
HMA

HEALTH MANAGEMENT ASSOCIATES

*Examining the Adequacy and Appropriateness of
Reimbursement Rates to Providers
for Services Administered by the
Arizona Department of Economic Security
Division of Developmental Disabilities*

PREPARED FOR

ARIZONA DIVISION OF DEVELOPMENTAL DISABILITIES

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Certification

The Division of Developmental Disabilities (Division) is required under A.R.S. § 36-2959 to conduct an annual analysis of the rates it pays to its home and community based service providers. Specifically,

The department shall contract with an independent consulting firm for an annual study of the adequacy and appropriateness of title XIX reimbursement rates to service providers for the developmentally disabled program of both the Arizona long-term care system and the state only program. The consultant shall also include a recommendation for annual inflationary costs. Unless modified in response to federal or state law, the independent consulting firm shall include, in its recommendation, costs arising from amendments to existing contracts.

The Division asked Burns & Associates, a division of Health Management Associates (HMA-Burns) to examine the adequacy and appropriateness of the reimbursement rates for the most recent state fiscal year (SFY) ending June 30, 2021.

The HMA-Burns team analyzed paid claims for services rendered during the five-year period SFY 2017 through SFY 2021. There were 88 unique services identified which were grouped into eight service categories: (1) residential services, (2) in-home support services, (3) day program services, (4) supported employment services, (5) transportation, (6) nursing services, (7) therapy services, and (8) all other services. The specific rates under review are for services delivered by providers who participate in the Division's request for qualified vendor application (RFQVA). Services delivered through the RFQVA are paid using the Division's published fee schedule. Services that are not paid using the published fee schedule (those in category 8, all other services) and services paid through the state's independent provider program were excluded from the study.

In the examination of claims, the HMA-Burns team computed the average units per user in each service category in the study across the five-year period. A steady or increasing utilization pattern may be indicative that there is a sufficient provider base to deliver services to the Division's clients. The utilization for each service category was analyzed not only at the statewide level, but also at the regional level. The regions defined in the study include Maricopa County, Pima County, Northern Counties (Apache, Coconino, Mohave, Navajo, Yavapai), Central Counties other than Maricopa (Gina, Pinal), and Southern Counties other than Pima (Cochise, Greenlee, La Paz, Santa Cruz, Yuma).

HMA-Burns also computed the percentage of units that were paid within each service category using the rates published on the Division's fee schedule at the time that the service was rendered. A high rate of units paid using the published fee schedule may be indicative that the rates are accepted by providers and are adequate and appropriate for the service rendered.

In addition to reviewing paid claims, the HMA-Burns team analyzed authorizations given to each consumer for specific services during the same five-year time period. HMA-Burns matched available authorizations to paid claims at the individual client level to determine if Division clients used their authorization. A high rate of authorization use may be indicative that there are providers willing to deliver the services at the Division's published rates.

HMA-Burns reviewed the count of providers and market diversification of each of the seven major service categories studied. A consistent or increasing count of unique providers may indicate that the published rates are adequate and appropriate in that providers continue to contract with the Division. Market diversification was measured by computing the percentage of payments within a service

category delivered by the top 20 providers (by volume) against the entire category. If the top 20 provider percentage of payments remains steady or decreases, this may indicate that additional providers are willing to expand their service footprint with the Division.

In addition to the metrics described above, HMA-Burns reviewed three years of financial statements submitted by a sample of 104 providers among the total 678 providers on file through the RFQVA. The period of study was each provider's fiscal year for 2018, 2019 and 2020. All providers in the sample submitted financials to the Division in each of these years. Three financial metrics were computed by HMA-Burns: (1) cash ratio (cash on hand divided by current liabilities), (2) current ratio (current assets divided by current liabilities), and (3) net income percentage (net income divided by total revenues). The values for each measure were trended for each of the providers in the sample as well as weighted averages for four peer groups. Each of the 104 providers was assigned to one of four peer groups based on the amount of their annual total revenue reported on their financial statement.

HMA-Burns also reviewed reports submitted by the Division to the Arizona Health Care Cost Containment System (AHCCCS) that reports the names of providers who terminated their agreement with the Division citing inadequate rates. One report identifies providers who terminated in whole. Another report identified providers who did not terminate their entire agreement but terminated delivering a specific set of services due to inadequate rates.

HMA-Burns reviewed contract amendments administered by the Division to RFQVA providers to determine if any contract amendment language had a direct impact on increases to provider costs. Through this review, the HMA-Burns team did not identify any amendments that specifically map to increased costs to providers.

Lastly, HMA-Burns inventoried all of the current published rates for services as per the most recent Rate Book published by the Division dated July 7, 2021 with an effective date of January 1, 2021. These adopted rates were compared to the benchmark rates established by the Division during the latest full rebase of rates that occurred in 2019. A ratio of adopted-to-benchmark rate was computed for each service. HMA-Burns also tracked the published adopted rates in effect as of the last day of each SFY from 2016 to 2021 to examine the cadence of rate changes by service.

Findings

Details on the results of the five metrics related to client utilization and provider service delivery are shown on a one-page dashboard in the body of this report for each of the seven major service categories examined. The values for individual metrics are shown on the dashboard for each SFY and, for some measures, by region of the state. Also on each dashboard are columns that assess the change from SFY 2017 to SFY 2019 and from SFY 2017 to SFY 2020. Both time periods were assessed because of the impact of the public health emergency that started in March 2020.

In addition to showing the percentage changes over time, color-coding provides an easy way to assess steady state or meaningful change (positively or negatively). A summary of the results of these metrics appears on the next page. For all measures, HMA-Burns assessed either steady state or improvement for every metric in every major service category when analyzing changes from SFY 2017 to SFY 2019. When analyzing changes from SFY 2017 to SFY 2020, two metrics out of 35 showed a meaningful negative impact—one for employment services (change in average units per user) and one for nursing services (percent of units paid using a standard fee on the fee schedule).

The color coding is defined as follows: green = more than a 5% improvement over the time period, red = more than a 5% decline during the time period, and yellow = between -5% and +5% change during the time period.

Dashboard Summarizing Changes in Utilization Patterns Across Five Statewide Metrics

Legend for Color Coding		Green = Improvement over time	For Provider Concentration, red and green are inverted.		
		Yellow = Steady over time			
		Red = Worsened over time			
Changes From State Fiscal Year 2017 to State Fiscal Year 2019					
	Total Number of Providers	Concentration of Payments Among Providers in Top 20	Average Units Per User	Percent of Units Paid on Fee Schedule	Percentage of Units on Authorizations Where Services Were Provided
Residential	16.1%	-2.8%	-0.2%	0.4%	0.0%
In-Home Supports	20.6%	-2.6%	6.5%	-0.2%	-1.6%
Day Treatment	6.4%	-3.3%	1.0%	-0.1%	-0.1%
Employment	8.4%	-2.9%	-3.9%	-0.1%	0.8%
Transportation	6.2%	-1.6%	-1.4%	-0.1%	-0.1%
Nursing	12.5%	0.0%	-4.3%	-4.1%	-0.8%
Therapies	-0.5%	-1.9%	3.4%	-0.2%	0.7%
Changes From State Fiscal Year 2017 to State Fiscal Year 2020					
	Total Number of Providers	Concentration of Payments Among Providers in Top 20	Average Units Per User	Percent of Units Paid on Fee Schedule	Percentage of Units on Authorizations Where Services Were Provided
Residential	21.7%	-5.5%	0.5%	0.0%	0.1%
In-Home Supports	25.3%	-2.8%	10.5%	-1.1%	-0.8%
Day Treatment	5.8%	-2.3%	7.6%	-0.6%	0.0%
Employment	10.8%	-0.2%	-7.3%	-0.2%	0.6%
Transportation	6.9%	-0.2%	5.3%	-0.3%	-0.9%
Nursing	25.0%	0.0%	-4.5%	-6.9%	-0.1%
Therapies	-2.6%	-3.3%	4.7%	-1.2%	1.0%

With respect to the fiscal health of the providers delivering services for the Division, the sample of 104 providers showed that asset-related measures improved or remained steady for most providers between their fiscal years 2018 to 2020. A subset of providers with revenues between \$5 and \$20 million annually (all lines of business) saw a decline both their cash ratio and current ratio values from 2019 to 2020. Despite this, the providers in this peer group (labeled Group 2 by HMA-Burns) had cash ratio and current ratio values in 2020 more in line with other provider peer groups (the 2019 values were higher-than-usual). A current ratio value of 1.0 or greater is considered an appropriate value for solvency. Although there is not a standard for cash ratio, because the cash ratio includes fewer assets in its calculation, a ratio near 1.0 can also be deemed to be strong.

For the net income percentage metric, the value improved overall among the providers reviewed. It also improved or remained steady for three of the four peer groups defined. Even though the net income percentage dropped in 2020 for providers with total revenues from \$2 million to \$5 million (labeled Group 3 by HMA-Burns), the 2020 value was still above the statewide average and higher than larger-size provider groups.

Changes in Fiscal Metrics for a Sample of Providers that Submitted Completed Fiscal Reports to DDD in FYs 2018, 2019 and 2020

LEGEND			
Group 1 Provider Total Revenues > \$20 million, all service lines			
Group 2 Provider Total Revenues \$5 to \$20 million, all service lines			
Group 3 Provider Total Revenues \$2 to \$5 million, all service lines			
Group 4 Provider Total Revenues < \$5 million, all service lines			

	Cash Ratio			Current Ratio			Net Income Percentage		
	FY 2018	FY 2019	FY 2020	FY 2018	FY 2019	FY 2020	FY 2018	FY 2019	FY 2020
All Providers Examined	1.1	1.2	1.3	2.7	2.8	2.4	3.9%	3.7%	4.3%
Group 1 Providers average	0.7	0.8	1.2	1.8	2.0	2.2	3.5%	3.4%	4.0%
Group 2 Providers average	1.9	2.1	1.2	4.4	4.9	2.8	3.8%	3.1%	3.1%
Group 3 Providers average	1.6	1.8	1.5	2.0	2.1	2.3	5.8%	7.0%	6.1%
Group 4 Providers average	3.1	2.4	2.3	9.6	4.7	2.3	7.2%	6.4%	10.3%

When HMA-Burns examined the reports since the start of CY 2015 that the Division used to track terminations from the program due to rates, only 12 providers completely terminated and 11 providers terminated specific services out of an average 614 providers paid in each SFY. HMA-Burns determined that this low percentage reflects the normal course of business and not indicative of a rate issue.

Assessment

Based on our assessment of services across seven major service categories using five metrics related to client and provider utilization, three metrics related to provider financial health, and the metric of actual provider terminations due to rates, HMA-Burns certifies that the current rates in place by the Division are adequate to reimburse providers for delivering the services covered under the auspices of the RFQVA. Although it is understood that no single metric may be indicative of the adequacy and appropriateness of the rates, when viewed in totality, HMA-Burns believes that the current rates are adequate.

Although we have deemed the rates to be adequate, there is opportunity for the Division to improve upon the actual rates paid by continuing to track the adopted rates against the benchmark rates established in 2019. We believe that the metrics are showing maintenance of the Division's provider network in no small part to the judicious use of efficiencies built in by providers to live within the existing rate structure set by the Division. As the economy comes out of the public health emergency, the labor pool of staff to deliver services to the Division's clients will likely be scarce, particularly among the direct service professionals who are paid at or near the minimum wage.

