention	Staff have 2 trips on average per day of service billed.	Payment rate reflects staff travel time and mileage.
Peer Support	Staff have 1 trip on average per day of service billed.	Payment rate reflects staff travel time and mileage.
Supportive Housing	No travel is expected.	N/A
Therapeutic Communities	Travel is included in Level 3, assuming 50 miles per week for each Level 3 location (all staff, 16 members) based on the assumption that members are living in close proximity to each other.	Payment rate reflects staff travel time and mileage.
Residential Community Reintegration	An average of 225 miles per week was assumed to support 15 members.	Payment rate reflects staff travel time and mileage.

Transportation Assumptions by Service

Service Type	Transportation Assumption Trip: travel to and from a location	Notes
Adult Rehabilitation Day Services per diem	Travel is included based on the component parts of the service (RDS, Adult Life Skills Development, Peer Support and Group Therapy)	N/A
Individual Pharmacological Counseling by RN	Staff have 1 trip on average per day of service billed, assumes travel occurs between clinic locations.	Payment rate reflects staff travel time and mileage.
Adult Life Skills Development	Staff have 2 trips on average per day of service billed (for individual services only, as travel for group services is not expected)	Payment rate reflects staff travel time and mileage.
Life Skills Development	Staff have 2 trips on average per day of service billed (for individual services only, as travel for group services is not expected)	Payment rate reflects staff travel time and mileage.
Behavioral Assistance	Staff have 4 trips on average per day of service billed.	Payment rate reflects staff travel time and mileage.
Child And Youth Support Services	Staff have 2 trips on average per day of service billed.	Payment rate reflects staff travel time and mileage.

Identification of Mileage Costs for Services with Transportation

Approach: Use Arkansas-specific population density and distribution to identify a statewide composite miles per hour (MPH). Applied statewide composite MPH to average travel time assumptions that are consistent with survey data. Travel costs for services with an assumed time spent traveling are calculated based on:

- GSA privately owned vehicle (POV) mileage rate of $0.70 per mile, which accounts for fuel, maintenance, repairs, insurance, registration, and depreciation.
- Average number of miles per hour developed by weighting Arkansas-specific ZCTAS (zip code tabulation areas) by rural vs urban travel assumptions determined based on population density from a 2020 ZCTA level.

	Population Density	Distribution	Average MPH
Urban	200+	45%	25
Rural	200	46%	40
Frontier	20	9%	45
Statewide Composite		**100%**	**33.6**

- Travel time assumptions average 15 minutes of travel time (depends on frequency of travel and number of assumed trips per day informed by claims data, service-specific considerations, and survey submissions).
- Example for service with 15 minutes of travel per one-way trip per person: 15 minutes * (33.6 MPH / 60 min) = 8.4 miles per trip

Administrative and Program Support Costs

Administration and Program Support Definition

Program Support: Costs include supplies, materials, equipment and facility space necessary to support service delivery.

Administration: Generally, administrative related expenses include all expenses incurred by the contractor necessary to support the provision of services but not directly related to providing services to individuals. These costs exclude transportation, wages and employee related expenses for staff directly providing the care and their supervisors, and may include, but not be limited to those listed below

- Salaries and wages, and related employee benefits for employees or contractors that are not direct care/clinical staff or their supervisors
- Liability and other insurance
- Licenses and taxes
- Legal and audit fees
- Accounting and payroll services
- Billing and collection services
- Bank service charges and fees
- Information technology
- Telephone and other communication expenses
- Office and other supplies including postage
- Accreditation expenses, dues, memberships, and subscriptions
- Meeting and administrative travel related expenses
- Training and employee development expenses, including related travel
- Human resources, including background checks and other recruiting expenses
- Community education
- Marketing/advertising
- Interest expense and financing fees
- Facility and equipment expense for space not used to directly provide services to individuals, and related utilities (excludes room and board per federal Medicaid requirements)
- Vehicle and other transportation expenses not related to transporting individuals receiving services or transporting employees to provide services to individuals
- Board of director related expenses

Administration and Program Support Assumptions

- There was a wide range in the cost experience from the Provider Cost and Wage Survey Results for total administration and program support costs as a percentage of total Medicaid allowable costs (see table below). CES waiver providers show a lower administration and program support cost, which aligns with members' services being provided outside of a clinic setting.
- Rate modeling uses a single factor related to administration and program support as a percentage of the total rate which is set by service. The administration and program support cost percentage assumptions range from 10% to 25% and reflect DHS' expectations regarding where the service is provided. For example, services that are provided exclusively in an individual's home would not require facility costs for service delivery purposes.

