



Virginia Office of Children's Services

*Study of Private Special Education
Day Program Rates*

October 2018

Agenda

Introductions

Project Goals & Approach

Methodology & Tools

Stakeholder Feedback

Closing Remarks



Introductions



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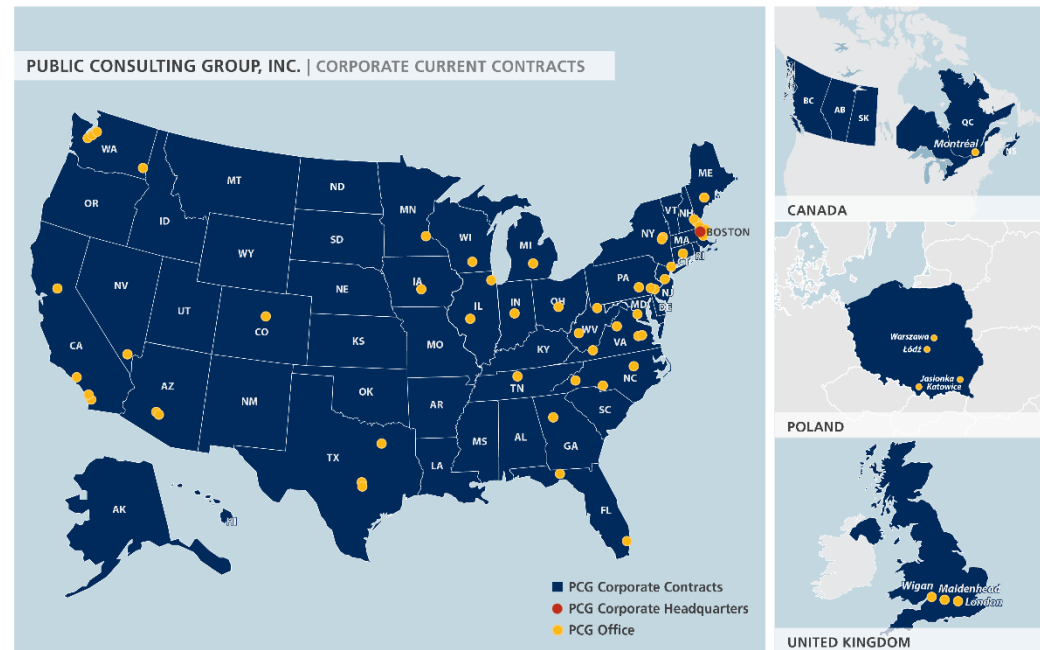
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Introduction to PCG

- Founded in 1986, PCG is headquartered in Boston, MA and employs more than 2,000 professionals in 46 offices
- Management consulting to assist public sector agencies better serve their targeted population
- Five Practice Areas
 - Human Services
 - Health
 - Education
 - Technology Consulting
 - Public Partnerships, LLC (PPL)



Goals for Today



Project Goals & Approach

Project Goals

1. **Conduct national research to understand:**
 - How are private special education day rates handled nationally?
 - How are costs shared between state, local government, and school districts?
 - How are rates developed?
 - What costs are included?
 - How do other state rates compare to VA?
2. **Better understanding of the costs of providing private special education day programs in VA.** What are they buying, how does this align to what they want or need to buy, and how much does it cost?
3. **Develop rate recommendations**

Project Approach



Project Timelines

Phase 1 – Preliminary Report

October 2018

- Project Kickoff
- Begin Data Collection
- Develop Cost Study Tools
- Draft Preliminary Report

Project Timelines

Phase 2- Final Report

November 2018 – January 2019

- Distribute Cost Study Tools
- Collect and review data

January 2019 – February 2019

- QA datasets
- Calculate preliminary service rates

March 2019 – June 2019

- Develop Draft Rate Setting Methodology
- Facilitate Regional Stakeholder Meetings
- Create Final Cost Analysis/Rate Setting Report
- Present Findings to OCS

Methodology & Tools

Overview: Rate Setting

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



Rate-Setting Process

1. Determine Methodology for Data Collection

- a. Review available data
- b. Develop data collection options based on possible rate methodologies
- c. Engage stakeholders