With this in mind, HMA-Burns does not recommend an across-the-board inflationary increase to all of the Division's rates. Although the data suggests that an immediate rate increase may not be necessary, HMA-Burns recommends that the Division consider the following as additional resources become available to increase rates:

1. Increase rates for services where the labor is primarily delivered by lower-wage workers to help providers address the nominal increase of \$0.15 in the statewide minimum wage that became effective January 1, 2021 and the \$2.00 increase in the Flagstaff minimum wage.
2. Above and beyond the actual minimum wage change, increase rates for these same services due to the likely high-competitive market the Division providers will face in attracting staff as the public health emergency ends and the economy improves.
3. Consider targeted increases to rates that, at present, are less than 80 percent of the current benchmark rate to bring up to at least 80 percent of the benchmark. Among 282 rates examined, HMA-Burns identified 66 rates that fell into this criteria. Of these 66 rates, 48 of the rates are in the nursing and in-home supports categories.

Background on Provider Rates

The focus of this assessment is on the rates paid to providers who participate in the Division of Developmental Disabilities' (the Division's) request for qualified vendor application (RFQVA). These vendors agree to deliver services for which they are reimbursed under a standardized fee schedule that is established by the Division. Independent providers may also deliver some services. The independent providers are reimbursed by a fiscal intermediary who pays the provider at a rate that differs from the rate paid to agencies under the RFQVA. The services and payments made through the independent provider program are outside the scope of this assessment.

The Division is required by statute to rebase (reset) the rates paid for services delivered by providers under the RFQVA every five years. The rates for these services were rebased in 2009, in 2014, and in 2019. Because funding is not always available to the Division to pay for services at the latest rebased rate, the Division publishes a benchmark rate and an adopted rate. The benchmark rate represents the rate that would be paid to providers if full funding was available to do so. The adopted rate represents the actual rate put in place given the funding available.

The HMA-Burns team analyzed the latest benchmark rate values for each service examined in this study that were in effect as of July 1, 2019 and compared them to the rates that were adopted on the Division's fee schedule effective January 1, 2021 (source: Division published Rate Book, Effective Date Jan 1, 2021 and Revision Date July 7, 2021). Exhibit 1 below shows the variation among services when comparing the adopted rate as a percentage of the benchmark rate. Although eight rates out of 282 have been set at less than 70% of the benchmark rate. The services at this threshold accounted for only 0.7 percent of total Division expenditures for services paid through the RFQVA in SFY 2021. Almost all of this is in the one residential service (developmental home- child, 0.6 of the 0.7 percent). Most of the current adopted rates are between 80% and 90% of the latest benchmark rate established.

Exhibit 1. Adopted Rates Established in State Fiscal Year 2021* Compared to Latest Benchmark Rates

Service Category	Number of Unique Rates	# Rates <70% of Benchmark	# Rates 70%-80% of Benchmark	# Rates 80%-90% of Benchmark	# Rates 90%-99% of Benchmark	# Rates at Benchmark
ALL SERVICES	282	8	58	193	13	10
Residential	7	1	2	0	3	1
In-Home Supports	22	0	12	10	0	0
Day Treatment	9	0	0	0	9	0
Employment-Related	22	1	2	19	0	0
Transportation	12	0	0	2	1	9
Nursing	54	0	36	18	0	0
Therapies	156	6	6	144	0	0

*Values in this Exhibit reflect Statewide rates excluding Flagstaff. The Division has established higher benchmark rates for the City of Flagstaff due to the higher minimum wage established by the city.

In the Findings section of this study, further explanation is provided of the services that fall under each of the categories shown in Exhibit 1.

When the Division has been appropriated additional funding for provider reimbursement, sometimes the funding has been applied as a rate increase across-the-board to all services. At other times, the funding has been used to provide targeted increases to specific services. The increase in funding dedicated to provider rate increases is summarized in Exhibit 2 below.

Exhibit 2. Summary of Provider Rate Changes in the Last Five Years

Effective Date	Reason for Rate Change	Service Categories Impacted
01/01/17	Prop 206	Increase of approx. 8.1% to services most significantly impacted by the change in minimum wage.
07/01/17	Prop 206	Additional rate increase of 1.7% for affected services. Room and Board rates also increased by 6.2%.
01/01/18	Prop 206	Another 1.26% increase for affected services.
01/01/19	Prop 206	Another 1.26% increase for affected services.
07/01/19	Rate Realignment	Rate increases for all services except Room and Board. Rate changes varied so that specific service rates were more in alignment with benchmark rates. Approximately \$92 million in total funds allocated to rate increases.
01/01/20	Minor Adjustments	To ensure spending of \$92 million allocation and to account for additional change to minimum wage.
10/01/20	Therapies & Prop 206	To align therapy rates with other services. Added \$0.20 per hour for services most affected by Prop 206.

Information related to rate changes at the specific service level appears in the Findings section.

As seen in Exhibit 2, some funding was directed specifically due to the implementation of Proposition 206 which changed the statewide minimum wage from \$8.05 per hour in Calendar Year (CY) 2016 to \$10.00 per hour in CY 2017. During the initial 6-month period after Proposition 206 began, \$25.1 million was allocated by the Division to providers to address changes that providers were required to make for staff wages. After the initial implementation, some money has been specifically directed to providers to cover the continuing change to the minimum wage.

Exhibit 3 on the next page shows the change in the statewide and Flagstaff-specific minimum wage values since the enactment of Proposition 206.

Exhibit 3. Recent History of Changes to the Minimum Wage Resulting from Proposition 206 and the Flagstaff Proposition

Effective January 1 of Each Calendar Year	Statewide Minimum Wage Value	Minimum Wage Set by Flagstaff
CY 2017	\$10.00	\$10.50*
CY 2018	\$10.50	\$11.00
CY 2019	\$11.00	\$12.00
CY 2020	\$12.00	\$13.00
CY 2021	\$12.15	\$15.00
CY 2022	Increase prior year by the Consumer Price Index	\$15.50

*increase in Flagstaff became effective on July 1 in CY2017 only

The second extraordinary event in recent history is the public health emergency (PHE). Because of social distancing requirements, many services paid to providers that involve congregate interaction such as day treatment and training or supported employment were eliminated or severely curtailed for much of CY 2020 and the first half of CY 2021. For providers that deliver these services, the Division made incentive payments to providers to help stabilize their financial position during the PHE.

Methodology Used in Assessment

There are many dimensions that can be reviewed to assess the adequacy and appropriateness of provider rates. The HMA-Burns team developed metrics that examined not only provider participation overall through the RFQVA but also provider network capacity to deliver services to clients in the region of the state where the clients are located. Additional metrics were created to assess the fiscal health of the providers that are delivering services through the use of financial metrics. A brief description of each metric appears below.

Definitions of Metrics Used in the Assessment

The metrics that are reported on in the Findings section are defined as follows:

- Total Providers.** This is the count of providers which were paid to deliver services in each SFY. The provider counts were examined across seven service categories as described below in the discussion pertaining to the preparation of claims data. If the total count of providers paid to deliver services remains constant or increases over time, this is an indicator that the rates paid are adequate.
- Concentration of Providers.** Providers within each of the seven service categories were sorted in descending order based on total payments in each SFY. The top 20 providers within each service category were identified in each year. The ratio of total payments made to the top 20 providers as a percentage of the total payments to all providers in the category was computed for each service category in each SFY. If the percentage of payments made to the top 20 providers

remains constant or decreases over time, this is an indication that the providers delivering the services are diversifying and that the rates paid are adequate.

- **Provider Terminations Due to Rates.** As a managed care organization (MCO) contracted with AHCCCS, the Division is required to submit a report on a monthly basis that indicates if providers terminated with the Division due to rates either their entire agreement with the Division or for selected services. If the number of providers terminating each month remains very low or at zero, this is an indicator that the rates paid are adequate.
- **Provider Balance Sheet Metrics.** Two metrics were computed to assess the fiscal health of providers by examining information from their balance sheets reported annually to the Division:
 - The *cash ratio* is the ratio of cash on hand divided by current liabilities. This metric assesses if the entity can readily pay off short-term liabilities. Although the value can vary by industry, a ratio above 0.5 is favorable. A cash ratio of 1.0 means that the entity has the same amount of cash as it has current debts.
 - The *current ratio* is the ratio of current assets divided by current liabilities. A current ratio of 2.0 or above is favorable as this indicates that the entity has two times more current assets than current liabilities to cover its current debts.

If the qualified vendors meet the industry standards for cash ratio and current ratio each year, then this may be an indicator that the rates paid by the Division are adequate. It is understood, however, that many providers deliver services to a variety of payers. Therefore, the use of the balance sheet metrics cannot be directly correlated to the adequacy of the Division's rates.

- **Provider Income Statement Metric.** The *net income percentage* is the entity's net income amount (profit) divided by its total revenue. Net income can be used to reward owners through dividends or can be used as reserves for the business during adverse conditions. Each industry has common standards for net income percentage, so there is no minimum threshold that was considered here. It is true that larger entities are able to yield a lower net income percentage than smaller entities simply because the absolute net income amount is based on higher revenues. For this assessment, if the net income percentage remained steady or grew across the study period, then this may be an indicator that the rates paid by the Division are adequate. Similar to the balance sheet metrics, however, the net income percentages found may be more an artifact of other business lines among the Division's providers than its business line for services to the Division's consumers.
- **Average Units Per User.** The average units per user is the ratio of total units paid for a service category divided by the total number of unique users of the service. HMA-Burns computed this ratio at the statewide level and for five regions of the state for each SFY and for each of the seven major service categories studied. The five regions of the state are defined as follows:
 - Maricopa County
 - Pima County
 - Northern Counties (Apache, Coconino, Mohave, Navajo, Yavapai)
 - Central Counties except Maricopa (Gila, Pinal)

- Southern Counties except Pima (Cochise, Graham, Greenlee, La Paz, Santa Cruz, Yuma)
- **Percent of Units Paid on Fee Schedule.** HMA-Burns reviewed the paid claims within each SFY and compared the rate paid for the service on each claim against the fee schedule released by Division for the time period in which the service was rendered. A ratio was created to determine the percentage of total units that were paid using a rate on the Division's fee schedule compared to all units paid for the service. A high percentage indicates that the providers are willing to accept delivering the service at the published rate.
- **Percent of Units on Authorizations Where Services Were Provided.** The Division authorizes services to its clients at the specific service code level. Although the time period can vary, the authorization usually covers a one-year time period. HMA-Burns matched the authorizations for each client in a SFY against the paid claims in that same year. A ratio was created to determine the percentage of units on authorizations where there was evidence that the service was rendered and a provider was paid to deliver the service to the client. This is compared to the total units authorized for each service across all clients in the SFY. A high percentage indicates that providers are ready to deliver the service to clients at the current rate set by the Division.

Validation of Data Sources

The HMA-Burns team used four primary data sources to conduct this rate certification study. This included paid claims over a five-year period, authorizations over a five-year period, provider financial statements over a three-year period, and monthly provider termination reports submitted by the Division to AHCCCS over a six-year period. Each set of data was validated and prepared in a manner to compute the metrics that are the basis for the findings in this study. A discussion of the process used to prepare each data set is discussed below.

Preparing the Claims Data for the Study

Claims data was provided by the Division to the HMA-Burns team for SFY 2017 to SFY 2021 (dates of service from July 1, 2016 up to the time that the data was transmitted in May 2021). Each claim line shows the 3-character code used by the Division to provide each service that is paid. The claim records also contain the start and end date of service, the ID of the vendor that was paid, the ID of the client receiving the service, the client's city and zip code, the units of service delivered, the rate paid, and the total payment made.

