SOUTH DAKOTA LEGISLATURE
LEGISLATIVE RESEARCH COUNCIL

Payment Methodologies for Medicaid Providers Study Provider Survey

To better understand your organization, the Committee requests completion of the following survey prior to providing public testimony.

http://goo.gl/forms/KajwsOZUEryqqY9V2

Submissions to 8:00 AM 8/17/2016

Table of Contents

Provider Name:	Types of Services Provided:	Plan to Testify	Page
Huron Area Center for Independence	Community Based Support Services for people with developmental disabilities. We help people live and work as independently as possible.		35
Jenkins Living Center	SNF, AL, Senior Housing	Yes	37
Kimball Ambulance District	Ambulance Pre-hospital	No	39
LSS - Group Care	Group Care	Yes	41
LSS - Outpatient Counseling	Outpatient Mental Health Counseling	No	43
LSS - PRTF	Psychiatric Residential Treatment Facility (PRTF)	Yes	45
McCrossan Boys Ranch	Group Care, ILPP, Alternative Services	No	47
Our Home, Inc.	PRTF	No	49
Rapid City Regional Hospital	All General Services Acute Care Hospital Services. No Kidney Transplant or Burn Center, but overall the facility is considered a full service hospital	Yes	51
Sanford Chamberlain	Hospital, Clinic, Long Term Care	No	55
Sanford Vermillion Care Center	Intermediate Nursing HOme	No	57
Spearfish Ambulance Service	Emergency ambulance services	Yes	59
Sturgis Ambulance	Ambulance	Yes	61
Wellfully	Adolescent Group Care and Residential Addiction Treatment	No	63
Community Support Providers of South Dakota		Yes	Attachment 1

Provider Name: **Aurora Plains Academy**

Types of Services Provided: **IRT**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

95

Percentage of your total revenue from Medicare?

-

Percentage of your total revenue from other insurance?

5

Percentage of your total revenue from private pay?

0

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

no

3. Do you charge different rates depending on the payer?

yes

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

out of state daily rate is $30 higher

5. What percentage of your clients are Medicaid eligible?

100

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

?

7. When was your most recent state cost report submitted?

2012, but will be submitting 2015

8. For state cost reporting, on what date does your operational year start/end?

January 1 to december 31

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Admin 20.7%

Direct Care 38.4%

Physical Plant/maintenance 10.6%

Education 11%

Clinical 9.4%

Nursing 2.7%

Other/Food 7.2%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

direct care costs have increased due to increasing wages to stay competitive

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

no

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

42%

13. What is the average longevity of your direct care staff?

1 year

14. What is the average cost for training and orientation of a new direct care employee?

$5,500

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

no

16. Do you have any additional comments for the Interim Study Committee?

no

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Avera Boorman Manor**

Types of Services Provided:

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

49%

Percentage of your total revenue from Medicare?

0%

Percentage of your total revenue from other insurance?

0%

Percentage of your total revenue from private pay?

51%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

No

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

N/A

5. What percentage of your clients are Medicaid eligible?

49%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

0.99

7. When was your most recent state cost report submitted?

Nov-15

8. For state cost reporting, on what date does your operational year start/end?

7-01-14 thru 6-30-15

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct Patient Care = 47%; Health & Subsistence = 25%; Admin = 11%; Other Operating = 1%; Plant & Operational = 8%; Capital = 8%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

We have experienced increased total recognized costs in the 3-5 year time frame of 15-20% due to capital improvements and direct patient care costs

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Some of our capital costs were related to regulation requiring changes in facility security systems including alarms/locking systems etc

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

12%

13. What is the average longevity of your direct care staff?

9 years

14. What is the average cost for training and orientation of a new direct care employee?

$3,000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

No

16. Do you have any additional comments for the Interim Study Committee?

No

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Avera Eureka Health Care Center**

Types of Services Provided: **Skilled Nursing and Intermediate Care**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

48%

Percentage of your total revenue from Medicare?

1%

Percentage of your total revenue from other insurance?

1%

Percentage of your total revenue from private pay?

50%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Have increased PP on average 3-5% each year

5. What percentage of your clients are Medicaid eligible?

48%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

PD1 - yes residents are coming to us sicker and need more care upon admission than in the past

7. When was your most recent state cost report submitted?

Submit one every year

8. For state cost reporting, on what date does your operational year start/end?

7/1 to 6/30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Health insurance, salaries and supply costs are increasing at a rapid rate

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Yes, increase in minimum wage but it was needed because the work in a nursing home is hard.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

15%

13. What is the average longevity of your direct care staff?

12 years

14. What is the average cost for training and orientation of a new direct care employee?

$4000 - $5000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

No, but we use agency staff which are very costly - we have spent over $77,000 this year for agency staff alone.

16. Do you have any additional comments for the Interim Study Committee?

Private pay residents are having to pay more to make up for the lack of money paid by Medicaid which causing the private pay to run out of money sooner and then have more on Medicaid which is less revenue and harder to cover increases in costs and to do any capital improvements on the building.

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Avera Platte Care Center**

Types of Services Provided: **LTC intermediate care services/ non Medicare certified**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

60%

Percentage of your total revenue from Medicare?

0%

Percentage of your total revenue from other insurance?

0%

Percentage of your total revenue from private pay?

40%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

foundations, fund raising, private donations, etc.? Sporadically but minimal

3. Do you charge different rates depending on the payer?

Yes, Our private pay rate is based on the same methodology as the Medicaid rate whereas we charge a rate of 135% of the case mix Medicaid rate for private pay. The rate is an alarming spread that is beyond our comfort in expanding. This year with the increased Medicaid funding coupled with further cost controls, we decided to not give private pay a cost increase and are hoping to reduce that spread further in coming years. Historically we had a 2-4% differential in the late 90â€™s and early 2000â€™s. That rate grew to a 20% differential when cost rebasing was eliminated and in the last 5 years has grown to the 35%.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

See above

5. What percentage of your clients are Medicaid eligible?

61%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

7. When was your most recent state cost report submitted?

Nov-15

8. For state cost reporting, on what date does your operational year start/end?

July 1st/June 30th

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Adm. 6.8%; Direct Care 49.3%; Health and Subsistence 28.6%; Other Operating .6%; Plant 8.4% and Capital 6.2%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

The past 3 years our direct care costs have went up just over 15% but our overall cost are 8.8%. Other words weâ€™ve seen a sharp cost increase in our labor cost and worked hard to reduce overall spending to keep facility viable and to keep private pay rates from expanding even further.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Have not measured as of yet

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

More importantly than our overall turnover rate is the measurement of new staff hired in last 12 months. In that period we have recruited 13 new employees but have lost 14 employeeâ€™s. We are now 6 FTE short in direct care but have been able to fill 3 of those positions with staffing agencies.

13. What is the average longevity of your direct care staff?

Current direct care staff longevity is 15 years.

14. What is the average cost for training and orientation of a new direct care employee?

Around $3,000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Yes. For about the last 6 months, weâ€™ve had to close 4 beds in the nursing home due to staffing. Our hope is to bring 2 of those beds back online next month. Our waiting list has grown to 25 clients awaiting a bed.

16. Do you have any additional comments for the Interim Study Committee?

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Avera Sister James Care Center**

Types of Services Provided: **Skilled Nursing Facility**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

5 year average is 36.5%

Percentage of your total revenue from Medicare?

5 year average is 33.95%

Percentage of your total revenue from other insurance?

5 year average is 2.81%

Percentage of your total revenue from private pay?

5 year average is 26.74%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

we periodically receive private donations to Avera Sacred Heart Foundation

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Medicare reimbursement has been flat over the past 5 years. Medicaid Reimbursement has grown on average was flat to slight increase 2012 to 2014, over the past couple years we have seen better increases due to cost rebase and inflation adjustments. Private Reimbursement rates have increased 4-5% per year over the past 5 years due to increasing costs and major payers flat increases.

5. What percentage of your clients are Medicaid eligible?

16 year average Medicaid eligible is 54.7% of total census with fluctuations from 48.9% to 60.95%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

Greg Evans with SD DSS will likely provide overall case mix scores by SNF directly to the committee

7. When was your most recent state cost report submitted?

2015 submitted in December 2015 from costs July 1, 2014 to June 30, 2015

8. For state cost reporting, on what date does your operational year start/end?

1-Jul

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct Care = 72.6%; Administration = 9%; Capital = 6.98%; and Other = 11.41%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

since 2011 facility costs have increased from $177.76/day to $195.61/day. A total of 9.13%.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

yes, if fully implemented cost impact would add and additional $60,000 in expense and revenue reductions of $50,000. A total of $110,000 per year.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

Turnover = 44%; Vacancy Rate = 13%

13. What is the average longevity of your direct care staff?

averages around 13 years

14. What is the average cost for training and orientation of a new direct care employee?

average depends on type of direct care staff but can range from $2,000 to $5,000 per employee

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

no but we have been selective on new admissions to ensure we have adequate staff to provide care to the individual based on acuity of existing facility with what would staff be able to meet the needs of the need resident.