2. Collect Data

- a. Finalize data collection tools
- b. Provide training and technical assistance

3. Analyze Data

- a. Perform quality assurance on data collected
- b. Aggregate into datasets and trends

4. Develop Rate Options

- a. Develop rate options
- b. Engage stakeholders

5. Finalize Recommendations

- a. Draft report summarizing process and rate recommendations



Data Collection

The following data collection tools will be completed by providers of private pay special education programs:

Cost Report

- Provider & Contact Information
- Services
- Revenue
- Personnel Expenses (salaries & benefits)
- Administrative and Other Expenses

Personnel Roster

- Salaries and benefits
- Credentials
- Hours and Service Allocations



Cost Report

Provider & Contact Information

- Requests general information on provider agency

Contact Information	
Provider Name	
Program Address	
Program Name (if different)	
License or Contract Number	
City, State, Zip	
County	
Contact Name	
Contact Position	
Contact Email	
Contact Phone	

Services

- Students served

Services		
	Unit	Notes/Comments
Number of students served		
Ages Served		
Services Provided		
Specialty Populations Served		

Revenue

- Requests totals of revenue from different sources
- Requests total agency and amount associated with program

Revenue		
	Program Total \$	Notes/Comments
Revenue from VDOE		
Revenue from Other State/Local Agency		
Fundraising and Development		
Other Revenue		
Total Revenue		

Sample cost report - for presentation use only

Cost Report

Personnel

- Salaries
- Non-working Time
- Benefits

<i>Personnel</i>		
	Program Days	Notes/Comments
Holidays		
Vacation Days		
Sick Days		
Total Paid Non-Working Days		
	Program \$	Notes/Comments
Employee Salaries		
Personnel Taxes		
Workers' Compensation		
Healthcare		
Retirement		
Other Fringe Benefits		
Total Personnel Expenses		

Sample cost report - for presentation use only

Cost Report

Other Expenses

- List all other expenses by category not related to salary and fringe for the whole provider and program-specific

Other Expenses		
	Program \$	Notes/Comments
Occupancy/Facility		
Supplies		
Equipment		
Insurance		
Translation/Interpretation Services		
Licensing		
Fundraising and Development		
Audit-Related Expenses		
Training Expenses		
Bad Debt		
Lobbying		
Indirect (from Parent Organization)		
Other Operating Expenses		
Total Expenses		

Attestation

- In the attestation section, provide the attester's name, title, electronic signature and date of attestation

Attestation	
By entering my name, staff title and electronically signing my name below, I attest that the information contained in this worksheet and any of its accompanying financial statements/files are both accurate and complete to the best of my knowledge, and I am authorized to attest and submit this information on behalf of my program.	
Authorized Attestation Name:	
Attestation Staff Title:	
Electronic Signature (Retype Name):	
Date of Attestation:	

Sample cost report - for presentation use only

Personnel Roster

- Personnel information about each employee's status and credentials

Last Name	First Name	Employee or Subcontractor?	Official Title	Profession	Start Date	Highest Education Obtained	Certification or Licensure 1	Certification or Licensure 2	Certification or Licensure 3

- Time and expense information by employee

# Hours Worked Annually (or Paid if Exempt)	% Time Allocated Program	Total Annual Salary or Amount Paid	Total Annual Fringe Benefits Paid	Total Annual Personnel Expenses

Sample personnel roster- for presentation use only

Personnel Roster: Personnel Categories

Executive/Admin

- Program Director
- Program Function Manager
- Asst. Program Director
- Prog. Secretarial / Clerical Staff
- Maintenance, House/Groundskeeping, Cook
- Supervising Professional

Clinical

- Physician & Psychiatrist
- Clinician

Teachers

- Spec. Education Teacher
- Spec. Education Teacher Aide

Direct Care

- Direct Care / Program Staff Supervisor
- Direct Care / Program Staff



Sample personnel roster- for presentation use only

Next Steps

- Submit preliminary report
- Revise data collection tools
- Follow up review with stakeholders via webinar
- Train and distribute tool



Questions and Comments





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