HMA-Burns ran validations on the following elements within the claims data:

- Evidence of a valid 3-character service code on each claim line
- Valid provider ID and client ID on each claim line
- Valid unit values (specifically, no evidence of units equal to zero)
- Valid payment amounts (specifically, no negative values, \$0 values, or extraordinarily high values)

HMA-Burns then ran statistics on the claim lines for each 3-character service code across the five SFYs to assess the consistency across years. Specific values verified included the count of providers delivering the service, the count of clients receiving the service, the total units paid out, and the total payments

made. For some services—particularly day program, supported employment, and transportation—the units delivered and paid were considerably lower starting in March 2020 due to the PHE since these services are related to congregate activities. The dip in units and payments since the PHE for these services was noted.

HMA-Burns checked for duplicate claims within each year by testing individual claim records based on vendor ID, client ID, 3-character code, date of service, units billed, and paid amount. Where duplicate records were found, they were excluded from the database for analysis.

Development of Major Service Categories

The initial review of claims over the five years showed 88 unique service billing codes. To streamline the analysis, HMA-Burns mapped each of the 88 codes into eight major categories:

- Residential services
- In-Home Support services
- Day Program services
- Employment-related services
- Transportation
- Nursing services
- Therapy services
- All Other services

The mapping of specific codes within each major service category is shown on the dashboard reports that are displayed in the Findings section of this study.

Data Excluded from the Study

The total payments for SFYs 2017 through 2021 after removing duplicate claims totaled \$5.946 billion. Ultimately, 93.6 percent, or \$5.565 billion in payments, was retained in the study across the five years. The 6.4 percent of payments that were excluded were distributed as follows:

- Services in the All Other category named above, \$143 million or 2.4 percent of all payments. These services represent items that are covered by the Division but that are either not part of the standard service array delivered by providers under the RFQVA or are deemed specialized services. Examples include nursing facility and state-run intermediate care facility payments.
- Payments made to the fiscal intermediary for the consumer-directed program, \$63 million or 1.1 percent of all payments.
- Payments made on behalf of clients with a home address out-of-state, \$22.0 million or 0.4 percent of all payments.
- Payments for room and board that tie to group home residential services, \$152.2 million or 2.6 percent of all payments. These services are paid to RFQVA providers, but there was missing data from one of the SFYs which did not allow for a fair trend analysis. Therefore, the data for this service was removed for all five years in the study.

Annualizing Data

With the onset of the public health emergency (PHE), there were significant changes in both the delivery and payment of services to individuals with I/DD. Center-based day treatment and training programs were closed and employment was eliminated or severely curtailed for most individuals with I/DD that had employment. There was an increase in other services—namely, in-home supports—that substituted for many of the day treatment and employment services. Other services remained relatively stable during the PHE by nature of the service rendered (e.g., residential programs, nursing).

Because the impact of the PHE affected services delivered in very different ways, the HMA-Burns team controlled for this by only using data during SFY 2020 (which covers the period July 1, 2019 to June 30, 2020) for the period of July 1, 2019 to February 28, 2020. Total payments and units for this eight-month period were then annualized in order to provide a year-by-year comparison between SFY 2020 and prior years.

For SFY 2021 (which covers the period July 1, 2020 to June 30, 2021), the full year was not yet completed when this rate study began. Additionally, providers have time to submit claims for payment even after the service was rendered. As a result, it was determined that when the claims were delivered to HMA-Burns in mid-May 2021, the ‘completion’ of the utilization for SFY 2021 was only through March 31, 2021. Therefore, total payments and units for this nine-month period were computed and then annualized in order to provide comparisons to prior SFYs.

Even with the annualized data for SFY 2021, it was still known at the outset that the utilization for some services would not match historical trends because of the PHE. Therefore, when assessing year-to-year trends, the HMA-Burns focused on the trend from SFY 2017 to SFY 2019 and also from SFY 2017 to SFY 2020 (using the annualized data). The information for SFY 2021 is displayed but not factored into the trend analyses conducted.

Preparing the Authorizations Data for the Study

The Division provided to HMA-Burns a database of authorizations that mirrored the time period of the claims received (SFY 2017 to SFY 2021). An authorization record is assigned to an individual client for a defined start and end date. The 3-character service code is attached to the authorization record to indicate the specific service that is authorized.

The HMA-Burns team applied the same logic that was used with the claims database to map the 3-character service codes into eight major categories. The client ID was referenced to an enrollment file provided by the Division to HMA-Burns so that a county and region for the client’s home location could be added to each authorization record.

Because authorization time periods do not always align with the start and end date of the SFY, HMA-Burns used the end date of the authorization record to assign each authorization to one of the SFYs in the study. HMA-Burns built a program to match the client ID/service/SFY for the authorization against the corresponding information in the claims database. When a match was found, the authorization was tagged as being used. If no match was found, then the authorization was tagged as unused.

Within each service category, the total units authorized for all services in the category were summed. For example, units authorized for attendant care, respite, habilitation, homemaker, and music therapy were summed together since they all map to the major service category of in-home supports. From this

total, a distinction was made between the units on authorizations where a claim was found and the units on authorizations where a claim was not found in the SFY. The percentage of units represented by authorization records where a claim was found are reported in the Findings section for each major service category and by region in the state.

It should be noted that this metric does not measure the percentage of authorized units actually used. It is understood that each client may not use all of the units that they are authorized in a year. Rather, this metric is one way to assess if providers may not be available to serve clients because no units on the authorization record were used.

Preparing the Provider Financial Data for the Study

The Division provided files submitted by individual providers that show the financial status of the provider at the entity level. Reporting requirements related to financial status are required in the provider agreement. The periodicity of reporting varies based on the size of the entity, but every entity is required through the agreement to submit financial information at least annually. The required reports include an Income Statement, a Balance Sheet, and a Statement of Cash Flows.

The Division provided the HMA-Burns team with an inventory of the financial reports submitted for the 678 unique providers on record. From this list, HMA-Burns developed a sample of 140 providers to review for this study. The distribution of the sample is shown in Exhibit 4.

Exhibit 4. Total Providers and Sample of Providers Selected for Financial Review

Group	Division Criteria for Group	Count of Providers on Division File	HMA-Burns Sample	Sample as a Percent of Total
1	Vendor receives \$5 million or more from Division annually	54	38	70%
2	Vendor receives \$2 - \$5 million from Division annually	78	31	40%
3	Vendor receives \$1 - \$2 million from Division annually	94	30	32%
4	Vendor receives less than \$1 million from Division annually	452	41	9%
ALL		678	140	21%

Upon receipt of the financial information from the Division, HMA-Burns determined that not every vendor submitted information for the most recent three years of review (CY2018, CY2019 and CY2020). As a result, the sample of 140 was reduced to 104 vendors for asset-related metrics and 102 for the net income metric. Further, the vendors usually did not report financial information specific to their business lines for their contract with the Division; rather, the information was at the parent entity level. For purposes of trending similar-sized entities, HMA-Burns grouped providers into four groups like the Division, but the criteria was changed to reflect total revenues instead of Division-specific revenues. The final tally of providers included in the financial metrics component of the study appears in Exhibit 5.

Exhibit 5. Final List of Providers Selected for Financial Review

Group	Division Criteria for Group	Included in Asset Metrics	Included in Net Income Metric
1	Total revenues \$20 million or more, all service lines	9	9
2	Total revenues \$5 - \$20 million, all service lines	30	30
3	Total revenues \$2 - \$5 million, all service lines	20	20
4	Total revenues less than \$5 million, all service lines	45	43
ALL		104	102

The two Balance Sheet (asset) metrics—Cash Ratio and Current Ratio—were computed for each provider for each of the three years. Trends were analyzed at the individual provider level and a weighted average value was computed for each of the four groups. A similar process was conducted for the Net Income metric. HMA-Burns examined the results over the three years and across the four groups.

Analyzing Provider Termination Reports Submitted to AHCCCS

The Division provided the HMA-Burns team with the accumulation of providers that have either terminated their Agreement in whole with the Division due to rates or terminated the provision of specific services but not their entire Agreement due to rates. The report provided covered a period of over six years from January 2015 to April 2021. The HMA-Burns team reviewed each provider who terminated its agreement or specific services in detail and counted the total terminations due to rates by major service category.

Findings from Assessment

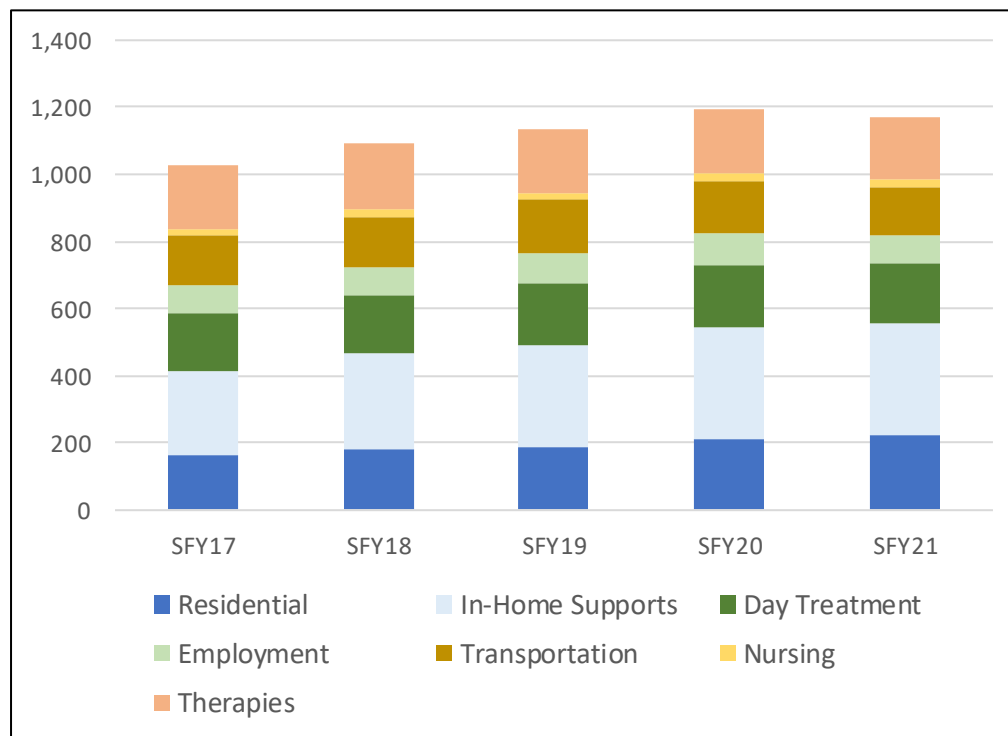
The results from HMA-Burns' assessment of the adequacy and appropriateness of rates paid by the Division is summarized in three components:

1. Review of the defined metrics related to the provider network and client utilization
2. Review of the financial health of contracted providers
3. Review of provider terminations or withdrawal of service delivery due to rates

At a macro level, the number of providers serving the Division's clients has remained stable or, in some cases, even grown modestly in the last five years. Exhibit X shows the count of unique providers paid within the seven major service categories identified in this study. The only category that has seen a slight drop in providers is transportation (from 152 in SFY17 to 144 in SFY21). But this is more likely due to the PHE since transportation has been used less frequently, In SFY20, the count of providers was 158. The number of providers for in-home supports has grown from 253 in SFY17 to 330 in SFY21. For other major service categories, the provider base has been relatively constant in the last five years.