Provider Survey Administration and Program Support Costs As a Percentage of Total Medicaid Allowable Costs

	25th Percentile	50th Percentile	75th Percentile
All	12%	20%	27%
CES wavier services only	10%	16%	21%
BH services only	27%	28%	34%

Administration and Program Support Assumptions

%	Services
10%	Services provided at an individual's residence ▪ Supportive Living ▪ Respite
20%	Services provided in a mix of locations (provider clinic and locations in the community). DHS' expectation is that these services be increasingly delivered outside of provider clinic settings. ▪ Consultation ▪ Supported and Supportive Employment ▪ Crisis Stabilization Intervention ▪ Individual Pharmacologic Counseling by RN ▪ Peer Support ▪ Supportive Housing ▪ Adult Life Skills Development ▪ Life Skills Development ▪ Behavioral Assistance ▪ Child and Youth Support Services ▪ Therapeutic Communities Level 3
25%	Facility-based 24-hour services ▪ Residential Community Reintegration ▪ Therapeutic Communities Level 1, Level 2

Modeled Payment Rate Assumptions – Additional Assumptions

Overtime and Group Sizes Assumptions

Overtime

- Provider survey results indicate that a majority of CES waiver providers pay for overtime for DSPs, with 50th percentile values of annual hours worked of 3% for DSPs with a bachelor's degree and 7.9% for DSPs with a high school diploma. BH providers also report notable overtime for QBHPs.
- Assumption for modeled payment rates: 5% overtime hours adjustment for the following services and staff types, as the services reflect the need for support 24/7.
  - Supportive Living: DSPs and waiver program managers
  - Therapeutic Communities: QBHPs and MHPs
  - Residential Community Reintegration: Direct care staff, QBHPs and MHPs

Group sizes – Adult Life Skills Development and Life Skills Development (16-20 years old)

- Assumption for modeled payment rates: Group size of three for the two services that may be provided in groups: Adult Life Skills and Life Skills Development (16-20 years old). This reflects group sizes reported in the survey data, although there is low utilization for this service and limited survey response.

Caseload Efficiency

- For Supportive Living (3+ individuals), Residential Community Reintegration, and Therapeutic Community services, we assumed a caseload efficiency of 95% to account for changes or churn in residents at a specific location in a year or time where an individual may need their bed held in instances where they are residing outside of the facility.

Rehab Day Service: Updating Full and Partial Per Diems Based on Rate Report Results

Rehab Day Service – Overview of Per Diem Payment Rate Goal and Development

Goal: Develop a payment rate to support a shift from paying RDS / RDS equivalent services on a per unit basis to paying based on an all inclusive per diem rate.

Partial day per diem: Minimum of 3 hours up to 5 hours of RDS / RDS equivalent services

Full day per diem: 5 or more hours of RDS / RDS equivalent services

DHS is currently working on updating the necessary policies and billing requirements to reflect the new per diem approach.

Per diem rate development:

Initial per diem calculation based on state fiscal year (SFY) 2024 historical expenditures. Developed prior to the HCBS rate report and discussed with the SMI Advisory Group in the spring of 2025 (with and without trending).

Per diem incorporating HCBS rate report results. Developed using modeled payment rates, the group therapy rate prior to the group therapy rate adjustment, and service mix based on CY 2024 utilization.

	Full Day Per Diem	Partial Day Per Diem
Historical Expenditures (SFY 2024) Per Diem without Trending	$87.78	$60.70
Historical Expenditures (SFY 2024) Per Diem with Trending	$93.00	$64.00
Per Diem Based on HCBS Rate Report Results (CY 2024 Utilization)	$96.74	$60.78

Rehab Day Service Per Diem Rate Development
Based on Historical Expenditures

Rehab Day Service (RDS) Per Diem Included Services

Rehab Day Service H2017, Mod UA or UB

Group Therapy 90853

Adult Life Skills Development H2017, Mod U3 or U5

Peer Support H0038

- Group therapy, adult life skills and peer support services may not be billed on the same day as an RDS per diem payment.
- The RDS per diem will not require a predetermined service mix or minimum levels of group therapy, adult life skills or peer support.