16. Do you have any additional comments for the Interim Study Committee?

The biggest looming concern is adequate reimbursement to attract a work force for the future to meet the growing needs of SD residents. Overall unemployment in SD is extremely low and overall revenue is 70% tied to federal and state agencies.

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Avera@Home**

Types of Services Provided: **Home Health; Hospice; DSS; Self-Pay**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

19.53%

Percentage of your total revenue from Medicare?

60.28

Percentage of your total revenue from other insurance?

13.88

Percentage of your total revenue from private pay?

6.32

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes, we received donations from private donations usually related to hospice.

3. Do you charge different rates depending on the payer?

No.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Our private pay rates stay above the Medicaid reimbursement rate. Commercial payments and medicare reimbursement has only decreased.

5. What percentage of your clients are Medicaid eligible?

Not sure

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

n/a

7. When was your most recent state cost report submitted?

Nov-15

8. For state cost reporting, on what date does your operational year start/end?

7/1 - 6/30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

15% Administrative, 85% direct care

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Higher costs due to staffing challenges and benefit costs.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

yes, unsure of costs

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

18%

13. What is the average longevity of your direct care staff?

2-3 years

14. What is the average cost for training and orientation of a new direct care employee?

$35,000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Yes

16. Do you have any additional comments for the Interim Study Committee?

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Bennett County Hospital and Nursing Home**

Types of Services Provided: **Critical Access Hospital Services and Nursing Home**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

54.17% Total; Hospital - 41.52%; NH = 84.94%

Percentage of your total revenue from Medicare?

35.51% Total; Hospital - 50.10%; NH = 0%

Percentage of your total revenue from other insurance?

6.91% Total; Hospital - 9.75%; NH 0%

Percentage of your total revenue from private pay?

3.41% Total; Hospital - <1%; NH - 15.06, note these %'s and the %'s above are after bad debts and contractual allowances. We collect very little self pay billings.

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Some contributions and grants, but this is less than .5% if our net revenues

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Medicare, Medicaid and Commercial Insurance has used the same methodology. The biggest change we have seen in the last five years is a continued increase in self pay bad debt. $743,506 in FY14; 873,220 in FY15; $660,294 for 6 months of FY16. This puts us on pace for about $1.3 in bad debt for FY16. The ER closures on near by Indian Reservations and high deductible plans under ACA are believed to the primary reason for the increase in bad debt. Most of this bad debt is related to ER services.

5. What percentage of your clients are Medicaid eligible?

This is a greater number than the revenue percentages above, but I do not have data on this. We have numerous IHS patients who would be Medicaid eligible but have difficulties in having them complete the paper work for approval.

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

Only the nursing home is based on case mix which is incorporated into our daily rate. I do not have recent information on this (trend). This information is available through the state.

7. When was your most recent state cost report submitted?

About 3 months ago.

8. For state cost reporting, on what date does your operational year start/end?

start 1/1 end 12/31

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Total Facility = 13.42 Admin, 15.56 Other Operating, 71.02% Direct Care. This is difficult to break down between the nursing home and the hospital because of the integration between the two operations.

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Facility Wide Cost Increases have been as follows: 2012 6.90%, 2013 5.81%, 2014 5.50%, 2015 9.02%, 2016 Budgeted 11.02% (2016 includes the opening of a new RHC). NH cost increases (decreases) = 2012 (2.70%), 2013 (1.95%), 2014 8.84%, 2015 (.32%) 2106 Budgeted 3.69%. Hospital cost increases 2012 12.81%, 2013 9.93%, 2014 3.93%, 2015 13.33%, 2016 Budgeted 14.24%. Cost increases are primarily related to increased contract labor and increased demand on employee staffing due to increased patient volumes.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

See the reference to ACA above and high deductible plans driving bad debt costs. Increased regulation in general has caused an increase in staffing needed to manage regulation. Electronic medical records has increased our annual IT costs significantly.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

Turnover rate 17% Vacancy Rate 12%

13. What is the average longevity of your direct care staff?

Average is 1 to 2 years

14. What is the average cost for training and orientation of a new direct care employee?

The average up front training cost of new direct care workers is estimated at $3,000.

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

As a critical access hospital we can not turn away patients in need presenting to the ER. We have limited our intermediate swing bed services in the hospital due to the costs of having these patients within the Hospital and not having the available staff. In addition, we de-certified 7 beds in the nursing home on 7/1/15 due to both trending lower census and not having the available staff we need. The nursing home works hard to manage contract labor in the nursing home due to rate limitations (high medicaid occupancy at a set rate). Accordingly, we are very careful to not increase our contract labor costs in the nursing home to the point where our cost per day move above our medicaid and self pay rates. In short, our employment situation does impact the number of nursing home residents we can take and still remain financially sound.

Additional concerns for Bennett County Hospital and Nursing home relates to the ongoing legislation to address payment to non- I.H.S. facilities who provide services unavailable to Native Americans at their own facilities by referral. Most of our facilities I.H.S. issues arise from those who present to our ER either by tribal ambulances or on their own. There is no â€œreferralâ€ in play with those encounters, and both Rosebud and Pine Ridge offer more services than we do. Accordingly, we are concerned that this legislation will not address the major issue for non-I.H.S. facilities. I.H.S patients present at our facility either because we are the closest facility for their ambulances to bring them to, or because they choose us over their own healthcare facilities. At

any rate, they present to our ER door and we must see them. Often we have difficulty getting reimbursed even on the Level One life-threatening emergencies, being told the funds just are not there. This issue is a driving factor in our increased bad debt issue discussed above.

16. Do you have any additional comments for the Interim Study Committee?

With 54.17% of our revenue coming from the Medicaid program it is difficult to be paid on a DRG basis for IP services and cost to charge ratios that are more than 12 months old on the OP side during interim periods. This results in the facility receiving an under payment from the Medicaid program at the time services are delivered and then must wait approximately 18 months after our our fiscal year end to receive proper reimbursement under our access critical designation. In recent years this underpayment has been as much as $130,000, which at times creates significant cash flow problems for our facility. With that being said the the access critical designation for Bennett County Hospital and Nursing Home has been critical to the long-term viability of the facility.

The longevity and staffing information in questions 12 and 13 does not reflect the true staffing issues for Bennett County Hospital and Nursing Home. Being in such a rural area there is a limited pool of workers to draw from. About 30% of direct care staff have been here 5 years or more, another 40% 2 to 5 years, and the remaining 30 % are often â€œrecycledâ€ out of necessity with frequent â€œcall outs and no showsâ€ across the board being at the heart of staffing issues. Many new applicants either do not pass the background screening or the drug tests.

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Bethesda of Beresford**

Types of Services Provided: **Nursing Home Care**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

36%

Percentage of your total revenue from Medicare?

6%

Percentage of your total revenue from other insurance?

2%

Percentage of your total revenue from private pay?

56%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

minimal

3. Do you charge different rates depending on the payer?

We charge more for private pay residents

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

MA reimbursement does not increase near as fast as our other expenses do. We have an older building and many things within the facility are original and are needing updating, but payments that we receive are just covering our operating expense and not allow us to invest back into the facilities infrastructure like we should be doing.

5. What percentage of your clients are Medicaid eligible?

39%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

7. When was your most recent state cost report submitted?

31-Dec-15

8. For state cost reporting, on what date does your operational year start/end?

January 1st.

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Laundry/Housekeeping (3%), Dietary (12%), Therapy (4%), Administration/other (22%), Maintenance (5%), Nursing (51%), Social Services (1%), Activities (2%)

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Costs have steadily increased by an average of 5%-7% over the last 3 years. Mainly agency staffing costs and the costs of health insurance and other benefits have significantly increased.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

PBJ is something that is just getting started but is a huge burden on our small facility. We can't afford to have more hours to dedicate someone to track all the hours per employee per day and then carve out meeting and non-direct care time, but somehow we are expected to do it with no additional reimbursement.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

30% turnover rate for the past year

13. What is the average longevity of your direct care staff?

14. What is the average cost for training and orientation of a new direct care employee?

Approximately $2,500. This includes observing, contact hours, computer/book training, testing, and our staff helping with the orientation/training process.