It should be noted that the stacked bars shown in the exhibit will, in some cases, duplicate the same provider if they deliver services in more than one category, such as residential and day programs. But the unique count of providers across all categories has also grown in the five-year period, from 564 in SFY17 to 658 in SFY21.

Exhibit 6. Count of Providers Delivering Services in Each Major Service Category, SFY 2017 to SFY 2021



Examination of Provider Network and Utilization Metrics by Major Service Category

In this section, HMA-Burns presents information on the services included in each major service category. The specific services mapped to the major service category are identified. Rate changes from SFY 2017 to SFY 2021 for each service are shown by year. Key findings pertaining the metrics defined in the study are cited. A one-page dashboard appears immediately after the summary of findings that shows the data results for each metric.

A brief overview of the dashboard layout is shown below using In-Home Supports for illustration.

Payment Amounts are shown in the top section of the dashboard in the box colored dark gray. The total payments for each service code are shown for each of the five SFYs. For SFY 2020, these are not the actual payments. The actual payments for service dates from July 2019 to February 2020 prior to the PHE were summed and then annualized to show the values in the dashboard. Likewise, because the service period was not finished for SFY 2021 at the time that the data was analyzed, the actual payments for service dates July 2020 to March 2021 were summed and then annualized to show the values in the dashboard. At the far-right of the box, the payments in the major category as a percentage of the total payments in the study are represented. In the example shown below for in-home supports, the services in the in-home supports category represented 33 to 42 percent of all payments in the study each year.

Payments by DDD for Service Codes Included in this Category		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage of Total Payments in Study	
ALL Services Combined		\$292,901,508	\$337,072,799	\$375,767,310	\$435,286,136	\$599,709,311		
ATC	Attendant Care	\$82,515,250	\$101,049,975	\$120,161,505	\$148,894,139	\$245,200,792	SFY 2017	33.2%
HAH	Habilitation, Support	\$87,932,050	\$100,472,135	\$112,428,755	\$127,587,584	\$172,869,040	SFY 2018	33.7%
HAI	Habilitation, IDLA, Hourly	\$4,809,914	\$5,419,722	\$5,648,117	\$5,912,410	\$5,332,470	SFY 2019	34.6%
HID	Habilitation, IDLA, Daily	\$23,356,428	\$24,808,778	\$25,900,029	\$30,434,600	\$35,263,830	SFY 2020	35.0%
RSD	Respite, Daily	\$3,640,461	\$3,869,189	\$3,892,830	\$4,903,029	\$6,719,735	SFY 2021	42.0%
RSP	Respite, Hourly	\$89,623,508	\$100,348,541	\$106,777,802	\$116,489,148	\$133,022,452		
HSK	Homemaker	\$46,894	\$60,258	\$69,712	\$56,659	\$52,485		
HAM	Music Therapy	\$977,004	\$1,044,200	\$888,561	\$1,008,567	\$1,248,507		

Provider Counts and **Concentration of Providers** are shown in the light blue box of the dashboard report. In the top row, the total number of unique providers paid for services in this major service category are shown. The percentage change in the count from SFY17 to SFY19 and from SFY17 to SFY20 are shown in the far-right columns. The far-right columns are color coded. If the change over time is more than a reduction of five percent, then the cell is colored light red. If the change is more than an increase of five percent, then the cell is colored green. If the change is between -5 percent and +5 percent, then the cell is colored yellow, indicating little to no change over time.

Number of Unique Providers Paid for Services in this Category, by Year/Region						Percentage Change	
	<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Total Providers	253	284	305	317	330	20.6%	25.3%
Concentration of Providers						Absolute Change	
	<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Top 20 Providers Representation	52.6%	51.2%	50.0%	49.8%	48.7%	-2.6%	-2.8%
Top 20 Providers Represent x% of All Payments in this Service Category in the Fiscal Year							

The Concentration of Providers shows the percentage of payments within this major service category that were paid to the top 20 providers based on payments. If the percentage goes down over time, that means that the services rendered to clients are being dispersed to more providers. The absolute change in this concentration percentage is shown for SFY17 to SFY19 and from SFY17 to SFY20 in the far-right columns.

Like the count of providers, the far-right columns are color-coded, but the assignment of colors is inverted for this metric only. If the change over time is more than a reduction of five percent, then the cell is colored green (a positive trend that the providers are diversifying). If the change is more than an increase of five percent, then the cell is colored light red. If the change is between +5 percent and -5 percent, then the cell is colored yellow.

Average Units Per User, by Year/Region data is shown in the peach-colored box in the dashboard. The average units were compared within each major service category year-over-year and between regions of the state. The far-right columns are color-coded. If the percentage change in the average units user per user decreased by more than five percent over the time period, then the cell is colored light red. If the percentage change in the average units increased by more than five percent, then the cell is colored green. If the percentage change is between -5 percent and +5 percent, then the cell is colored yellow, indicating little to no change over time.

Average Units Per User, by Year/Region	annualized					Percentage Change	
	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021	2017-2019	2017-2020
Statewide	868	891	924	959	1,251	6.5%	10.5%
Maricopa County	921	932	952	976	1,261	3.4%	6.1%
Pima County	727	760	825	895	1,218	13.6%	23.1%
Northern Counties	818	889	963	1,034	1,291	17.8%	26.4%
Central Counties exc. Maricopa	808	899	941	974	1,226	16.4%	20.6%
Southern Counties except Pima	529	600	676	745	1,131	27.8%	40.7%

Percentage of Units Paid Where Rate Paid is on the Provider Fee Schedule data is shown in the brown-colored box in the dashboard. The percentages were compared within each major service category year-over-year and between regions of the state. The far-right columns show the absolute change in the percentage values as opposed to a percentage change of the percentages themselves. The far-right columns are color-coded. If the absolute change in the percentage decreased by more than five percentage points over the time period, then the cell is colored light red. If the change in the increased by more than five percentage points, then the cell is colored green. If the change is between -5 percentage points and +5 percentage points, then the cell is colored yellow.

Percentage of Units Paid Where Rate Paid is on the Fee Schedule						Absolute Change	
	SFY 2017	SFY 2018	SFY 2019	(July-Feb) SFY 2020	[July-March] SFY 2021	2017-2019	2017-2020
Statewide	99.9%	99.8%	99.8%	98.8%	98.0%	-0.2%	-1.1%
Maricopa County	99.9%	99.9%	99.8%	98.8%	98.4%	-0.1%	-1.1%
Pima County	100.0%	99.8%	99.7%	98.5%	96.0%	-0.2%	-1.5%
Northern Counties	99.9%	99.8%	99.8%	98.9%	97.6%	-0.1%	-1.0%
Central Counties exc. Maricopa	100.0%	100.0%	99.8%	99.5%	97.7%	-0.2%	-0.5%
Southern Counties except Pima	99.8%	99.4%	99.4%	98.6%	96.9%	-0.4%	-1.2%

Percentage of Units on Authorizations Where Services Were Provided data is shown in the orange-colored box in the dashboard. Similar to the box above it, the percentages were compared within each major service category year-over-year and between regions of the state. The far-right columns show the absolute change in the percentage values over time. The color coding of these far-right columns uses the same format as the box above it (decrease by >5 percentage points = light red, increase by >5 percentage points = green, in between = yellow).

Percentage of Units on Authorizations Where Services Were Provided	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021	Absolute Change	
						2017-2019	2017-2020
Statewide	95.1%	94.0%	93.5%	94.3%	91.6%	-1.6%	-0.8%
Maricopa County	95.1%	94.0%	93.5%	94.3%	91.5%	-1.6%	-0.9%
Pima County	95.4%	94.6%	93.9%	95.1%	92.3%	-1.5%	-0.3%
Northern Counties	94.7%	93.2%	92.4%	92.6%	91.2%	-2.3%	-2.2%
Central Counties exc. Maricopa	94.2%	93.0%	92.5%	93.0%	92.0%	-1.7%	-1.2%
Southern Counties except Pima	95.5%	95.8%	95.5%	96.8%	92.7%	0.0%	1.2%

Residential Services

The specific services and associated rates in the Residential category include the following:

- Group Home (standard home, nursing-focus home, community protection-focus home)
- Developmental Home (for adult and child)

Although room and board is also part of the residential service package, these rates and the associated utilization were not a focus of this study. The payments for the residential services specifically (excluding room and board) represent between 37.1 and 40.0 percent of all payments in the five-year study period.

Compared to other services for which the Division is responsible, the changes to the rates for residential services have been more modest in the last five years with the exception of the rate for Group Home, Community Protection which has increased 81.2 percent in the last five years. The current rate for this service is at 100 percent of the benchmark rate.

Exhibit 7. History of Rate Changes for Residential Services, SFY 2017 to SFY 2021

Service	Benchmark Rate	Adopted Rate 1/1/21	Adopted to Benchmark Ratio	Rate Change from Prior Year (rates in effect last day of SFY compared)					5-Year Change
				SFY17	SFY18	SFY19	SFY20	SFY21	
Group Home, Hourly	\$29.60	\$20.93	70.7%	9.3%	3.0%	1.1%	1.5%	1.3%	16.9%
Group Home, Nursing	\$439.18	\$413.79	94.2%	0.0%	0.0%	0.0%	5.5%	0.0%	5.5%
Group Home, Comm Prot, Hourly	\$32.44	\$32.44	100.0%	9.3%	3.0%	1.1%	59.3%	0.0%	81.2%
Developmental Home, Adult	\$143.19	\$112.56	78.6%	1.0%	0.0%	0.0%	10.0%	0.0%	11.1%
Developmental Home, Child	\$169.39	\$112.56	66.5%	1.0%	0.0%	0.0%	7.8%	0.0%	8.9%

Among the provider and utilization metrics examined, results were steady for most metrics across the five-year period. This is evidenced by the fact that changes over time as shown in Exhibit 8 (on the next page) in the far-right columns are mostly yellow (that is, the change was between -5 and +5 percent or percentage points from the base year of SFY 2017). This is true at the statewide and region levels. The exception to this is the provider metrics. There are actually more residential providers in recent years than in SFY 2017. The payments are also more diversified away from the top 20 residential providers.