Per Diem Rate Calculation Approach

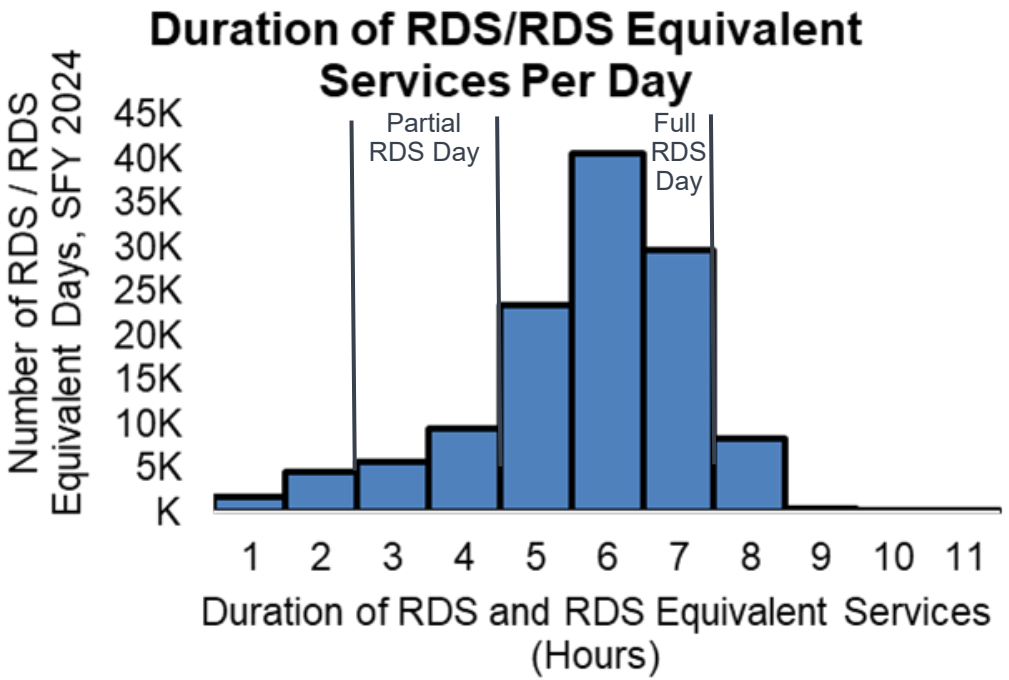
1. **Reviewed duration of RDS / RDS equivalent services per day** to develop partial and full day service definitions.

2. **Calculate per diem historical expenditures** for RDS / RDS equivalent services delivered during SFY 2024, separately for partial and full day per diems. The group therapy unit cost within a given RDS day is based on the rate effective prior to 1/1/2024 ($47.46).

3. **Apply trend factor** of 1.056* to adjust rates for increases in wages since historical claims experience.

**Trend based on BLS Average Hourly Earnings of All Employees: Private Education and Health Services, accessed 3/2025*
Arkansas series: SMU05000006500000003
National series: CEU6500000003

Rehab Day Service Per Diem Rate Development
Based on Historical Expenditures: Details



RDS services are classified as partial or full day for the purposes of calculating per diem rates:

	Min	Max
Partial day:	3 Hours	< 5 hours
Full day:	5 Hours	8 hours

Rate calculations:

1. Sum modeled payments for all RDS / RDS equivalent services on a given day for member receiving RDS
2. Take the 50th percentile across RDS days within the partial and full-day classifications

Rehab Day Service Per Diem
Approach to Incorporating HCBS Rate Report Results

Develop Rehab Day Service per diem rates using:

- Modeled payment rates for Adult Life Skills Development – Individual, Adult Life Skills Development – Group, and Peer Support. Adult Life Skills Development services included in the per diem are assumed to occur primarily at the provider facility.
- Average CY 2024 RDS payment per 60 minute unit increased in proportion to the change in the Adult Life Skills – Individual modeled payment rate
- Group therapy rate effective prior to January 1, 2024*
- Mix of services based on historical CY 2024 utilization**

Per DHS feedback, estimated modeled group therapy payments have been revised downward to reflect the assumption that there will be a utilization shift of group therapy services towards services delivered by a QBHP. This downward adjustment is estimated at 30%.

** Group therapy rate based on the Arkansas Medicaid Outpatient Behavioral Health Services fee schedule published 3/6/2020*
*** Historical utilization includes claims for dual eligibles to capture related utilization*

Next Steps

Next Steps

- The rate report is posted on DHS' website.
- Please provide feedback via email by November 5, 2025 (DHS-HCBS-RateReview@milliman.com)

Appendix A – Modeled Payment Rates

Note: **Milliman is not advocating for, recommending, or endorsing any specific adjusted payment rate approach or changes to funding levels. All final decisions regarding the design, modeling methodologies, parameters, and assumptions, and other aspects of the adjusted payment rate approach are the responsibility of DHS.**