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Due to PBJ and how we need to carve out hours for Assisted Living resident, we are discontinuing our A.L. program that is housed within our nursing facility. We are also not able to take on more difficult residents because of staffing shortages, which is contributed to low wage scales compared to other industries in the area that are paying the same amount, but are not as hard of a job as nursing home care.

16. Do you have any additional comments for the Interim Study Committee?

Reimbursement is making it harder for nursing homes that have a high percentage of Medicaid resident to take care of these people appropriately. We can't afford to pay a lot toward benefits or increase wages to attract new staff so then we are reliant on agency staffing that charge us 3 times the cost of an in-house employee. Furthermore, our facility, like many, want to make improvements to the facility that will be beneficial for residents and the staff that take care of them, but are not able to because funding by the State is not adequate to keep up with the increase in yearly costs.

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Capital Area Counseling Service (CACS)**

Types of Services Provided: **CACS is an accredited community mental health center and an accredited addiction treatment agency serving eight counties surrounding Pierre. We assess and treat mental health and addiction disorders. We provide Psychiatric and nursing services, psychiatric rehabilitation, traditional outpatient mental health therapy, outpatient addiction and continued care services, as well as family-based (In-home) mental health services to families.**

The following data is only for our mental health services. Data for all other CACS services has been excluded.

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

91%

Percentage of your total revenue from Medicare?

1%

Percentage of your total revenue from other insurance?

2%

Percentage of your total revenue from private pay?

1%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

We receive funding for services provided to Counties, Unified Judicial System, Grants, Employee Assistance Programs, when totaled together are 5%.

3. Do you charge different rates depending on the payer?

Rates differ depending on the funding source.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

No significant increases. Inflationary increases on state funded services.

5. What percentage of your clients are Medicaid eligible?

39%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

We do not use a case mix methodology.

7. When was your most recent state cost report submitted?

FY15 cost report was submitted October 2015

8. For state cost reporting, on what date does your operational year start/end?

July 1 through June 30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct care = 72%; Other operating = 9%; Administration = 19%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Health insurance has increased to about $10,000 a year per full time employee. We have not replaced administrative or leadership positions as vacancies occurred. It continues to be difficult to recruit qualified healthcare providers in Central South Dakota.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

The upcoming new federal DOL overtime rule could cost CACS as much as an additional $39,000 annually.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

Estimated 9%

13. What is the average longevity of your direct care staff?

7 years

14. What is the average cost for training and orientation of a new direct care employee?

CACS does not specifically track this expense. An estimate is $5,000.

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Yes. We cannot always serve clients with insurance due to the clinical credentials required. We maintain a waiting list for some services. We are not able to serve clients efficiently in remote areas.

16. Do you have any additional comments for the Interim Study Committee?

The state's reimbursement for psychiatric services is not keeping up with our costs.

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Carol McKenzie**

Types of Services Provided: **ambulance**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

10

Percentage of your total revenue from Medicare?

50

Percentage of your total revenue from other insurance?

25

Percentage of your total revenue from private pay?

15

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

taxes

3. Do you charge different rates depending on the payer?

no

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

We get paid less for Medicare and Medicaid

5. What percentage of your clients are Medicaid eligible?

10

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

no

7. When was your most recent state cost report submitted?

8. For state cost reporting, on what date does your operational year start/end?

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

13. What is the average longevity of your direct care staff?

14. What is the average cost for training and orientation of a new direct care employee?

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

16. Do you have any additional comments for the Interim Study Committee?

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Carroll Institute**

Types of Services Provided: **Carroll Institute is a comprehensive substance abuse counseling agency, accredited to provide Prevention, Earl Intervention, Outpatient, Intensive Outpatient and Residential Treatment Services, with a primary service area of Minnehaha and Lincoln Counties.**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

74.80%

Percentage of your total revenue from Medicare?

0%

Percentage of your total revenue from other insurance?

1%

Percentage of your total revenue from private pay?

10.70%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

13.5% which includes Minnehaha County, Federal Probation, the Sioux Empire United Way and Donations.

3. Do you charge different rates depending on the payer?

Yes, depending upon funding source, with all clients being charged a co-pay based on a sliding fee scale.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

State reimbursement rates have modestly increased over the years based on a legislative approved inflation policy, most notably this past year of 3.42%.

5. What percentage of your clients are Medicaid eligible?

6.62% In addition to income eligibility requirements, Medicaid supported substance abuse services are limited to adolescents and pregnant women.

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

Substance abuse services are reimbursed on a fee-for-service basis as opposed to a case mix methodology. The severity of cases is dynamic, individuals move in or out or are stepped down based on assessed intensity.

7. When was your most recent state cost report submitted?

FY 2015 Cost Report was submitted in late October 2015.

8. For state cost reporting, on what date does your operational year start/end?

July 1 - June 30th

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct Care - 61%

Other Operational - 24%

Administration - 15%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Affordable Care Act has resulted in double digit health insurance increases annually. To remain competitive in the local market place, 3 - 5% salary increases are the norm.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

FLSA Overtime Ruling - potential impact FY 2017 - $74,116; FY 2018 - $127,057. As mentioned in question 10, the Affordable Care Act has had an impact as well.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

31% overall, 21% direct care techs (24/7 residential staff), 10% professional staff (counselors)

13. What is the average longevity of your direct care staff?

3.97 years

14. What is the average cost for training and orientation of a new direct care employee?

$5,083 Training costs continue to increase as we move more and more to Evidence Based/Best Practices. The 2013 Criminal Justice Initiative, which expanded the community based treatment programs, has resulted in increased training costs as well.

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Yes - downsized school based prevention services.

Yes - turned away treatment and residential treatment clients inadvertently, as wait lists increase, access gets extended resulting in no show rates increasing.

16. Do you have any additional comments for the Interim Study Committee?

No

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Children's Home Society of SD**

Types of Services Provided: **Psychiatric Residential Treatment, Education, Domestic Violence Shelter for Women and Children, Therapeutic Foster Care, Foster Parent Training, Adoption, Nurse Family Partnership, Forensic Interviewing, Prevention Education and Advocacy.**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

41% Medicaid / 17.5% Contracts

Percentage of your total revenue from Medicare?

0%

Percentage of your total revenue from other insurance?

0%

Percentage of your total revenue from private pay?

0%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes

3. Do you charge different rates depending on the payer?

Yes

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Some years with decreases and some with increases. Overall, a total increase over the last 5 years.

5. What percentage of your clients are Medicaid eligible?

All except women that are victims of domestic violence and the education component of our residential and day-school programs.

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

Don't use the case mix methodology.

7. When was your most recent state cost report submitted?

17-Dec-15

8. For state cost reporting, on what date does your operational year start/end?

July 1 - June 30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

50.5% Residential Treatment, 17% Education, 11% Domestic Violence, 7% Foster Care & Adoption, 4% Nurse Family Partnership, 2.5% Advocacy & Prevention, 8% Administration

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Significant increase in teacher pay requirements while our private school is not eligible for revenue provided by taxes levied on citizens. Provider reimbursement not keeping pace with wage trends.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Affordable Care Act - $100,000 / FSLA overtime rule changes - Estimated $200K - $250K

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

35% turnover / 4% average vacancy rate

13. What is the average longevity of your direct care staff?

5.6 years

14. What is the average cost for training and orientation of a new direct care employee?

$1,000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

No

16. Do you have any additional comments for the Interim Study Committee?

Return to some form of actual cost reimbursement.

Home visits for residential youth contribute to successful completion of treatment plan and associated costs, including the temporarily open bed, should be reimbursed.

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Community Counseling Services**

Types of Services Provided: **We are a community behavioral health center that provides mental health and addiction services for the 7 counties of: Beadle, Hand, Jerauld, Kingsbury, Lake, Miner, and Moody. The data provided for this survey is specifically regarding the Addiction services provided in our catchment area: Prevention, 12-hour SD Public Safety DUI Program, assessments & diagnosis, 0.5 Early Intervention services, Level 1 - Outpatient Treatment, Level 2.1 - Intensive Outpatient Treatment, and CBISA Treatment Services.**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

58%

Percentage of your total revenue from Medicare?

0%

Percentage of your total revenue from other insurance?

10%

Percentage of your total revenue from private pay?