Exhibit 8. Dashboard Report of Provider and Utilization Metrics for Residential Services

SERVICE CATEGORY		RESIDENTIAL					SFY = State Fiscal Year		
Payments by DDD for Service Codes Included in this Category									
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage of Total Payments in Study		
ALL Services Combined		\$327,569,027	\$374,653,224	\$406,688,091	\$461,984,904	\$571,922,154	SFY 2017	37.1%	
HAB	Group Home	\$251,794,209	\$294,107,709	\$321,862,205	\$364,985,230	\$466,865,822	SFY 2018	37.5%	
HAN	Group Home, Nursing	\$18,769,605	\$22,375,587	\$25,915,346	\$29,701,979	\$35,744,229	SFY 2019	37.5%	
HPD	Group Home, Comm Prot.	\$1,936,667	\$1,926,906	\$2,238,593	\$4,518,760	\$4,963,647	SFY 2020	37.1%	
HAA/HBA	Developmntl Home, Adult	\$45,514,063	\$47,638,815	\$48,742,693	\$53,578,913	\$56,377,623	SFY 2021	40.0%	
HAC/HBC	Developmntl Home, Child	\$9,554,483	\$8,604,207	\$7,929,254	\$9,200,022	\$7,970,833			
SFY2020 payments are actuals for services July 2019-Feb 2020, then annualized. This is to control for impacts due to the PHE.									
SFY2021 payments are actuals for services July 2020-Mar 2021, then annualized. This is to control for claims submission lag.									
Number of Unique Providers Paid for Services in this Category, by Year/Region						(July-March)	Percentage Change		
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>	
Total Providers		161	179	187	196	225	16.1%	21.7%	
Concentration of Providers						(July-March)	Absolute Change		
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>	
Top 20 Providers		65.1%	66.3%	62.3%	59.6%	41.5%	-2.8%	-5.5%	
Top 20 Providers Represent x% of All Payments in this Service Category in the Fiscal Year									
Average Units Per User, by Year/Region						annualized	annualized	Percentage Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>	
Statewide		325	325	325	327	333	-0.2%	0.5%	
Maricopa County		322	322	323	325	333	0.4%	1.1%	
Pima County		328	331	329	330	328	0.3%	0.6%	
Northern Counties		330	326	328	327	338	-0.9%	-0.9%	
Central Counties exc. Maricopa		338	326	318	326	335	-6.0%	-3.6%	
Southern Counties except Pima		336	336	328	336	340	-2.6%	-0.3%	
Percentage of Units Paid Where Rate Paid is on the Fee Schedule						(July-Feb)	(July-March)	Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>	
Statewide		97.2%	97.4%	97.6%	97.1%	97.0%	0.4%	0.0%	
Maricopa County		98.5%	98.6%	98.6%	97.9%	97.9%	0.2%	-0.5%	
Pima County		94.2%	95.3%	95.5%	95.3%	94.7%	1.3%	1.1%	
Northern Counties		98.7%	98.9%	99.3%	98.8%	98.2%	0.5%	0.1%	
Central Counties exc. Maricopa		90.2%	88.8%	88.7%	89.6%	90.3%	-1.5%	-0.6%	
Southern Counties except Pima		93.0%	94.4%	94.7%	95.4%	94.8%	1.7%	2.4%	
Percentage of Units on Authorizations Where Services Were Provided							Absolute Change		
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>	
Statewide		99.5%	99.6%	99.6%	99.6%	99.4%	0.0%	0.1%	
Maricopa County		99.6%	99.6%	99.6%	99.6%	99.4%	0.0%	0.0%	
Pima County		99.2%	99.9%	99.8%	99.6%	99.4%	0.6%	0.4%	
Northern Counties		99.4%	99.6%	99.5%	99.6%	99.2%	0.0%	0.2%	
Central Counties exc. Maricopa		100.0%	99.2%	98.9%	99.5%	99.3%	-1.1%	-0.5%	
Southern Counties except Pima		100.0%	100.0%	100.0%	100.0%	99.8%	0.0%	0.0%	

In-Home Support Services

The specific services and associated rates in the In-Home Supports category include the following:

- Attendant Care
- Habilitation (hourly and daily)
- Respite (hourly and daily)
- Homemaker
- Habilitation with Music Therapy

The payments for in-home support services specifically represent between 33.2 and 42.0 percent of all payments in the five-year period of the study.

The rates for in-home support services have all increased at least 22 percent in the last five years. The rate for daily respite saw a significant increase of 77 percent. All of the in-home support service rates are now set close to 80 percent of their respective benchmark rate, as seen in Exhibit 9.

Exhibit 9. History of Rate Changes for In-Home Support Services, SFY 2017 to SFY 2021

Service	Benchmark Rate	Adopted Rate 1/1/21	Adopted to Benchmark Ratio	Rate Change from Prior Year (rates in effect last day of SFY compared)					5-Year Change
				SFY17	SFY18	SFY19	SFY20	SFY21	
Attendant Care	\$23.23	\$18.92	81.4%	9.3%	3.0%	7.8%	2.9%	1.1%	26.1%
Habilitation, Support	\$28.54	\$23.19	81.3%	10.4%	3.0%	5.8%	0.8%	0.9%	22.4%
Habilitation, IDLA, Hourly	\$31.32	\$24.65	78.7%	9.3%	3.0%	10.3%	1.8%	0.8%	27.5%
Respite, Daily	\$454.19	\$351.80	77.5%	9.3%	3.0%	25.6%	23.9%	1.2%	77.1%
Respite, Hourly	\$23.38	\$18.48	79.0%	9.3%	2.9%	6.0%	4.2%	1.1%	25.6%
Homemaker	\$22.33	\$16.88	75.6%	9.3%	3.0%	5.1%	2.1%	1.2%	22.2%
Music Therapy	\$52.78	\$42.66	80.8%	1.0%	0.0%	33.1%	0.0%	0.0%	34.4%

Exhibit 10, which appears on the next page, shows the provider and utilization metrics examined.

Among the provider-related metrics, there has been a substantial growth in the last five years in the number of unique providers paid for in-home supports, from 253 in SFY 2017 to 330 in SFY 2021. The concentration of payments among the top 20 providers has gone down slightly (about 2.6%).

Average units per user have also increased significantly in all regions of the state except Maricopa County where there is an increase but it is more modest. During the PHE, it was assumed that the amount of services provided in the home would increase to replace day program and employment services. This is evident in the far-right column, where the increase from SFY 2017 to SFY 2020 in average units per user increased substantially. But this trend was also evident prior to the PHE, as seen in the second from right column which shows the percentage change from SFY 2017 to SFY 2019.

From the examination of services paid using the fee schedule rates versus non-fee schedule rates, the rate of units paid with fee schedule rates has been steady across the five years. Additionally, the percentage of units on authorizations with paid services has also been high in every year and steady across the five years, with just a modest reduction in the most recent year of SFY 2021. The reduction in SFY 2021 may be a result of incomplete claims data for the year.

Exhibit 10. Dashboard Report of Provider and Utilization Metrics for In-Home Support Services

SERVICE CATEGORY		IN-HOME SUPPORTS					SFY = State Fiscal Year	
Payments by DDD for Service Codes Included in this Category								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage of Total Payments in Study	
	ALL Services Combined	\$292,901,508	\$337,072,799	\$375,767,310	\$435,286,136	\$599,709,311		
ATC	Attendant Care	\$82,515,250	\$101,049,975	\$120,161,505	\$148,894,139	\$245,200,792	SFY 2017	33.2%
HAH	Habilitation, Support	\$87,932,050	\$100,472,135	\$112,428,755	\$127,587,584	\$172,869,040	SFY 2018	33.7%
HAI	Habilitation, IDLA, Hourly	\$4,809,914	\$5,419,722	\$5,648,117	\$5,912,410	\$5,332,470	SFY 2019	34.6%
HID	Habilitation, IDLA, Daily	\$23,356,428	\$24,808,778	\$25,900,029	\$30,434,600	\$35,263,830	SFY 2020	35.0%
RSD	Respite, Daily	\$3,640,461	\$3,869,189	\$3,892,830	\$4,903,029	\$6,719,735	SFY 2021	42.0%
RSP	Respite, Hourly	\$89,623,508	\$100,348,541	\$106,777,802	\$116,489,148	\$133,022,452		
HSK	Homemaker	\$46,894	\$60,258	\$69,712	\$56,659	\$52,485		
HAM	Music Therapy	\$977,004	\$1,044,200	\$888,561	\$1,008,567	\$1,248,507		
SFY2020 payments are actuals for services July 2019-Feb 2020, then annualized. This is to control for impacts due to the PHE.								
SFY2021 payments are actuals for services July 2020-Mar 2021, then annualized. This is to control for claims submission lag.								
Number of Unique Providers Paid for Services in this Category, by Year/Region (July-March)								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage Change	
Total Providers		253	284	305	317	330	2017-2019	2017-2020
							20.6%	25.3%
Concentration of Providers (July-March)								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Absolute Change	
Top 20 Providers		52.6%	51.2%	50.0%	49.8%	48.7%	2017-2019	2017-2020
							-2.6%	-2.8%
Top 20 Providers Represent x% of All Payments in this Service Category in the Fiscal Year								
Average Units Per User, by Year/Region								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	annualized <u>SFY 2020</u>	annualized <u>SFY 2021</u>	Percentage Change	
Statewide		868	891	924	959	1,251	2017-2019	2017-2020
							6.5%	10.5%
Maricopa County		921	932	952	976	1,261	3.4%	6.1%
Pima County		727	760	825	895	1,218	13.6%	23.1%
Northern Counties		818	889	963	1,034	1,291	17.8%	26.4%
Central Counties exc. Maricopa		808	899	941	974	1,226	16.4%	20.6%
Southern Counties except Pima		529	600	676	745	1,131	27.8%	40.7%
Percentage of Units Paid Where Rate Paid is on the Fee Schedule (July-Feb) [July-March]								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Absolute Change	
Statewide		99.9%	99.8%	99.8%	98.8%	98.0%	2017-2019	2017-2020
							-0.2%	-1.1%
Maricopa County		99.9%	99.9%	99.8%	98.8%	98.4%	-0.1%	-1.1%
Pima County		100.0%	99.8%	99.7%	98.5%	96.0%	-0.2%	-1.5%
Northern Counties		99.9%	99.8%	99.8%	98.9%	97.6%	-0.1%	-1.0%
Central Counties exc. Maricopa		100.0%	100.0%	99.8%	99.5%	97.7%	-0.2%	-0.5%
Southern Counties except Pima		99.8%	99.4%	99.4%	98.6%	96.9%	-0.4%	-1.2%
Percentage of Units on Authorizations Where Services Were Provided								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Absolute Change	
Statewide		95.1%	94.0%	93.5%	94.3%	91.6%	2017-2019	2017-2020
							-1.6%	-0.8%
Maricopa County		95.1%	94.0%	93.5%	94.3%	91.5%	-1.6%	-0.9%
Pima County		95.4%	94.6%	93.9%	95.1%	92.3%	-1.5%	-0.3%
Northern Counties		94.7%	93.2%	92.4%	92.6%	91.2%	-2.3%	-2.2%
Central Counties exc. Maricopa		94.2%	93.0%	92.5%	93.0%	92.0%	-1.7%	-1.2%
Southern Counties except Pima		95.5%	95.8%	95.5%	96.8%	92.7%	0.0%	1.2%

Day Treatment Services

The specific services and associated rates in the Day Treatment category include the following:

- Day Treatment and Training, Adult
- Day Treatment and Training, Summer
- Day Treatment and Training, After School

The payments for day treatment services specifically were steady between 12.2 and 13.4 percent of all payments in the first four years of the study. In SFY 2021, payments represent only 5.6 percent of all payments in the study since most programs were closed due to the PHE.

Exhibit 11 shows that, although the rates for day treatment services have not increased as much as other Division services, the current rates for day treatment are all at 95 percent of the benchmark rate which is a higher level than many other services.

Exhibit 11. History of Rate Changes for Day Treatment Services, SFY 2017 to SFY 2021

Service	Benchmark Rate	Adopted Rate 1/1/21	Adopted to Benchmark Ratio	Rate Change from Prior Year (rates in effect last day of SFY compared)					5-Year Change
				SFY17	SFY18	SFY19	SFY20	SFY21	
Day Treatment, Adult	\$11.59	\$11.01	95.0%	2.7%	3.0%	3.2%	3.8%	0.0%	13.3%
Day Treatment, Summer	\$13.09	\$12.40	94.7%	9.3%	2.9%	3.2%	12.9%	0.0%	31.1%
Day Treatment, After School	\$13.09	\$12.40	94.7%	9.3%	2.9%	3.2%	12.9%	0.0%	31.1%

Exhibit 12 on the next page shows the provider and utilization metrics examined for day treatment services. There has been an approximately six percent growth in the last five years in the number of unique providers paid for day treatment, or about 10 more providers. The concentration of payments among the top 20 providers has gone down slightly (about 3.3%).

