

**Wyoming Children’s Out-of-Home Placement Services Technical Advisory Group (TAG)  
Meeting Minutes  
May 4, 2011**

I. Attendees

The following representatives attended the TAG meeting on May 4, 2011.

In-person:

Name	Agency	Name	Agency
Paula Douglass	Navigant	Bob Peck	Department of Health
Dianne Bailey	WDE	Sara Walk	Medicaid
Teri Frazier	WDE	Bob Mayor	St. Joseph’s Children’s
Paul Yaksic	DFS	Rhonda Mayer	Home

On the phone:

Name	Agency	Name	Agency
Sharon Weber	Cathedral Homes	Andrea Pederson	Navigant
Nicole	Cathedral Homes	Karumah Cosey	Navigant
Chad	Cathedral Homes	Teri Green	Medicaid
Eric Hendrickson	UHS/WBI	Clark Fairbanks	Y.E.S. House
Kevin Garvey	Region V	Sheri England	Y.E.S. House
Bruce Burkland	Red Top Meadows	Carolyn Conner	NW BOCES

II. Review of Calculations for Possible Occupancy Adjustments

The TAG reviewed the data used to calculate occupancy rates using the data reported on provider cost reports.

*Occupancy Rate Calculation*

The following Schedule 3 cost report lines are needed to calculate a residential occupancy rate:

- Total number of beds for the facility type, Lines 3 – 6
- Total number of days the facility was open and operational, Line 8
- Total number of resident days for the facility type, Lines 10–13

The formula for the occupancy rate calculation is:

$$\frac{\text{Total Number of Resident Days}}{(\text{Total Number of Beds} * \text{Total Number of Days the Facility was Open and Operational})}$$

**Wyoming Children’s Out-of-Home Placement Services Technical Advisory Group (TAG)**  
**Meeting Minutes**  
**May 4, 2011**

$$3,500 \text{ (Residential days)} \div (12 \times 365) = 80\%$$

*Occupancy Median Estimates and Adjustment Calculation*

Navigant provided summary tables of provider residential occupancy rates, disguising the provider names, using the peer groups: In-state RTCs, In-state Group Homes and BOCES, and Out-of-State PRTFs. There were too few in-state PRTFs to provide data. Using the occupancy rates calculated for each provider, we then calculate the median occupancy rate for each peer group.

If the Departments choose to use a residential occupancy adjustment, providers with occupancy rates below the median would have their total residential days adjusted to be at the median occupancy rate. This adjustment has the effect of increasing the number of resident days by which total adjusted allowable costs are divided, thereby , decreasing the cost per day.

The rate formula for a provider with adjusted occupancy would be:

$$\frac{\text{Total Adjusted Allowable Costs}}{(\text{Total Facility Beds} \times 365 \times \text{Median Occupancy Rate})}$$

The total number of resident days for providers with occupancy rates at or above the median would not be adjusted. The rate formula would be:

$$\frac{\text{Total Adjusted Allowable Costs}}{\text{Total Reported Resident Days}}$$

*Other Points of Discussion*

- We also reviewed education occupancy adjustment calculations that follow the same formulas but use the number of school days and total education days annually. WDE did not use this type of adjustment in the last study. At that time, WDE determined that education costs should not be adjusted for occupancy because of the Department’s existing policy to pay for education services only when the child is in attendance in the classroom.
- On April 26, 2011, Navigant sent an email to all providers requesting that they review how they reported beds on their cost reports and provide us with updated data for the number of actual beds at the facility rather than the number of licensed beds if these counts were different. Navigant has collected provider

**Wyoming Children's Out-of-Home Placement Services Technical Advisory Group (TAG)  
Meeting Minutes**

**May 4, 2011**

responses and will use the updated counts of beds to calculate occupancy rates by provider.

- During the TAG discussion, one provider raised the issue that the residential days reported on the cost report include the last day of service (i.e., the day of discharge). The day of discharge is not included in the total reimbursement to the provider by the State. The cost report instructions will be updated to instruct providers to report days using one consistent approach.
- A group home provider had an issue where the demand for crisis shelter beds exceeded the number of crisis beds available and required the use of group home beds. This raised a concern about calculating the provider's occupancy rate for group home. This provider and Navigant had a follow-up call to discuss the details of the issue. For the calculation of the occupancy rate for this group home, the facility days occupied as crisis shelter will be factored into the occupancy rate since these beds could not be used for the group home when occupied as crisis shelter.

III. Review of Calculations for Possible Administrative Cost Adjustments

The TAG reviewed the data used to calculate administrative costs and resulting adjustments using the data reported on provider cost reports.

*Administrative Costs Calculation*

The following Schedule 1 cost report lines are needed to calculate administrative costs:

- Line 23 – Principal/ Director of Education Salaries
- Line 36 – Total Administration Office Employee Salaries
- Line 93 – Contracted School Administration Services
- Line 105 – Total Contracted Administration Office Services
- Line 132 – Total Administrative expenses
- Line 140 – Total Liability and Other Insurance
- Administration portion of Line 70 – Employee Taxes, Insurance and Benefits (see below for instructions on how to calculate this amount)

To calculate administrative costs we sum amounts from lines 23, 36, 93, 105, 132, 140 and the administrative portion of line 70 (Employee taxes, Insurance and Benefits).