Appendix A – Modeled Payment Rates

Description			Modeled Payment Rates (Trended to CY 2026)					Comparison to Current Payment Rates			
Procedure Code	Service Description	Unit Type	Salaries & Wages	Employee Related Expenses	Transportation Expenses	Administration & Program Support	Total Rate	Average Payment / Unit	Published Rate for BH, Most Frequent PASSE Rate for CES Waiver	Rate Selected for Calculation of Percent Change	Percent Change
A	B	C	D	E	F	G	H = D + E + F + G	I	J	K = I or J	L = H / K - 1
CES Waiver Services											
H2016, modifier varies	Supportive Living 1:1	15 min	$ 4.74	$ 1.06	$ 0.00	$ 0.64	$ 6.44	$ 5.20	$ 5.25	$ 5.20	23.8%
H2016, modifier varies	Supportive Living, 2 people	15 min	$ 2.59	$ 0.58	$ 0.00	$ 0.35	$ 3.52	$ 2.90	$ 3.00	$ 2.90	21.2%
H2016, modifier varies	Supportive Living, 3-5 people	15 min	$ 2.44	$ 0.50	$ 0.00	$ 0.31	$ 3.25	$ 2.90	$ 3.00	$ 2.90	11.9%
H2016, modifier varies	Supportive Living, 6-8 people	15 min	$ 1.80	$ 0.37	$ 0.00	$ 0.23	$ 2.40	$ 2.90	$ 3.00	$ 2.90	-17.3%
T1005	Respite	15 min	*Rate set to be equal to Supportive Living 1:1 rate*				$ 6.44	$ 4.25	$ 5.00	$ 5.00	28.8%
H2023	Supported and Supportive Employment, 1:1	15 min	$ 5.60	$ 1.25	$ 0.00	$ 1.71	$ 8.56	$ 4.27	$ 4.65	$ 4.27	100.4%
H2023, modifier varies	Supported and Supportive Employment, 2-4 people	15 min	$ 2.80	$ 0.62	$ 0.00	$ 0.86	$ 4.28	$ 2.75	$ 2.75	$ 2.75	55.6%
H2023, modifier varies	Supported and Supportive Employment, 5-8 people	15 min	$ 1.12	$ 0.25	$ 0.00	$ 0.34	$ 1.71	$ 1.82	$ 1.80	$ 1.82	-6.1%
T2025 UK	Consultation – Treatment Planning	Hour	$ 46.68	$ 8.62	$ 2.94	$ 14.56	$ 72.80	$ 123.05	$ 136.40	$ 136.40	-46.6%
T2025 U4	Consultation – Training staff and/or family	Hour	$ 46.68	$ 8.62	$ 2.94	$ 14.56	$ 72.80	$ 134.80	$ 136.40	$ 136.40	-46.6%
T2025 U3	Consultation – Updates to assessments	Hour	$ 46.68	$ 8.62	$ 2.94	$ 14.56	$ 72.80	$ 122.97	$ 136.40	$ 136.40	-46.6%
T2025 U2	Consultation – Medicaid eligibility paperwork	Hour	$ 46.68	$ 8.62	$ 2.94	$ 14.56	$ 72.80	$ 50.00	$ 50.00	$ 50.00	45.6%
T2025 U1	Consultation – Behavior support plans/training	Hour	$ 46.68	$ 8.62	$ 2.94	$ 14.56	$ 72.80	$ 136.13	$ 136.40	$ 136.40	-46.6%

See notes at the end of this appendix.