16%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

We receive some funding from city/county support, United Way, local and federal grants, and misc income; this constitutes 16% of our total revenue.

3. Do you charge different rates depending on the payer?

Yes, different rates are dependent upon the client's income and family size reported on the MEANS form. If the eligible, rates are then based on this sliding fee scale.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

No significant increases; inflationary increases were given on state funded services.

5. What percentage of your clients are Medicaid eligible?

6%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

We do not calculate our caseload using the case mix methodology. We have had an increase of Medicaid clients over the past 5 years.

7. When was your most recent state cost report submitted?

FY2015 Cost Report was submitted in October 2015

8. For state cost reporting, on what date does your operational year start/end?

July 1st - June 30th

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct Care - 69%

Other operating - 23%

Administration - 8%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Increase in health insurance, recruiting & retaining qualified staff according to state contract requirements, recruiting & retaining qualified staff in a rural area - especially licensed and nursing providers.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Affordable Care Act (ACA) - increase cost of health insurance and increased staff time to manage these new rules.

Fair Labor Standard Act Overtime Ruling (FLSA OT) - increase in salaries, overtime, and benefits due to the change in Exempt/Non-Exempt status rulings. We are estimating a minimum financial impact of $85,572 for implementation as of December 1, 2016. A full year is expected to have a minimum financial impact of $128,358.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

43%

This is a 7 person Unit; death of a therapist, Clinical Supervisor relocated to a different state, and we dissolved the Community Prevention Coordinator position.

13. What is the average longevity of your direct care staff?

2.8 years

14. What is the average cost for training and orientation of a new direct care employee?

$10,300

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Yes - we dissolved the community prevention programming. In FY16 we did not provide MRT services; all MRT clients were referred on to a different agency/provider.

16. Do you have any additional comments for the Interim Study Committee?

No

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **David Fogel DC**

Types of Services Provided: **Chiropractic**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

9%

Percentage of your total revenue from Medicare?

18%

Percentage of your total revenue from other insurance?

58%

Percentage of your total revenue from private pay?

15%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

no

3. Do you charge different rates depending on the payer?

primarily no, the fee schedule charged is universal, however the reimbursement is based on contracted values. Private pay is charged full fee schedule, however it is my understanding that a discount can be applied if certain criteria are met. all contracted insurance patients with deductibles receive contracted fee reductions.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Private pay: no overall changes

Insurance: has been very static with minimal increases that have not met inflation or increasing costs. severe cuts in reimbursement for therapies (2015 wellmark 30% to 50%)dropping the number allowed visits per year.

Medicare: slight increase as the SGR indicates.

Medicaid: moderate increase in one CPT code (manipulation) change in exam one every three years to one every year.

5. What percentage of your clients are Medicaid eligible?

9%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

we have not tracked case mix methodology, however diagnosis related groups is the basis for this method, i do not feel that these values would change significantly. Chiropractic has one of the best cost vs benefit outcomes in healthcare (J Occup Environ Med. 2014 (Jun),J Manipulative Physiol Ther. 2014 ,J Manipulative Physiol Ther 2010)

7. When was your most recent state cost report submitted?

to my understanding this is not applicable

8. For state cost reporting, on what date does your operational year start/end?

N/A

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Approx 30% is operating overhead, 50% is direct care and approx 20% is adminstration

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

costs have increased at an alarming rate. Our software costs, computer costs, IT tech costs along with the costs to submit electronically have all increased. Productivity has slowed because of the extra steps to meet the federal guidelines. Cost of goods used in practice has increased 20% on average and cost associated with the physical plant (electric, water, insurance etc) is consistently increasing on a yearly basis. It is also costing more to hire employees and salary costs are growing as a result. we are having to hire specialty groups to help us meet criteria to qualify for programs.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Yes and there are many and they are significant. Our IT, computer, and software budget has increased 100% in the past 5 years, with the medicare incentive not softening the blow much. Also the fact that the federal guidelines are a moving target, considerable time and resources are involved to attempt to stay up to date. For example we are employing a group that is helping to understand the new medicare guidelines which as of July they had not finalized for chiropractic and appears that they do not have measurements in place for us to meet mips. This will result in a possible 9% reduction in fees.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

20%

13. What is the average longevity of your direct care staff?

2.41 years

14. What is the average cost for training and orientation of a new direct care employee?

2500 to 4500 dollars

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

No we have not, our issue has be re-numeration of programs to pay for staffing with medicaid being a prime example.

16. Do you have any additional comments for the Interim Study Committee?

chiropractic has been placed in an interesting position, under federal health policies we are considered physicians with full scope under state laws. However another federal program Medicare has only a limited scope and to my knowledge we are the only profession with a limited medicare scope. This leads us to South Dakota Medicaid which to my understanding many years ago has administratively adopted medicare as the model for medicaid for chiropractic in South Dakota.

This leads us to the issue of healthcare delivery and payment systems for chiropractic in South Dakota. Within the past two years some progress has been made on fee for service in a limited scope such as a small increase in manipulation and a change in exam frequency. We have has discussions with DSS and DOH regarding expanding our scope to fit within state law and other third party pay, and there has been some progress made.

In light of many of the payment(ACO,communityhealth) changes that are sweeping the nation, and the research that shows chiropractic is extremely effective and cost effective that it becomes a very viable care delivery system for medicaid and should be considered for full scope inclusion within community health centers, ACO's, and remaining fee for service.

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Human Service Agency**

Types of Services Provided: **We are a community mental health center for six counties of northeastern South Dakota. We provide diagnostic, evaluation and treatment of mental health and chemical dependency services.**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

72%

Percentage of your total revenue from Medicare?

4%

Percentage of your total revenue from other insurance?

10%

Percentage of your total revenue from private pay?

8%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

We receive some funding from City/County Support, the United Way, Prairie Lakes HealthCare, PATH Grants and the HSA Foundation which amounts to 6% of our total revenue.

3. Do you charge different rates depending on the payer?

Different rates are dependent on whether the client meets the Means. If the client's income meets the Means test, rates are based on our sliding fee scale.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

There have been no significant changes other than inflation increases.

5. What percentage of your clients are Medicaid eligible?

32%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

We do not calculate our caseload using the case mix methodology. Our mix of clients have roughly stayed the same over the past 5 years.

7. When was your most recent state cost report submitted?

FY 2015 Cost Report was submitted in October of 2015.

8. For state cost reporting, on what date does your operational year start/end?

July 1 - June 30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct Care - 71%

Other Operating - 23%

Administration - 6%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Fringe benefits are shrinking as health insurance is increasing.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Affordable Care Act (ACA) - increased cost of health insurance and increased staff time to manage the new rules.

Fair Labor Standards Act Overtime Ruling (FLSA OT) - We are estimating a minimum financial impact of $62,000 for implementation as of December 1, 2015 for this current fiscal year. A full year is expected to have a minimum financial impact of $106,000.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

22% We lose professional staff to schools, state agencies and the VA due to higher compensation and no on-call responsibility.

13. What is the average longevity of your direct care staff?

8.7 years

14. What is the average cost for training and orientation of a new direct care employee?

$4,872 but this does not take into consideration the cost of travel time and lost revenue due to training time required by the state for new program implementation.

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Yes. We have a waiting list for the first time ever in children's services, especially in rural areas.

16. Do you have any additional comments for the Interim Study Committee?

Yes. The rate for psychiatric services is well below our costs. Our current cost per 15 minute unit of service is $90.28. Medicaid pays $51.08. The state pays $54.83 and Medicare pays $40.18.

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Huron Area Center for Independence**

Types of Services Provided: **Community Based Support Services for people with developmental disabilities. We help people live and work as independently as possible.**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

90.60%

Percentage of your total revenue from Medicare?

0

Percentage of your total revenue from other insurance?

0

Percentage of your total revenue from private pay?

less than 1/10th of a %

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes, 3/10ths of a % of revenue

3. Do you charge different rates depending on the payer?

State sets all rates we receive.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

CSP's have had small steady increases since we were cut in 2011. This years increase did a little more than cover the loss of Case Management funding.

5. What percentage of your clients are Medicaid eligible?

99.9

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

not used in our system.