**Wyoming Children’s Out-of-Home Placement Services Technical Advisory Group (TAG)  
Meeting Minutes**

**May 4, 2011**

The administrative portion of employee taxes, insurance and benefits is calculated by the following steps:

1. Sum the administrative salaries (lines 23 and 36).
2. Divide this sum by total salaries and wages (line 44). The result is administrative salaries as a percentage of total salaries.
3. Multiply the administrative salary percentage by the total the employee taxes, insurance and benefits (line 70\*) to calculate the administrative portion of employee taxes, insurance and benefits.

\*Note: Providers incur employee taxes, insurance and benefits for non-contracted employees only.

*Administrative Cost Medians and Adjustments*

Navigant provided summary tables of provider administrative cost rates, disguising the actual provider names, using the peer groups: In-state RTCs, In-state Group Homes and BOCES, and Out-of-State PRTFs. Once provider administrative costs are identified, an administrative cost rate is calculated for each provider as follows:

$$\frac{\text{Estimated Allowable Administrative Costs}}{\text{Total Reported Allowable Costs}} = \text{Administrative Cost Rate}$$

Using the administrative cost rates calculated for each provider, we then determine a median administrative cost rate for each peer group.

If the Departments choose to use an administrative cost adjustment, providers with administrative cost rates above the median would have their total allowable costs adjusted downward to reflect the median administrative cost rate.

For example, a provider with \$10,000 of administrative costs and \$50,000 of Total Reported Allowable Costs would have an administrative cost rate of 20 percent. If the median administrative rate for this provider’s peer group is 15 percent, then the allowed administrative costs would be \$50,000 \* 15 percent or \$7,500. The excess administrative costs of \$2,500, or \$10,000-\$7,500 = \$2,500, would be subtracted from Total Reported Allowable Costs for the per diem rate calculation.

The rate formula for a provider with adjusted administrative costs and no adjustment for occupancy would be:

$$\text{Total Reported Allowable Costs} - \\ \text{(Total Administrative Costs} -$$

**Wyoming Children’s Out-of-Home Placement Services Technical Advisory Group (TAG)  
Meeting Minutes**

**May 4, 2011**

(Median Administrative Cost Rate \* Total Reported Allowable Costs)

Total Reported Resident Days

The administrative cost of providers with administrative cost rates at or below the median would not be adjusted. The formula would be:

Total Adjusted Allowable Costs

Total Reported Resident Days

One provider requested further detail about the costs identified as administrative costs and that those costs be discussed further at the next TAG meeting.

IV. Other Issues

Other topics and issues discussed during this TAG meeting:

- The issue of proposed certification requirements for principals and teachers was discussed. One provider estimated that the principal requirement would have at least a \$40,000 impact on costs to comply with the regulation. These costs are not reflected in the most recent cost data used for the rate analysis. This will be discussed further at the next TAG meeting. Jo Ann Numoto of WDE distributed documentation about the regulation to impacted institutions/facilities on May 5th. Additional providers said they would try to estimate the impact of the regulation on their costs.

**Wyoming Children's Out-of-Home Placement Services Technical Advisory Group (TAG)  
Meeting Minutes  
May 4, 2011**

**The next TAG meeting will be May 18<sup>th</sup> at 2:00 PM Mountain. Participants have the option to attend the meeting in-person or participate by telephone.**

**Topics for next TAG meeting:**

- ✓ Review Administrative Costs
- ✓ Review 1:1 paraprofessionals and related services
- ✓ Cost for new requirements not reflected on cost reports

*Providers representatives who do not serve on the TAG can reach out to any member of the TAG with questions or concerns to be discussed by the TAG.*

Agency	Primary Contact	
Northwest BOCES	Carolyn Conner	<a href="mailto:nwboces@rtconnect.net">nwboces@rtconnect.net</a>
Region V BOCES	Kevin Garvey	<a href="mailto:kgarvey@boces5.org">kgarvey@boces5.org</a>
Red Top Meadows	Bruce Burkland	<a href="mailto:bjbrtm@wyoming.com">bjbrtm@wyoming.com</a>
St. Joseph's Children Home	Bob Mayor Ronda Meyer	<a href="mailto:bmayor@stjoseph-wy.org">bmayor@stjoseph-wy.org</a> or <a href="mailto:rmeyer@stjoseph-wy.org">rmeyer@stjoseph-wy.org</a>
Youth Emergency Services	Clark Fairbanks	<a href="mailto:cfairbanks@ccsd.k12.wy.us">cfairbanks@ccsd.k12.wy.us</a>
Youth Development Services	Rene Kemper	<a href="mailto:kemper@communicomm.com">kemper@communicomm.com</a>
Wyoming Behavioral Health Institute	Eric Hendrickson	<a href="mailto:eric.hendrickson@uhsinc.com">eric.hendrickson@uhsinc.com</a>
Department of Health	Sara Walk	<a href="mailto:sara.walk@health.wyo.gov">sara.walk@health.wyo.gov</a>
Department of Family Services	Paul Yaksic	<a href="mailto:pyaksi@state.wy.us">pyaksi@state.wy.us</a>
Department of Education	Teri Frazier	<a href="mailto:tfrazi@educ.state.wy.us">tfrazi@educ.state.wy.us</a>
Navigant Consulting, Inc.	Andrea Pederson Paula Douglass Karumah Cosey	<a href="mailto:Andrea.pederson@navigant.com">Andrea.pederson@navigant.com</a> <a href="mailto:Paula.douglass@navigant.com">Paula.douglass@navigant.com</a> <a href="mailto:Karumah.cosey@navigant.com">Karumah.cosey@navigant.com</a>