Appendix A – Modeled Payment Rates

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Procedure Code	Service Description	Unit Type	Salaries & Wages	Employee Related Expenses	Transportation Expenses	Administration & Program Support	Total Rate	Average Payment / Unit	Published Rate for BH, Most Frequent PASSE Rate for CES Waiver	Rate Selected for Calculation of Percent Change	Percent Change
A	B	C	D	E	F	G	H = D + E + F + G	I	J	K = I or J	L = H / K - 1
Behavioral Health Services											
H2011, modifier TBD	Crisis Stabilization Intervention – MHP	15 min	$ 13.42	$ 2.08	$ 0.49	$ 4.00	$ 19.99	N/A - New	N/A - New	N/A - New	N/A
H2011 U4 U6	Crisis Stabilization Intervention – QBHP	15 min	$ 9.57	$ 1.79	$ 0.49	$ 2.96	$ 14.81	$ 24.65	$ 18.42	$ 18.42	-19.6%
H2020 U4	Residential Community Reintegration	Per Diem	$ 260.10	$ 48.81	$ 10.50	$ 99.49	$ 418.90	$ 359.88	$ 353.41	$ 353.41	18.5%
H0019 HQ UC U4	Therapeutic Communities – Level 1	Per Diem	$ 366.99	$ 44.71	$ 0.00	$ 101.05	$ 512.75	$ 507.22	$ 500.00	$ 500.00	2.6%
H0019 HQ U4	Therapeutic Communities – Level 2	Per Diem	$ 227.33	$ 21.45	$ 0.00	$ 50.31	$ 299.09	$ 358.17	$ 358.00	$ 358.00	-16.5%
H0019 HQ	Therapeutic Communities – Level 3	Per Diem	$ 114.61	$ 14.41	$ 2.19	$ 26.49	$ 157.70	N/A - New	N/A - New	N/A - New	N/A
TBD	Adult Rehabilitation Day Services (RDS)	Partial Day	*Calculated based on sum of component services*				$ 60.78	$ 52.37	N/A - New	$ 52.37	16.1%
TBD	Adult Rehabilitation Day Services (RDS)	Full Day	*Calculated based on sum of component services*				$ 96.74	$ 73.26	N/A - New	$ 73.26	32.0%
H0038 UC U4	Peer Support	15 min	$ 11.25	$ 2.09	$ 0.24	$ 3.40	$ 16.98	$ 16.64	$ 16.77	$ 16.77	1.3%
H2017, modifier TBD	Adult Life Skills Development – 1:1	15 min	$ 10.21	$ 1.91	$ 0.49	$ 3.15	$ 15.76	$ 11.49	$ 11.15	$ 11.15	41.3%
H2017, modifier TBD	Adult Life Skills Development – group	15 min	$ 3.18	$ 0.60	$ 0.00	$ 0.95	$ 4.73	$ 8.22	$ 5.58	$ 5.58	-15.2%
H2017 U4 UC	Life Skills Development – 1:1	15 min	$ 9.57	$ 1.79	$ 0.49	$ 2.96	$ 14.81	$ 11.19	$ 11.15	$ 11.15	32.8%
H2017 HQ U4 UC	Life Skills Development – group	15 min	$ 2.98	$ 0.56	$ 0.00	$ 0.88	$ 4.42	$ 5.54	$ 5.58	$ 5.58	-20.8%
H2019 U4 UC	Behavioral Assistance	15 min	$ 11.48	$ 2.15	$ 1.96	$ 3.90	$ 19.49	$ 21.54	$ 21.32	$ 21.32	-8.6%
H2015 UC U4	Child And Youth Support Services – 1:1	Hour	$ 38.28	$ 7.17	$ 1.96	$ 11.85	$ 59.26	$ 85.31	$ 85.18	$ 85.18	-30.4%
H0043 U4	Supportive Housing	Hour	$ 33.68	$ 6.31	$ 0.00	$ 10.00	$ 49.99	$ 25.59	$ 25.59	$ 25.59	95.3%
H0034 TD U4	Individual Pharmacologic Counseling By RN	15 min	$ 18.11	$ 2.60	$ 0.49	$ 5.30	$ 26.50	$ 18.62	$ 18.62	$ 18.62	42.3%

See notes at the end of this appendix.

Appendix A – Modeled Payment Rates

Notes:

Milliman is not advocating for, recommending, or endorsing any specific adjusted payment rate approach or changes to funding levels. All final decisions regarding the design, modeling methodologies, parameters, and assumptions, and other aspects of the adjusted payment rate approach are the responsibility of DHS.

1. Modeled fees in Column H were based on rates developed using the Independent Rate Model, with exceptions as noted in the table. Adult Rehabilitation Day Service per diem rates were calculated as the sum of modeled rates for the individual components of the per diem service, with exceptions for the RDS per unit and group therapy components. The RDS per unit component rate was calculated as the historical rate multiplied by the modeled percentage increase in the adult life skills - individual rate. Group therapy was assigned a rate of $47.46, based on the rate prior to the January 1, 2024 rate adjustment. Per DHS feedback, estimated model group therapy payments were revised downward to reflect the assumption that there will be a utilization shift of group therapy towards RDS services delivered by a QBHP. This revision was set at approximately 30%.

2. Rate in Column J is based on the most recent archived fee schedule. Where an archived fee schedule rate was not available, the payment per unit reflects the most frequently paid rate in the claims experience (mode), calculated as CY 2024 expenditures divided by CY 2024 units. For "Supportive Living" multi-person services, the most frequently paid rate was identified based on the all of the multi-person services (2+) as the data did not allow for distinguishing between 2, 3-5 and 6-8 persons served. For "Crisis Stabilization - QBHP," "Behavioral Assistance," and "Child and Youth Support Services," the rate is a weighted average of the archived fee schedule rates for services provided by degreed and non-degreed QBHPs.

3. Rate in Column K is the archived fee schedule rate for services other than Supportive Living and Supportive Employment, which use the average payment rate.