7. When was your most recent state cost report submitted?

2015

8. For state cost reporting, on what date does your operational year start/end?

July 1st - June 30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Admin is 5%, 88.7%direct care costs, other operating 6.3% (mostly subsidized housing)

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Health Insurance Benefits are hard to provide, we have to raise wages to stay competitive, expansion of regulation and demand requires us to redirect resources to meet compliance expectations.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Conflict Free Case Management has removed the Case Management funding but left behind a majority of the work these positions accomplished in our organizations.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

13. What is the average longevity of your direct care staff?

14. What is the average cost for training and orientation of a new direct care employee?

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

16. Do you have any additional comments for the Interim Study Committee?

17. Do you plan to testify at the August 17th meeting?

Provider Name: **Jenkins Living Center**

Types of Services Provided: **SNF, AL, Senior Housing**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

40.30%

Percentage of your total revenue from Medicare?

2.00%

Percentage of your total revenue from other insurance?

0.00%

Percentage of your total revenue from private pay?

35.50%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes - private donations

3. Do you charge different rates depending on the payer?

Yes, due to Case Mix system for Medicare and Medicaid

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Medicaid - annual rate adjustments determined by state legislature

Medicare - rates set by federal government

Private Pay - small increase in rates each year due to inflationary costs

5. What percentage of your clients are Medicaid eligible?

60%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

.94 - down slightly from previous years

7. When was your most recent state cost report submitted?

Aug-16

8. For state cost reporting, on what date does your operational year start/end?

April 1 / March 31

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

General Administrative: 8.7%

Direct Care: 44%

Other Operating: 1.7%

Health & Subsistence: 28%

Plant Operations: 11.1%

Capital: 6.5%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Significant increases in labor, health insurance, technology, advertising, supplies, Worker's Comp. & general liability insurance

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

Payroll Based Journal reporting: $15,000

Affordable Care Act (cost of health insurance): $60,000

Implementation of MDS 3.0: ?

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

Turnover: 70 - 75%; Vacancy Rate: 22%

13. What is the average longevity of your direct care staff?

5.03 yrs

14. What is the average cost for training and orientation of a new direct care employee?

$3,500

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Not yet, but under current consideration.

16. Do you have any additional comments for the Interim Study Committee?

Current reimbursement system is acceptable if most recent cost report data is used.

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Kimball Ambulance District**

Types of Services Provided: **Ambulance Pre-hospital**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

13%

Percentage of your total revenue from Medicare?

64%

Percentage of your total revenue from other insurance?

13%

Percentage of your total revenue from private pay?

10%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

No

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

We take small increases each year

5. What percentage of your clients are Medicaid eligible?

10%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

7. When was your most recent state cost report submitted?

8. For state cost reporting, on what date does your operational year start/end?

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

administration-7%; direct care-34%; billing-11%; ins.-8%; training-11%; operating-rent-7%; vehicle-20%-with capital outlay saving for next rig

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

last year one retirement after 36 years of service with the ambulance

13. What is the average longevity of your direct care staff?

18 years

14. What is the average cost for training and orientation of a new direct care employee?

$3,000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

No

16. Do you have any additional comments for the Interim Study Committee?

Our hope would be to increase the reimbursement rate for all ambulances in the State to more in line with our surrounding states.

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **LSS - Group Care**

Types of Services Provided: **Group Care**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

93.10%

Percentage of your total revenue from Medicare?

0%

Percentage of your total revenue from other insurance?

0%

Percentage of your total revenue from private pay?

0%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

SD rate has increased in increments set by the legislature.

5. What percentage of your clients are Medicaid eligible?

100%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

N/A

7. When was your most recent state cost report submitted?

Dec-15

8. For state cost reporting, on what date does your operational year start/end?

July 1 - June 30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct care 40.8%, Professional and other program staff 16%, Admin 10.6%, Building occupancy 5.1%, Depreciation 4.9%, Client related needs 5.4%, Other operating 17.2%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Food, utility, and health insurance costs have risen faster than the pace of inflationary rate increases over the past 3-5 years. Costs to hire and retain direct care staff at a base wage that is competitive are increasing significantly beyond the rate of inflationary increases.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

FLSA impact of $12,500. Currently all direct care supervisor, other supervisor, and case manager positions are salaried, exempt; all of these positions will become overtime eligible. NSLP (National School Lunch Program) recently announced new federal requirements for food and kitchen item procurement and contracting which will necessitate the addition of an agency FTE to ensure do the required bidding, procurement and contracting and ensure compliance; group care's share of the FTE is estimated to be $12,500. Total FLSA & NSLP: $25,000.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

    68% turnover 13% vacancy.

13. What is the average longevity of your direct care staff?

    2.1 years

14. What is the average cost for training and orientation of a new direct care employee?

    $2,000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

    Yes

16. Do you have any additional comments for the Interim Study Committee?

    We are paying approximately $3.00/hr less than what it would take to be competitive on all levels of program staff pay: direct care, case managers, nursing, etc.

17. Do you plan to testify at the August 17th meeting?

    Yes

Provider Name: **LSS - Outpatient Counseling**

Types of Services Provided: **Outpatient Mental Health Counseling**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

23%

Percentage of your total revenue from Medicare?

4%

Percentage of your total revenue from other insurance?

47%

Percentage of your total revenue from private pay?

20%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes, but most is not designated to individual clients. Undesignated support is used to cover operating loss.

3. Do you charge different rates depending on the payer?

Yes. We have a flat rate per hour established, but we accept lower payment amounts based on 3rd party payer negotiated agreements. We also accept sliding fee for clients.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Commercial insurance coverage has increased by 2% over the past 5 years. EAP coverage has decreased by 3%. Medicaid has increased by 7%. Medicare has increased by 1%. Self pay has decreased by 7%. In general, EAPs are more competitive. Most companies are going to national EAP providers, which are more cost effective for them. Largest shift was the modification of billing codes to allow capturing revenue for a full hour of service delivery for all pay sources, including Medicaid. We have a greater use of Medicaid than five years ago. This is a shift in the types of providers that we have and their preferred clientele.

5. What percentage of your clients are Medicaid eligible?

23% - Most are under the age of 18

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

N/A

7. When was your most recent state cost report submitted?

N/A Not required

8. For state cost reporting, on what date does your operational year start/end?

N/A

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

N/A

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

The rate we have to pay to attract qualified staff who are licensed at the highest level who are able to bill Medicaid and other 3rd party payers has increased due to provider shortages and increased competition from the VA, hospitals, and other private providers for therapists.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

FLSA will necessitate the increase of therapist pay levels to meet the minimum pay threshold to remain salaried, exempt. Total impact $35,000

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

N/A

13. What is the average longevity of your direct care staff?

N/A

14. What is the average cost for training and orientation of a new direct care employee?

N/A

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

N/A

16. Do you have any additional comments for the Interim Study Committee?

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **LSS - PRTF**

Types of Services Provided: **Psychiatric Residential Treatment Facility (PRTF)**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

88%

Percentage of your total revenue from Medicare?

0%

Percentage of your total revenue from other insurance?

0%

Percentage of your total revenue from private pay?

0%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes

3. Do you charge different rates depending on the payer?

Yes. We have a license and contract with the state of MN for PRTF services at Summit Oaks. MN allows us to set our own rate. The rate established for MN covers our costs and is $38.11/day higher than our SD rate. We complete a MN cost report for our MN licensed program as well.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

SD rate has increased in increments set by the legislature. MN rate has increased 11% over the past 4 years.

5. What percentage of your clients are Medicaid eligible?

100%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

N/A

7. When was your most recent state cost report submitted?

Dec-16

8. For state cost reporting, on what date does your operational year start/end?

July 1 - June 30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct care 40.1%, Professional and other program staff 12.7%, Admin 10.7%, Building occupancy 12.2%, Depreciation 2.7%, Client related needs 5.6%, Other operating 16%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Food, utility, and health insurance costs have risen faster than the pace of inflationary rate increases over the past 3-5 years. Costs to hire and retain direct care staff at a base wage that is competitive are increasing significantly beyond the inflationary rate increases. Competition for

the professional staff (psychiatrist, psychologist, RN, master's level clinical staff) required for PRTF care have necessitated base pay rate increases of 30% over the past 5 years for these positions in order to compete with the healthcare sector to obtain the required personnel.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

FLSA impact of an estimated $50,000. Currently all direct care supervisor, other supervisor, clinician, and case manager positions are salaried, exempt; all of these positions will become overtime eligible. This is 19 total positions in PRTF. In addition, salaries of two Associate Director positions will need to be increased to meet the threshold minimum salary in order to keep those positions salaried, exempt. Recently announced NSLP (National School Lunch Program) requirements related to federal compliance with procurement and contracting for all food and kitchen items will have a projected impact of $37,500. The highly technical requirements needed for food and kitchen item procurement, bidding and contracting will necessitate the addition of an FTE within the agency to complete these processes on an ongoing basis and ensure compliance. Total FLSA & NSLP: $87,500

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

68% turnover. 15% vacancy.