Average units per user decreased significantly in SFY 2021 due to the PHE. The average units shown for SFY 2020 were for services received in July 2019 to February 2020 which were then annualized. When trended against SFY 2017 through SFY 2019, units per user increased quite a bit in Maricopa, Pima, and the other Southern counties. When controlling for the start of the PHE by comparing the units per user trend just from SFY 2017 to SFY 2019, there was still steady or modest growth in units for all regions with the exception of the Central counties other than Maricopa.

From the examination of services paid using the fee schedule rates versus non-fee schedule rates, the rate of units paid with fee schedule rates has been very high and steady across the five years in all regions of the state. Additionally, the percentage of units on authorizations with paid services has also been high in every year and steady across the five years, the obvious exception being SFY 2021.

Exhibit 12. Dashboard Report of Provider and Utilization Metrics for Day Treatment Services

SERVICE CATEGORY		DAY TREATMENT					SFY = State Fiscal Year	
Payments by DDD for Service Codes Included in this Category								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage of Total Payments in Study	
ALL Services Combined		\$118,629,933	\$129,486,137	\$137,785,207	\$152,134,615	\$80,209,490		
DTA	Adult	\$111,190,216	\$121,370,481	\$128,959,803	\$143,182,707	\$73,844,582	SFY 2017	13.4%
DTS	Summer	\$3,483,714	\$3,705,878	\$4,133,883	\$3,784,322	\$1,940,297	SFY 2018	13.0%
DTT	After School	\$3,956,003	\$4,409,777	\$4,691,520	\$5,167,586	\$4,424,611	SFY 2019	12.7%
							SFY 2020	12.2%
							SFY 2021	5.6%
SFY2020 payments are actuals for services July 2019-Feb 2020, then annualized. This is to control for impacts due to the PHE.								
SFY2021 payments are actuals for services July 2020-Mar 2021, then annualized. This is to control for claims submission lag.								
Number of Unique Providers Paid for Services in this Category, by Year/Region						(July-March)	Percentage Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Total Providers		172	177	183	182	179	6.4%	5.8%
Concentration of Providers						(July-March)	Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Top 20 Providers		42.3%	41.7%	39.0%	40.0%	42.2%	-3.3%	-2.3%
Top 20 Providers Represent x% of All Payments in this Service Category in the Fiscal Year								
Average Units Per User, by Year/Region						annualized	annualized	Percentage Change
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		965	965	974	1,038	778	1.0%	7.6%
Maricopa County		951	952	960	1,032	778	0.9%	8.5%
Pima County		950	968	996	1,039	784	4.9%	9.4%
Northern Counties		1,034	1,022	1,012	1,036	762	-2.1%	0.2%
Central Counties exc. Maricopa		1,094	1,047	1,031	1,122	808	-5.8%	2.6%
Southern Counties except Pima		950	940	976	1,059	776	2.7%	11.4%
Percentage of Units Paid Where Rate Paid is on the Fee Schedule						(July-Feb)	[July-March]	Absolute Change
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		99.8%	99.6%	99.6%	99.2%	99.0%	-0.1%	-0.6%
Maricopa County		99.8%	99.6%	99.6%	99.2%	99.0%	-0.2%	-0.6%
Pima County		99.5%	99.2%	99.5%	99.1%	97.7%	0.0%	-0.4%
Northern Counties		99.9%	99.9%	99.9%	99.4%	99.8%	-0.1%	-0.5%
Central Counties exc. Maricopa		100.0%	99.9%	100.0%	99.8%	100.0%	0.0%	-0.2%
Southern Counties except Pima		99.5%	99.5%	99.5%	99.0%	98.0%	0.0%	-0.5%
Percentage of Units on Authorizations Where Services Were Provided							Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		97.3%	96.9%	97.2%	97.3%	73.0%	-0.1%	0.0%
Maricopa County		97.1%	96.8%	97.1%	97.0%	73.9%	0.0%	-0.1%
Pima County		97.4%	97.3%	96.9%	98.0%	70.5%	-0.4%	0.6%
Northern Counties		98.1%	96.6%	97.7%	98.1%	69.2%	-0.4%	0.0%
Central Counties exc. Maricopa		97.5%	97.7%	98.2%	97.8%	80.0%	0.7%	0.3%
Southern Counties except Pima		97.4%	96.8%	97.4%	97.0%	71.5%	0.0%	-0.5%

Supported Employment Services

The specific services and associated rates in the Employment category include the following:

- Group Supported Employment
- Individual Supported Employment
- Center-Based Employment
- Employment Support Aide
- Transition to Employment

The payments for supported employment services specifically were steady between 2.8 and 3.6 percent of all payments in the first four years of the study. In SFY 2021, payments represent only 1.7 percent of all payments in the study since employment opportunities were curtailed due to the PHE.

The rates for supported employment services have increased in varying degrees in the last five years. The reason for this appears to be an alignment with the current benchmark rates. With the exception of center-based employment, all of the current supported employment rates are at 80 percent of the benchmark rates, as seen in Exhibit 13 below.

Exhibit 13. History of Rate Changes for Supported Employment Services, SFY 2017 to SFY 2021

Service	Benchmark Rate	Adopted Rate 1/1/21	Adopted to Benchmark Ratio	Rate Change from Prior Year (rates in effect last day of SFY compared)					5-Year Change
				SFY17	SFY18	SFY19	SFY20	SFY21	
Group Supported Employment	\$27.69	\$22.35	80.7%	2.2%	3.0%	1.2%	24.3%	0.0%	32.4%
Individual Supp. Employment	\$52.97	\$42.80	80.8%	1.0%	0.0%	0.0%	19.4%	0.0%	20.6%
Center Based Employment	\$8.45	\$6.13	72.5%	9.1%	3.0%	1.2%	4.3%	0.5%	19.3%
Employment Support Aide	\$40.00	\$32.32	80.8%	9.3%	3.0%	1.3%	66.9%	0.0%	90.1%
Transition to Employment	\$13.25	\$10.71	80.8%	0.0%	0.0%	0.0%	4.0%	0.0%	4.0%

The trends for the Supported Employment metrics, as seen in Exhibit 14 on the next page, generally follow the same pattern as what was observed for Day Treatment. There has been an increase of nine providers (8.4%) between SFY 2017 and SFY 2020. The concentration of payments among the top 20 providers has been constant.

There is some variation in supported employment versus day treatment in the average units per user. Even prior to the PHE, when comparing the average units from SFY 2017 to SFY 2019, the average units decreased modestly in Maricopa and Pima Counties, increased slightly in other Central counties, increased significantly in Southern counties, and decreased significantly in Northern counties. The far-right column in the exhibit that compares the units between SFY 2017 and SFY 2020 may not be a true predictor of the future due to the PHE.

From the examination of services paid using the fee schedule rates versus non-fee schedule rates, the rate of units paid with fee schedule rates has been very high and steady across all years up to SFY 2020 in all regions of the state. The percentage of units on authorizations with paid services has also been high in every year through SFY 2020. But there is a slightly lower percentage in the Northern Counties which ties to the finding related to average units per user.

Exhibit 14. Dashboard Report of Provider and Utilization Metrics for Supported Employment Services

SERVICE CATEGORY		EMPLOYMENT					SFY = State Fiscal Year	
Payments by DDD for Service Codes Included in this Category								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage of Total Payments in Study	
	ALL Services Combined	\$31,359,456	\$32,107,434	\$33,185,212	\$35,430,837	\$24,811,823		
GSE	Group Supported Employ	\$24,186,712	\$25,013,138	\$26,206,789	\$28,159,827	\$18,760,506	SFY 2017	3.6%
ISE	Individual Supp. Employ	\$180,485	\$229,954	\$275,257	\$263,953	\$205,689	SFY 2018	3.2%
CBE	Center Based Employment	\$6,266,535	\$5,947,888	\$5,319,232	\$5,206,799	\$3,649,241	SFY 2019	3.1%
ESA	Employment Support Aide	\$288,422	\$337,986	\$481,996	\$629,842	\$627,134	SFY 2020	2.8%
TTE	Transition to Employment	\$437,302	\$578,468	\$901,938	\$1,170,416	\$1,569,254	SFY 2021	1.7%
SFY2020 payments are actuals for services July 2019-Feb 2020, then annualized. This is to control for impacts due to the PHE.								
SFY2021 payments are actuals for services July 2020-Mar 2021, then annualized. This is to control for claims submission lag.								
Number of Unique Providers Paid for Services in this Category, by Year/Region						(July-March)	Percentage Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Total Providers		83	82	90	92	85	8.4%	10.8%
Concentration of Providers						(July-March)	Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Top 20 Providers		71.8%	69.3%	68.8%	71.6%	73.4%	-2.9%	-0.2%
Top 20 Providers Represent x% of All Payments in this Service Category in the Fiscal Year								
Average Units Per User, by Year/Region						annualized	annualized	Percentage Change
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		853	826	820	791	564	-3.9%	-7.3%
Maricopa County		815	785	786	750	539	-3.7%	-8.1%
Pima County		1,025	978	976	924	586	-4.8%	-9.9%
Northern Counties		651	636	578	565	471	-11.3%	-13.2%
Central Counties exc. Maricopa		951	1,002	972	1,024	728	2.3%	7.7%
Southern Counties except Pima		904	911	978	978	722	8.1%	8.1%
Percentage of Units Paid Where Rate Paid is on the Fee Schedule						(July-Feb)	[July-March]	Absolute Change
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		100.0%	99.7%	99.9%	99.8%	88.8%	-0.1%	-0.2%
Maricopa County		100.0%	99.7%	100.0%	99.9%	89.1%	0.0%	-0.1%
Pima County		100.0%	99.6%	99.9%	99.8%	84.3%	-0.1%	-0.2%
Northern Counties		100.0%	100.0%	100.0%	99.7%	88.0%	0.0%	-0.3%
Central Counties exc. Maricopa		100.0%	100.0%	100.0%	99.8%	91.5%	0.0%	-0.2%
Southern Counties except Pima		100.0%	99.8%	99.9%	99.7%	98.2%	-0.1%	-0.3%
Percentage of Units on Authorizations Where Services Were Provided							Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		95.8%	96.3%	96.6%	96.4%	78.0%	0.8%	0.6%
Maricopa County		95.6%	96.2%	96.4%	96.0%	71.8%	0.8%	0.4%
Pima County		95.1%	96.2%	97.3%	96.5%	91.2%	2.2%	1.3%
Northern Counties		97.3%	95.4%	93.8%	95.2%	76.4%	-3.5%	-2.2%
Central Counties exc. Maricopa		95.8%	96.7%	98.5%	99.0%	73.3%	2.7%	3.2%
Southern Counties except Pima		97.2%	98.4%	97.8%	98.1%	83.2%	0.6%	0.9%

Transportation

The specific services and associated rates in the Transportation category include the following:

- Transportation to/from Day Program
- Transportation to/from Employment

The payments for supported employment services specifically were steady at 2.0 percent of all payments in the first four years of the study. In SFY 2021, payments represent only 0.8 percent of all payments in the study due to the reduction of day and employment services due to the PHE.