13. What is the average longevity of your direct care staff?

2.1 years

14. What is the average cost for training and orientation of a new direct care employee?

$2,000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Yes

16. Do you have any additional comments for the Interim Study Committee?

We are paying approximately $3.00/hr less than what it would take to be competitive on all levels of program staff pay: direct care, therapists, case managers, nurses, etc. We currently operate in a significant deficit position in PRTF programming with the rates we currently pay staff and with high budgeted occupancy of 92%.

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **McCrossan Boys Ranch**

Types of Services Provided: **Group Care, ILPP, Alternative Services**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

78%

Percentage of your total revenue from Medicare?

0%

Percentage of your total revenue from other insurance?

0%

Percentage of your total revenue from private pay?

1%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes

3. Do you charge different rates depending on the payer?

Yes

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

anywhere between 2 to 5%

5. What percentage of your clients are Medicaid eligible?

99%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

We are not reimbursed by Medicaid

7. When was your most recent state cost report submitted?

22-Jan-16

8. For state cost reporting, on what date does your operational year start/end?

1-Jul

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

7% Administrative, 12% Operating, 81% Direct Care

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Health Insurance and Agency Liability Insurance and Workers Comp have all gone up significantly. Food, fuel and utilities are up as well. Our Workers Comp doubled in one year!

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

The upcoming salary adjustment for exempt employees or making them hourly employees. It will be a minimum additional cost of $15,000 plus will be very tough on morale.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

29% turnover; 0 vacancies as they were filled with part-time on call staff

13. What is the average longevity of your direct care staff?

5.65 years

14. What is the average cost for training and orientation of a new direct care employee?

$1,400 per new employee

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

No

16. Do you have any additional comments for the Interim Study Committee?

No

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Our Home, Inc**.

Types of Services Provided: **PRTF**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

93.03

Percentage of your total revenue from Medicare?

0

Percentage of your total revenue from other insurance?

1.95

Percentage of your total revenue from private pay?

0

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

PRIVATE DONATIONS

3. Do you charge different rates depending on the payer?

YES

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

The majority of our revenue comes from Medicaid/State of South Dakota. The following are the rate increases for the last 5 years:

2012 - 1/5%; 2013 - .8%; 2014 - 19.34%(at our ASAP program) + 7.98% (at Parkston program) + 3.3 % (at Rediscovery program); 2015 - 2.5%; 2016 - 3.42%

5. What percentage of your clients are Medicaid eligible?

98

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

N/A

7. When was your most recent state cost report submitted?

Oct-15

8. For state cost reporting, on what date does your operational year start/end?

July 1 - June 30

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Direct Care Wages = 49.4%

Administrative Expenses = 8.2%

Other operating expenses = 42.4%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Our largest cost is payroll. We have to have staff or we are not able to work with the kids. Over the past few years we have had more & more trouble finding & keeping qualified staff. Early in 2016 we were no longer able to fill entry level positions with a starting wage of $11.50 per hour. In June of 2016 we raised our entry level wage to $13 per hour. Currently our positions are filled and it appears the quality of applicants has improved. When we raised our entry level wage $1.50 per hour we also raised all Youth Supervisor wages $1.50 per hour. This is going to have a major impact on our expenses in the upcoming year and going forward.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

We believe the overtime rule change beginning in December will cost us approximately $37,000 per year in new overtime. Currently our Counselor & Group Leader positions are salaried and they will become hourly positions.

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

43%

13. What is the average longevity of your direct care staff?

4 years & 4 months

14. What is the average cost for training and orientation of a new direct care employee?

$3,200

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

2 years ago we reduced direct care staff at our drug & alcohol program because of consistent low census numbers.

16. Do you have any additional comments for the Interim Study Committee?

no

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Rapid City Regional Hospital**

Types of Services Provided: **All General Services Acute Care Hospital Services. No Kidney Transplant or Burn Center, but overall the facility is considered a full service hospital**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

12%

Percentage of your total revenue from Medicare?

45%

Percentage of your total revenue from other insurance?

Other Insurance = 28 % including BX

Percentage of your total revenue from private pay?

Private Pay=Self Pay=Uninsured is 4.6%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes, private donations primarily. We plan to increase our Fund raising efforts soon to supplement various programs and to enhance the financial stability of the facility long term.

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Medicare - Sequestration reduction which started in April of 2013, ACA mandated reductions; IHS payment problems have become much more acute in recent years; Medicaid - inflation to payment rates have been frozen, cut during the structural reset of the budget a few years ago, and most recent years a small inflation increase over the past two years set by Legislature. SD also is one of the states which has not expanded Medicaid under the ACA. Tricare reimbursement has been reduced by conversion from a billed charges payment method for IPT Acute care to a cost based DRG system. Commercial rate increases have varied with some allowing payment rate increases based on general CPI, which is significantly lower than Medical inflation.

5. What percentage of your clients are Medicaid eligible?

I would estimate a range of 15 - 18 % approximately as many IHS patients are also eligible for Medicaid, but they do not consistently apply for Medicaid eligibility in South Dakota or surrounding states

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

Medicaid case Mix for Rapid City Regional Hospital has remained fairly stable between 1.5 & 1.8 over the past five years

7. When was your most recent state cost report submitted?

FYE June 30, 2015

8. For state cost reporting, on what date does your operational year start/end?

July 1st and June 30th

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Salaries & Benefits are 55.8 % of total Costs. Medical Supplies and Pharmacy costs are 18.4 %. Other Operating costs are 20.5 %. Capital Costs (Depreciation and Interest) are 5.3 % of total costs for our FYE June 30, 2016.

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Inflation of costs at Rapid City Regional Hospital have been 6-9 %. Salaries have not increased that much, 2-3 % annually, but due to RN shortages and certain physician specialties shortages, contracted labor costs for RN's and Locum Physicians have skyrocketed in the last 3 years to 10-15 % annually. Contracted labor for both is much more expensive than employed staff. Pharmacy costs, especially newly developed drugs, are expensive when released. More regulations cost hospitals more as staff is hired to comply with new and increased regulations. Overall, medical inflation has eased some over that past few years, but is still well above general inflation rates.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

1. Sequestration - all payments from Medicare are cut by 2 % - Annual impact ranges between $3.3 to 4.0 million to Rapid City Regional Hospital

2. ACA mandated and related regulatory reductions - estimated range from $1,525,400 for 2015 and $1,600,000 for 2016.

3. Quality Metrics adjustments - less than $100,000 currently

4. Tricare Changes - Reduction in reimbursement for IPT Acute care (DRG) cases

5. SD Medicaid - rates which have been flat, then cut, and now increases the past couple years

6. Ongoing problems of adequate Indian Health Service Funding

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

Turnover rate for Direct care (Nursing) staff is 20.4 %. Vacancy Rate is 18.4%.

13. What is the average longevity of your direct care staff?

Longevity for Nursing Staff is 8.7 years currently

14. What is the average cost for training and orientation of a new direct care employee?

It varies by type of employee, but for a RN, orientation can be as long as 6-8 weeks, so the cost would range between $6,000-8,000 per RN

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

Diversions for IPT care for Acute Care over the past year has increased. We will provide information on the Aug 17th hearing on that info. Our diversions for the Behavioral Health Unit at Rapid City Regional Hospital from Jan 2015 thru June 2016 totaled 360 or an average of 20 patients per month. The reasons for these diversions vary by circumstances, but the prominent causes include staff shortages and beds not available (which can be caused by patient load and staff shortages both)

16. Do you have any additional comments for the Interim Study Committee?

Your task is hard, but extremely important to the Medicaid population of South Dakota. Good Luck with this very valuable work. Think outside the box on reimbursement methods. Develop common sense alternatives which are simple to administer, operate under, and understandable and fair from a patients' perspective.

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Sanford Chamberlain**

Types of Services Provided: **Hospital, Clinic, Long Term Care**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

17.6

Percentage of your total revenue from Medicare?

38.4

Percentage of your total revenue from other insurance?

25.8

Percentage of your total revenue from private pay?