The rates for transportation have increased 22 percent in the last five years. The current rates are between 94 and 100 percent of the benchmark rates, as seen in Exhibit 15 below.

Exhibit 15. History of Rate Changes for Transportation Services, SFY 2017 to SFY 2021

Service	Benchmark Rate	Adopted Rate 1/1/21	Adopted to Benchmark Ratio	Rate Change from Prior Year (rates in effect last day of SFY compared)					5-Year Change
				SFY17	SFY18	SFY19	SFY20	SFY21	
To/From Day Program	\$12.59	\$12.59	100.0%	9.2%	2.9%	1.2%	7.2%	0.0%	22.0%
To/From Employment	\$13.45	\$12.59	93.6%	9.2%	2.9%	1.2%	7.2%	0.0%	22.0%

The findings for the Transportation metrics, appearing in Exhibit 16 on the next page, also mirror what was seen for day treatment in Exhibit 12. This is likely because the transportation benefit is closely tied to receiving day treatment (and supported employment). There has been an increase of ten providers of the service (6.2%) in the last five years. The concentration of payments among the top 20 providers, however, has been steady.

Average units per user decreased significantly in SFY 2021 due to the PHE. The average units shown for SFY 2020 were for services received in July 2019 to February 2020 which were then annualized. When trended against SFY 2017 through SFY 2019, units per user decreased slightly in most regions of the state but increased substantially in Pima County.

From the examination of services paid using the fee schedule rates versus non-fee schedule rates, the rate of units paid with fee schedule rates has been very high and steady across the five years in all regions of the state. Additionally, the percentage of units on authorizations with paid services has also been high in every year and steady across the five years, the obvious exception being SFY 2021.

Exhibit 16. Dashboard Report of Provider and Utilization Metrics for Transportation Services

SERVICE CATEGORY		TRANSPORTATION					SFY = State Fiscal Year	
Payments by DDD for Service Codes Included in this Category								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage of Total Payments in Study	
ALL Services Combined		\$17,905,316	\$19,628,251	\$20,552,380	\$23,873,062	\$11,334,534	SFY 2017	2.0%
TRA	To/From Day Program	\$14,499,286	\$16,097,111	\$17,110,226	\$19,948,475	\$9,333,347	SFY 2018	2.0%
TRE	To/From Employment	\$3,406,030	\$3,531,140	\$3,442,154	\$3,924,587	\$2,001,187	SFY 2019	1.9%
							SFY 2020	1.9%
							SFY 2021	0.8%
SFY2020 payments are actuals for services July 2019-Feb 2020, then annualized. This is to control for impacts due to the PHE.								
SFY2021 payments are actuals for services July 2020-Mar 2021, then annualized. This is to control for claims submission lag.								
Number of Unique Providers Paid for Services in this Category, by Year/Region						(July-March)	Percentage Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Total Providers		145	145	154	155	144	6.2%	6.9%
Concentration of Providers						(July-March)	Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Top 20 Providers		45.4%	45.7%	43.8%	45.2%	43.4%	-1.6%	-0.2%
Top 20 Providers Represent x% of All Payments in this Service Category in the Fiscal Year								
Average Units Per User, by Year/Region						annualized	annualized	Percentage Change
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		266	263	262	280	225	-1.4%	5.3%
Maricopa County		265	261	260	281	222	-2.0%	6.0%
Pima County		225	231	257	238	206	14.5%	6.1%
Northern Counties		266	270	264	272	225	-0.9%	2.3%
Central Counties exc. Maricopa		304	304	293	324	257	-3.5%	6.7%
Southern Counties except Pima		267	266	267	275	245	-0.1%	2.8%
Percentage of Units Paid Where Rate Paid is on the Fee Schedule						(July-Feb)	(July-March)	Absolute Change
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		99.7%	99.5%	99.6%	99.4%	99.8%	-0.1%	-0.3%
Maricopa County		99.7%	99.5%	99.8%	99.4%	99.7%	0.1%	-0.3%
Pima County		98.4%	98.7%	98.7%	99.1%	99.9%	0.3%	0.7%
Northern Counties		99.7%	99.5%	99.5%	98.9%	99.7%	-0.2%	-0.8%
Central Counties exc. Maricopa		100.0%	99.5%	98.7%	99.9%	100.0%	-1.3%	-0.1%
Southern Counties except Pima		100.0%	99.7%	99.7%	99.3%	100.0%	-0.3%	-0.7%
Percentage of Units on Authorizations Where Services Were Provided							Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		94.1%	93.4%	94.0%	93.1%	66.1%	-0.1%	-0.9%
Maricopa County		93.7%	93.4%	93.8%	93.1%	64.8%	0.1%	-0.5%
Pima County		94.0%	90.7%	93.0%	90.6%	58.8%	-1.0%	-3.4%
Northern Counties		94.9%	92.5%	92.9%	90.0%	70.4%	-2.0%	-4.8%
Central Counties exc. Maricopa		94.9%	94.9%	96.8%	96.8%	74.2%	1.9%	1.8%
Southern Counties except Pima		96.0%	94.5%	95.9%	96.7%	68.3%	-0.1%	0.7%

Professional Services, Nursing

The specific services and associated rates in the Nursing category include the following:

- Nursing, Continuous
- Nursing, Intermittent
- Nursing, Respite
- Nursing, Visit

The payments for nursing services specifically were between 3.6 and 5.3 percent of all payments in the five-year study period.

Because nursing services were not impacted like other Division services due to Proposition 206, there have been fewer rate changes in the last five years for these services. In SFY 2019, however, nursing rates saw substantial increases with the Division's overall realignment of all of their rates. Exhibit 17 below shows that the current nursing rates are mostly at 78 percent of the benchmark rates.

Exhibit 17. History of Rate Changes for Nursing Services, SFY 2017 to SFY 2021

Service	Benchmark Rate	Adopted Rate 1/1/21	Adopted to Benchmark Ratio	Rate Change from Prior Year (rates in effect last day of SFY compared)					5-Year Change
				SFY17	SFY18	SFY19	SFY20	SFY21	
Nursing, Continuous	\$66.49	\$51.80	77.9%	1.0%	0.0%	0.0%	19.5%	0.0%	20.7%
Nursing, Intermittent	\$82.57	\$64.32	77.9%	1.0%	0.0%	0.0%	12.7%	0.0%	13.8%
Nursing, Respite	\$66.49	\$51.80	77.9%	1.0%	0.0%	0.0%	19.5%	0.0%	20.7%
Nursing, Visit	\$99.59	\$71.61	71.9%	1.0%	0.0%	0.0%	30.4%	0.0%	31.7%

The results of the provider and utilization metrics for nursing, as seen in Exhibit 18 on the next page, were mixed. Because the service is highly-specialized, there are few providers statewide that deliver the service. That being said, the Division has added six new providers between SFY 2017 and SFY 2021. Since there are just about 20 providers (or less), all payments are concentrated in the top 20 providers.

The average units per user has very different results across the regions of the state. Overall, the change in average units per user decreased about 4.5 percent across the years. But in Maricopa County, the average was steady. In the Northern and Southern Counties (other than Pima), the average units increased substantially. In Pima County and the Central Counties other than Maricopa, the average units decreased substantially. It should be noted that Pima County had between 100 and 137 users of the service in each year examined. The Central Counties had between 36 and 39 users.

The rates paid on or off the standard fee schedule also varied by region. Once again, Pima County had fewer nursing services paid at the standard fee schedule rates. This may be indicative of the lower usage in Pima County and the fact that it may be harder to attract providers. Yet the percentage of units paid off standard rates was not as high among the Central Counties where utilization also went down. Further, the utilization in the Southern Counties other than Pima increased significantly, but so did the percent of units paid using a non-standard fee. This may be indicative of negotiated (higher) rates.

The percentage of units on authorizations where services were provided was above 90 percent in every year and in every region. Although there may be challenges in attracting providers in some regions of the state, this metric suggests that clients are still receiving the services for which they are authorized.

Exhibit 18. Dashboard Report of Provider and Utilization Metrics for Nursing Services

SERVICE CATEGORY		PROFESSIONAL, NURSING					SFY = State Fiscal Year	
Payments by DDD for Service Codes Included in this Category								
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage of Total Payments in Study	
	ALL Services Combined	\$46,462,902	\$51,260,714	\$50,173,478	\$56,361,050	\$51,829,778		
HN1	Continuous	\$37,494,813	\$40,951,519	\$40,328,099	\$45,630,670	\$42,014,786	SFY 2017	5.3%
HN9	Intermittent	\$278,396	\$209,712	\$181,643	\$234,993	\$144,194	SFY 2018	5.1%
HNR	Respite	\$7,291,881	\$8,432,397	\$7,871,411	\$7,986,826	\$7,179,997	SFY 2019	4.6%
HNV	Visit	\$1,397,811	\$1,667,085	\$1,792,326	\$2,508,561	\$2,490,801	SFY 2020	4.5%
							SFY 2021	3.6%
SFY2020 payments are actuals for services July 2019-Feb 2020, then annualized. This is to control for impacts due to the PHE.								
SFY2021 payments are actuals for services July 2020-Mar 2021, then annualized. This is to control for claims submission lag.								
Number of Unique Providers Paid for Services in this Category, by Year/Region						(July-March)	Percentage Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Total Providers		16	18	18	20	22	12.5%	25.0%
Concentration of Providers						(July-March)	Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Top 20 Providers		100.0%	100.0%	100.0%	100.0%	99.9%	0.0%	0.0%
Top 20 Providers Represent x% of All Payments in this Service Category in the Fiscal Year								
Average Units Per User, by Year/Region						annualized	annualized	Percentage Change
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		1,229	1,261	1,176	1,174	1,183	-4.3%	-4.5%
Maricopa County		1,223	1,317	1,239	1,210	1,243	1.3%	-1.0%
Pima County		1,400	1,049	897	852	876	-35.9%	-39.1%
Northern Counties		939	1,091	1,021	1,278	1,128	8.8%	36.0%
Central Counties exc. Maricopa		1,483	1,279	1,144	1,334	1,254	-22.8%	-10.0%
Southern Counties except Pima		993	917	1,070	1,224	1,128	7.8%	23.3%
Percentage of Units Paid Where Rate Paid is on the Fee Schedule						(July-Feb)	[July-March)	Absolute Change
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		97.5%	94.8%	93.4%	90.6%	91.2%	-4.1%	-6.9%
Maricopa County		98.6%	98.1%	96.4%	96.2%	95.4%	-2.2%	-2.4%
Pima County		98.8%	88.1%	89.2%	71.5%	80.8%	-9.6%	-27.3%
Northern Counties		80.2%	77.0%	80.3%	78.5%	84.6%	0.1%	-1.7%
Central Counties exc. Maricopa		97.7%	94.7%	94.5%	94.9%	88.7%	-3.2%	-2.9%
Southern Counties except Pima		86.3%	41.3%	45.0%	41.5%	36.7%	-41.3%	-44.8%
Percentage of Units on Authorizations Where Services Were Provided							Absolute Change	
		<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	<u>2017-2019</u>	<u>2017-2020</u>
Statewide		95.2%	94.4%	94.4%	95.1%	89.3%	-0.8%	-0.1%
Maricopa County		95.4%	94.2%	94.5%	95.1%	88.2%	-0.9%	-0.3%
Pima County		95.2%	97.1%	98.2%	94.8%	91.5%	3.0%	-0.4%
Northern Counties		90.2%	92.3%	91.6%	94.2%	95.3%	1.4%	3.9%
Central Counties exc. Maricopa		98.3%	93.0%	91.6%	98.1%	96.9%	-6.8%	-0.3%
Southern Counties except Pima		95.4%	94.6%	87.0%	94.0%	87.3%	-8.4%	-1.4%

Professional Services, Therapies

The specific services and associated rates in the Therapies category include the following:

- Speech Therapy
- Occupational Therapy
- Physical Therapy
- Respiratory Therapy

The payments for therapy services specifically were between 5.4 and 6.2 percent of all payments in the five-year study period.