2.7

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Payment as a % of charges has dropped for Medicare 4%, Medicaid 3%, Commercial 4%, I.H.S. 10%

5. What percentage of your clients are Medicaid eligible?

40%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

7. When was your most recent state cost report submitted?

Nov-15

8. For state cost reporting, on what date does your operational year start/end?

1-Jul

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

15% Operations, 26% Administration, 42% Direct Care, 17% Ancillary Care

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Pharmaceutical drug cost have climbed 15%. Cost of temporary contract workers has more than doubled.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

1.6% Turnover, 36% vacancy rate

13. What is the average longevity of your direct care staff?

7 years

14. What is the average cost for training and orientation of a new direct care employee?

$40,000 and more

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

No

16. Do you have any additional comments for the Interim Study Committee?

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Sanford Vermillion Care Center**

Types of Services Provided: **Intermediate Nursing Home**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

47%

Percentage of your total revenue from Medicare?

0

Percentage of your total revenue from other insurance?

6%

Percentage of your total revenue from private pay?

47%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

No

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Medicaid has not kept up with the cost of care. And because our VA contract (other insurance payer 6%) is based on Medicaid rates, VA has not kept up with cost of care either. Thus, private pay subsidies Medicaid.

5. What percentage of your clients are Medicaid eligible?

47%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

Our Medicaid case mix is generally under 1 and has stayed fairly constant.

7. When was your most recent state cost report submitted?

FY 2015

8. For state cost reporting, on what date does your operational year start/end?

June 30th

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Increased Medicaid residents from 50% to 55% as a general trend.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

Certified Nurse Aids 85% turnover, Nursing 5 yrs

13. What is the average longevity of your direct care staff?

Certified Nurse Aids avg longevity less than 1 year

14. What is the average cost for training and orientation of a new direct care employee?

$200,000

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

No

16. Do you have any additional comments for the Interim Study Committee?

Vermillion has different mix of staffing due to college students. High turnover.

17. Do you plan to testify at the August 17th meeting?

No

Provider Name: **Spearfish Ambulance Service**

Types of Services Provided: **Emergency ambulance services**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

12%

Percentage of your total revenue from Medicare?

42%

Percentage of your total revenue from other insurance?

18%

Percentage of your total revenue from private pay?

28%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Medicare & Medicaid denials have increased

5. What percentage of your clients are Medicaid eligible?

over 30%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

7. When was your most recent state cost report submitted?

8. For state cost reporting, on what date does your operational year start/end?

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Employee wages and medical supply costs increase annually

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

13. What is the average longevity of your direct care staff?

14. What is the average cost for training and orientation of a new direct care employee?

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

We are NOT allowed to turn away Medicaid patients. We are forced to write-off a majority of their bills but our fixed costs (wages, fuel, medical supplies, etc..) continue to increase in costs.

16. Do you have any additional comments for the Interim Study Committee?

In a 10 state Medicaid payment comparison for ambulance services, SD is ranked LAST. We can't hire employees when we are forced to write-off the majority of our bills for service. Our current write-offs and collections account for over 30% of our billing. We match our billing rates to Blue Cross/Blue Shield Usual and Customary Fee Schedule.

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Sturgis Ambulance**

Types of Services Provided: **Ambulance**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

30%

Percentage of your total revenue from Medicare?

30%

Percentage of your total revenue from other insurance?

20%

Percentage of your total revenue from private pay?

40%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

No

3. Do you charge different rates depending on the payer?

No

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

Decreased

5. What percentage of your clients are Medicaid eligible?

40%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

Yes

7. When was your most recent state cost report submitted?

n/a

8. For state cost reporting, on what date does your operational year start/end?

January 1st

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Wages - 50% Operational 50%

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

Calls have increased with reimbursement decreasing

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

no

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

10%

13. What is the average longevity of your direct care staff?

5 years

14. What is the average cost for training and orientation of a new direct care employee?

$30,000 per year at a minimum

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

no

16. Do you have any additional comments for the Interim Study Committee?

17. Do you plan to testify at the August 17th meeting?

Yes

Provider Name: **Wellfully**

Types of Services Provided: **Adolescent Group Care and Residential Addiction Treatment**

1. What percentage of your revenue comes from the following sources:

Percentage of your total revenue from Medicaid or other state funding?

78.40%

Percentage of your total revenue from Medicare?

0

Percentage of your total revenue from other insurance?

0

Percentage of your total revenue from private pay?

1.30%

2. Do you receive revenue from any other sources – foundations, fund raising, private donations, etc.?

Yes, 18.9% of our revenue is from fundraising to cover our remaining expenses.

3. Do you charge different rates depending on the payer?

Yes, there is a sliding fee for private pay.

4. Briefly describe changes in your reimbursement for each payer type over the past five years.

For private pay, we have increased the sliding fee discount. For DSS hardship contract dollars, this amount has increased due to increased client demand.

For Medicaid and DSS reimbursement rates, we have received a 1-3% increase annually; however, this increase does not cover the costs of inflation and it does not cover the cost of general operating if occupancy varies by more than 10% or 1-2 children per day.

5. What percentage of your clients are Medicaid eligible?

98%

6. If reimbursed by Medicaid using the case mix methodology, what is the average case mix score for your facility? Has this value significantly changed over the past five years?

N/A

7. When was your most recent state cost report submitted?

Oct-15

8. For state cost reporting, on what date does your operational year start/end?

June 30th

9. What is the breakdown of your percentage of cost by cost center? i.e. What percentage of your total costs are administration, direct care, other operating, etc.?

Based on our 2014 990, 81.2% of our costs are for direct care/programs, 16.9% are for administration, and 1.9% are for fundraising.

10. Please provide information regarding any recent trends in costs over the past 3-5 years.

We have controlled our operational costs to the best of our ability. There is a base operating expense regardless of occupancy. For instance in Addiction Treatment, our costs for employees are the same whether we have 7 youth or 12 youth in the program; however, reimbursement based on occupancy requires we have a minimum of 11 youth in the program to break even. Likewise in our Group Care program, where occupancy has trended down from 18 youth per day in 2012 to 14 youth per day in 2016, our costs for employees-our greatest resource-remains the same whether we serve 9 youth or 16 youth. With such small margins for occupancy variation in order to operate based on occupancy alone, and occupancy trending downward, our current rates are either not high enough or should be restructured with a base rate to operate, not dependent on occupancy, similar to critical access hospitals.

11. Have you identified any cost impacts as a result of recent federal regulatory changes? If so, what are the estimated impacts of each regulatory change?

No

12. For your most recent operating year, what was your direct care staff turnover rate and vacancy rate?

Our vacancy rate for direct care staff is 7.4% on average.

Our direct care staff turnover rate is 63%

13. What is the average longevity of your direct care staff?

1.95 years is the average longevity.

14. What is the average cost for training and orientation of a new direct care employee?

$585 per employee for training and orientation

15. Have you turned away clients or downsized programs or facilities because of staffing concerns?

We have limited occupancy in group care occupancy to 16 youth of our 18 bed license because we can staff up to 16 youth with two employees per shift and it is difficult to hire more youth care workers and it is not affordable to maintain the extra positions when occupancy has trended at 14 for the last two years.

16. Do you have any additional comments for the Interim Study Committee?

17. Do you plan to testify at the August 17th meeting?

No

Agency	Services	1. Medicaid	1. Medicare	1. Insurance	1. Private	2. Other	3. Diff. Rates?	4. Changes Past 5 Years
Ability Building Serv.--Yankton	CSPs provide an array of services to over 4,400 people who have intellectual and developmental disabilities. These include residential, vocational, supported employment, family support, community engagement, and many more.	81.5%	0%	0.0%	9.1%	9.4%	No	CSPs received a 4.5% cut in Medicaid reimbursement in FY 2011, with minimal inflationary increases and some one-time funding since then. Costs have increased well beyond these levels of reimbursement.
ADVANCE--Brookings		76.0%	0%	0.0%	9.0%	15.0%	No	
Aspire--Aberdeen		86.0%	0%	0.0%	4.0%	10.0%	No	
Black Hills Special Serv.--Sturgis		75.8%	0%	0.0%	23.8%	0.4%	No	
Black Hills Works--Rapid City		77.0%	0%	1.0%	7.2%	14.8%	Yes, TBI	
Community Connections--Winner		90.0%	0%	0.0%	6.0%	4.0%	No	
Center for Independence--Huron		90.6%	0%	0.0%	3.7%	5.7%	No	
DakotAbilities--Sioux Falls		86.0%	0%	0.0%	7.0%	7.0%	No	
Dakota Milestones--Chamberlain		91.0%	0%	0.0%	7.0%	2.0%	No	
ECCO--Madison		86.0%	0%	0.0%	8.0%	6.0%	No	
LifeQuest--Mitchell		79.6%	0%	0.0%	2.7%	17.7%	No	
LifeScape--Sioux Falls		77.0%	0%	0.3%	5.2%	17.5%	Yes, similar	
LIVE--Lemmon		90.0%	0%	0.0%	10.0%	0.0%	No	
New Horizons--Watertown		77.0%	0%	0.0%	10.6%	12.4%	No	
Northern Hills Training Ctr.--Spearfish		85.0%	0%	0.0%	5.9%	9.1%	No	
OAHE, Inc.--Pierre		79.5%	0%	0.0%	0.0%	20.5%	No	
SESDAC--Vermillion		85.9%	0%	0.0%	5.3%	8.8%	No	
Southeastern Directions for Life--Sx. Fls.		71.0%	0%	0.0%	28.0%	1.0%	No	
Volunteers of America--Sioux Falls		94.0%	0%	0.0%	6.0%	0.0%	No	
Overall Average		**83.1%**		**0.1%**	**8.3%**	**8.5%**		

1. **Private Pay**. On average, CSP income from private pay is less than 1%. Most people are Medicaid eligible and don't have resources to require any private pay. This area includes what individuals pay from their SSI for room & board & income from local school districts.

2. **Revenue from other sources**. Most agencies have very little income from foundations & fundraising--from less than 1% to 7%. Responses here also include income from cities, counties, United Way, food service, housing, and production.

Agency	5. Medicaid Eligible	6. Case Mix	7. Most Recent Cost Report	8. Fiscal Year	9. Admin.	9. Direct Care	9. Other	10. Cost Trends
Ability Building Serv.--Yankton	100.0%	NA	Nov-15	July-June	9.0%	89.9%	1.1%	CSP's staff wages are well below market. We can't raise wages when there are not adequate reimbursement rate increases to allow it. Staff benefit packages are shrinking. As costs go up, we reduce benefits. Employee health insurance goes up each year. As a result, we increase deductibles and require employees to pay more. Costs for supplies, food, occupancy, and maintenance are increasing at a greater rate than the modest inflation increases provided in the rates.
ADVANCE--Brookings	100.0%	NA	Sep-15	July-June	18.0%	81.0%	1.0%	
Aspire--Aberdeen	81.0%	NA	Oct-15	July-June	10.0%	87.0%	3.0%	
Black Hills Special Serv.--Sturgis	100.0%	NA	Oct-15	July-June	7.6%	82.0%	10.4%	
Black Hills Works--Rapid City	99.0%	NA	Oct-15	July-June	9.0%	77.0%	14.0%	
Community Connections--Winner	100.0%	NA	Oct-15	July-June	11.0%	84.0%	5.0%	
Center for Independence--Huron	99.9%	NA	Nov-15	July-June	5.0%	88.7%	6.3%	
DakotAbilities--Sioux Falls	100.0%	NA	Oct-15	July-June	1.8%	90.7%	7.5%	
Dakota Milestones--Chamberlain	86.0%	NA	Nov-15	July-June	9.0%	86.0%	5.0%	
ECCO--Madison	86.0%	NA	Oct-15	July-June	9.0%	77.0%	14.0%	
LifeQuest--Mitchell	89.0%	NA	Nov-15	July-June	6.7%	81.2%	12.1%	
LifeScape--Sioux Falls	99.0%	NA	Nov-15	July-June	10.0%	79.0%	11.0%	
LIVE--Lemmon	100.0%	NA	Oct-15	July-June	9.0%	91.0%	0.0%	
New Horizons--Watertown	79.0%	NA	Oct-15	July-June	7.0%	70.0%	23.0%	
Northern Hills Training Ctr.--Spearfish	94.0%	NA	Oct-15	July-June	6.0%	94.0%	0.0%	
OAHE, Inc.--Pierre	100.0%	NA	Dec-15	July-June	17.0%	77.0%	6.0%	
SESDAC--Vermillion	100.0%	NA	Nov-15	July-June	13.2%	78.0%	9.8%	
Southeastern Directions for Life--Sx. Fls.	100.0%	NA	Oct-15	July-June	10.0%	75.0%	15.0%	
Volunteers of America--Sioux Falls	100.0%	NA	Nov-15	July-June	14.0%	79.0%	7.0%	
Overall Average	**95.4%**				**9.6%**	**82.5%**	**8.0%**	

Agency	11. Impact of Fed. Regs.	12. DSP Turnover	12. Vacancy %	13. Average Longevity
Ability Building Serv.--Yankton	**DOL Overtime Rule**--Dec 2016. Statewide estimates range from $2 to $7 million per year in addl costs.	36%	8.0%	7.0 yrs.
ADVANCE--Brookings		56%	26.0%	1.8 yrs.
Aspire--Aberdeen	**Conflict Free Case Management**--Transition taking place now. DHS/DDD removed about $5 million from CSPs to pay for contracts with independent providers.	51%	27.0%	5.2 yrs.
Black Hills Special Serv.--Sturgis		48%	5.0%	2.8 yrs.
Black Hills Works--Rapid City		41%	7.0%	5.8 yrs.
Community Connections--Winner	**HCBS Settings Rule**--CMS is requiring services in smaller settings, which cost more.	100%	16.0%	4.8 yrs.
Center for Independence--Huron		27%	19.0%	6.5 yrs.
DakotAbilities--Sioux Falls	**Workforce innovation and Opportunity Act**--The primary focus is "competitive, integrated employment" for all. Facliity-based programs will be phased out.	52%	11.0%	2.7 yrs.
Dakota Milestones--Chamberlain		29%	11.0%	7.4 yrs.
ECCO--Madison		30%	27.6%	5.0 yrs.
LifeQuest--Mitchell	**Fee for Service Payment Structure**--The next major focus of DHS/DDD to retain HCBS waiver. Billing process will be much more complicated and will be more difficult to capture all services provided.	31%	10.0%	3.6 yrs.
LifeScape--Sioux Falls		38%	22.0%	3.7 yrs.
LIVE--Lemmon		45%	15.0%	8.0 yrs.
New Horizons--Watertown		48%	19.0%	3.4 yrs.
Northern Hills Training Ctr.--Spearfish		67%	20.0%	3.4 yrs.
OAHE, Inc.--Pierre		73%	13.0%	2.7 yrs.
SESDAC--Vermillion		70%	5.0%	1.6 yrs.
Southeastern Directions for Life--Sx. Fls.		42%	5.0%	4.5 yrs.
Volunteers of America--Sioux Falls		32%	35.0%	6.0 yrs.
Overall Average		**48%**	**15.9%**	**4.0 yrs.**

Agency	14. Cost to Train New	15. Turned Away, Downsized	16. Additional Comments	17. Testify?
Ability Building Serv.--Yankton	$4,872	No	We appreciate the work of the study committee in looking into this issue. Our understanding of the "methodology" being used in the analysis of cost reports is to look at what providers are spending as opposed to what they receive in revenue. If this is so, the analysis will never yield sufficient information to determine the fiscal health of providers who are over 80% dependent on Medicaid income. We can't spend more. Neither the "system" nor our local boards of directors will allow it. So, we continue to build "zero-based" budgets and our staff wages and cost reimbursement falls further behind. We know that many of you understand this. However, "more of the same" will really not address this issue.	Yes. The CSP of SD executive direcor will testify for the group.
ADVANCE--Brookings	$3,000	No		
Aspire--Aberdeen	$4,872	Yes		
Black Hills Special Serv.--Sturgis	$4,872	Yes		
Black Hills Works--Rapid City	$4,872	Yes		
Community Connections--Winner	$4,872	Yes		
Center for Independence--Huron	$3,307	Yes		
DakotAbilities--Sioux Falls	$4,872	Yes		
Dakota Milestones--Chamberlain	$4,872	No		
ECCO--Madison	$4,872	Yes		
LifeQuest--Mitchell	$4,872	Yes		
LifeScape--Sioux Falls	$4,872	Yes		
LIVE--Lemmon	$4,872	Yes		
New Horizons--Watertown	$5,820	Yes		
Northern Hills Training Ctr.--Spearfish	$4,872	Yes		
OAHE, Inc.--Pierre	$5,000	Yes		
SESDAC--Vermillion	$4,872	Yes		
Southeastern Directions for Life--Sx. Fls.	$4,872	Yes		
Volunteers of America--Sioux Falls	$2,300	Yes		
Overall Average	**$4,612**	**16 Yes, 3 No**		

14. Cost to Train New. Most CSPs don't track this specifically. In 2010, ANCOR estimated the cost to be $4,872. It's probably more now.