The cadence for changes to the rates for therapies generally mirrors that which occurred for nursing services. There was a significant increase to therapy rates in SFY 2019 when the Division realigned all of its rates. Unlike nursing, however, the therapy rates were increased a second time on October 1, 2020. Now the therapy rates are at 84 percent of the benchmark rates.

Exhibit 19. History of Rate Changes for Therapy Services, SFY 2017 to SFY 2021

Service	Benchmark Rate	Adopted Rate 1/1/21	Adopted to Benchmark Ratio	Rate Change from Prior Year (rates in effect last day of SFY compared)					5-Year Change
				SFY17	SFY18	SFY19	SFY20	SFY21	
Speech Therapy	\$101.88	\$85.40	83.8%	1.0%	0.0%	0.0%	26.1%	14.1%	45.3%
Occupational Therapy	\$101.88	\$85.40	83.8%	1.0%	0.0%	0.0%	26.1%	14.1%	45.3%
Physical Therapy	\$101.88	\$85.40	83.8%	1.0%	0.0%	0.0%	26.1%	14.1%	45.3%
Respiratory Therapy	\$52.45	\$37.67	71.8%	1.0%	0.0%	0.0%	8.1%	0.0%	9.2%

The metrics related to providers show a steady provider base of therapists. As seen in Exhibit 20 on the next page, the number of therapists was mostly steady year-to-year with a net decrease of eight between SFY 2017 and SFY 2021. The concentration of payments among the top 20 providers was also constant.

The average units per user varied by region of the state, however. The overall average units per user statewide increased between three and five percent between SFY 2017 and SFY 2019 or 2020. There was a significant increase in Pima County and the other Southern counties besides Pima. The actual units per user, however, are still below the statewide average in these regions. Utilization increases were modest in Maricopa and other Central counties besides Maricopa. Units decreased in the Northern Counties.

The percentage of units paid with rates on the fee schedule was steady statewide across the years as well as in Maricopa, Pima, and the Northern and Central Counties through SFY 2019. This changed in SFY 2020 in the Northern and Central Counties. As seen above, it should be noted that the Division increased rates by 14 percent effective October 1, 2020 for all except respiratory therapy. The percentage of units paid using fee schedule rates increased in the Southern Counties other than Pima.

From the analysis of units on authorizations where services were provided, the rate of units increased in most regions, but decreased in the Northern Counties and Central Counties other than Maricopa. This decrease was not significant, however. Use of units on authorizations for clients in Pima County increased more than in other regions.

Exhibit 20. Dashboard Report of Provider and Utilization Metrics for Therapy Services

SERVICE CATEGORY	PROFESSIONAL, THERAPY					SFY = State Fiscal Year	
Payments by DDD for Service Codes Included in this Category							
	<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>	Percentage of Total Payments in Study	
ALL Services Combined	\$47,284,656	\$54,857,900	\$60,458,822	\$79,924,810	\$89,085,331	SFY 2017	5.4%
Speech Therapy	\$26,411,277	\$30,026,587	\$33,636,875	\$44,656,122	\$48,536,314	SFY 2018	5.5%
Occupational Therapy	\$15,874,636	\$19,085,264	\$20,656,544	\$26,927,038	\$29,961,424	SFY 2019	5.6%
Physical Therapy	\$4,976,784	\$5,728,744	\$6,153,156	\$8,336,066	\$10,587,593	SFY 2020	6.4%
Respiratory Therapy	\$21,959	\$17,304	\$12,246	\$5,584	\$0	SFY 2021	6.2%
SFY2020 payments are actuals for services July 2019-Feb 2020, then annualized. This is to control for impacts due to the PHE.							
SFY2021 payments are actuals for services July 2020-Mar 2021, then annualized. This is to control for claims submission lag.							
Number of Unique Providers Paid for Services in this Category, by Year/Region						(July-March)	Percentage Change
	<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>		
Total Providers	190	198	189	185	182		
Concentration of Providers						(July-March)	Absolute Change
	<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>		
Top 20 Providers	56.8%	55.9%	54.9%	53.5%	55.1%		
Top 20 Providers Represent x% of All Payments in this Service Category in the Fiscal Year							
Average Units Per User, by Year/Region						annualized	Percentage Change
	<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>		
Statewide	52	52	54	55	62		
Maricopa County	56	56	58	59	66		
Pima County	33	34	39	40	46		
Northern Counties	46	45	43	44	46		
Central Counties exc. Maricopa	49	50	50	52	61		
Southern Counties except Pima	37	42	44	43	52		
Percentage of Units Paid Where Rate Paid is on the Fee Schedule						(July-Feb)	Absolute Change
	<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>		
Statewide	99.5%	99.5%	99.3%	98.3%	58.3%		
Maricopa County	100.0%	99.9%	99.7%	99.2%	57.7%		
Pima County	100.0%	99.9%	99.5%	98.7%	56.8%		
Northern Counties	99.9%	99.6%	98.3%	94.4%	64.4%		
Central Counties exc. Maricopa	100.0%	99.8%	99.4%	91.9%	63.4%		
Southern Counties except Pima	85.0%	90.2%	91.1%	92.0%	59.3%		
Percentage of Units on Authorizations Where Services Were Provided							Absolute Change
	<u>SFY 2017</u>	<u>SFY 2018</u>	<u>SFY 2019</u>	<u>SFY 2020</u>	<u>SFY 2021</u>		
Statewide	89.4%	90.0%	90.1%	90.5%	86.0%		
Maricopa County	89.5%	90.5%	90.3%	90.7%	86.4%		
Pima County	83.6%	83.1%	88.9%	88.8%	82.3%		
Northern Counties	91.0%	89.4%	86.9%	87.0%	83.9%		
Central Counties exc. Maricopa	93.0%	92.1%	90.0%	92.7%	88.6%		
Southern Counties except Pima	92.4%	92.2%	94.5%	92.2%	85.7%		

Examination of Service Provider Fiscal Performance

Three metrics were examined to assess fiscal performance, two related to assets and one related to net income.

Asset-Related Measures

The Cash Ratio (cash on hand divided by current liabilities) improved or held steady for providers defined in Groups 1, 3, and 4. As a weighted average, the Group 2 providers saw a decrease in their Cash Ratio.

Exhibit 21 shows the weighted average trend for each provider group over the three fiscal years examined (that is, each providers year end defined in 2018, 2019, and 2020) on the left side. On the right side, the count of providers with cash ratio values in different ranges is shown. The Division has established a minimum threshold value of 1.0 for Current Ratio (current assets divided by current liabilities). The Cash Ratio is a tighter standard because the numerator is only cash on hand and not all current assets. Nonetheless, as seen on the right side of the exhibit, between 71 and 77 of the 104 providers examined had a cash ratio that was greater than 1.0 in each year, indicative of financial health. Between 14 and 20 providers had a cash ratio value less than 0.5, but this count was lower in 2020 than in the previous two years.

Exhibit 21. Trends in Cash Ratio Values for Individual Providers and the Four Peer Groups Defined

LEGEND	
Group 1 Providers	Total Revenues > \$20 million, all service lines
Group 2 Providers	Total Revenues \$5 to \$20 million, all service lines
Group 3 Providers	Total Revenues \$2 to \$5 million, all service lines
Group 4 Providers	Total Revenues < \$5 million, all service lines

	Trends by Group			Trends for Individual Providers					
	Cash on Hand / Current Liabilities			Count of Providers in Study	# Providers with a Cash Ratio in Each Range				
	FY 2018	FY 2019	FY 2020		Up to 0.5	From 0.51 to 1.0	From 1.01 to 2.0	Above 2.0	
All Providers Examined	1.1	1.2	1.3	FY 2018	104	20	13	22	49
				FY 2019	104	19	13	24	48
				FY 2020	104	14	13	32	45
Group 1 Providers average	0.7	0.8	1.2	FY 2018	9	4	2	2	1
				FY 2019	9	2	0	5	2
				FY 2020	9	0	3	5	1
Group 2 Providers average	1.9	2.1	1.2	FY 2018	30	3	6	9	12
				FY 2019	30	3	7	10	10
				FY 2020	30	3	7	14	6
Group 3 Providers average	1.6	1.8	1.5	FY 2018	20	5	1	6	8
				FY 2019	20	6	3	3	8
				FY 2020	20	4	2	3	11
Group 4 Providers average	3.1	2.4	2.3	FY 2018	45	8	4	5	28
				FY 2019	45	8	3	6	28
				FY 2020	45	7	1	10	27

The Current Ratio (current assets divided by current liabilities) improved for Group 1 and Group 3 providers as a whole and decreased for Group 2 and Group 4 providers as a whole. Despite the decrease in Groups 2 and 4 in 2020, the current ratio values are still considered healthy and are in line with Groups 1 and 3 values.

Exhibit 22 shows the weighted average trend for each provider group over the three fiscal years examined on the left side. Individual provider statistics are shown on the right side. Less than eight percent of the total sample of 104 providers reported a Current Ratio of less than 1.0 in each year studied. In fact, 67 to 73 percent of the providers reviewed has a Current Ratio greater than 3.0 in each year studied; 86 percent had a Current Ratio greater than 2.0 in each year studied.

Exhibit 22. Trends in Current Ratio Values for Individual Providers and the Four Peer Groups Defined

LEGEND	
Group 1 Providers	Total Revenues > \$20 million, all service lines
Group 2 Providers	Total Revenues \$5 to \$20 million, all service lines
Group 3 Providers	Total Revenues \$2 to \$5 million, all service lines
Group 4 Providers	Total Revenues < \$5 million, all service lines

Trends by Group				Trends for Individual Providers					
	Current Assets / Current Liabilities			Count of Providers in Study	# Providers with a Current Ratio in Each Range				
	FY 2018	FY 2019	FY 2020		Up to 1.0	From 1.01 to 2.0	From 2.01 to 3.0	Above 3.0	
All Providers Examined	2.7	2.8	2.4	FY 2018	104	9	5	14	76
				FY 2019	104	8	6	14	76
				FY 2020	104	8	6	20	70
Group 1 Providers average	1.8	2.0	2.2	FY 2018	9	0	0	4	5
				FY 2019	9	0	0	2	7
				FY 2020	9	0	0	2	7
Group 2 Providers average	4.4	4.9	2.8	FY 2018	30	1	1	2	26
				FY 2019	30	1	2	3	24
				FY 2020	30	0	5	6	19
Group 3 Providers average	2.0	2.1	2.3	FY 2018	20	4	0	6	10
				FY 2019	20	4	0	4	12
				FY 2020	20	4	0	2	14
Group 4 Providers average	9.6	4.7	2.3	FY 2018	45	4	4	2	35
				FY 2019	45	3	4	5	33
				FY 2020	45	4	1	10	30

Income-Related Measure

The Net Income Percentage (net income divided by total revenue) improved or held steady for the three years studied for Groups 1, 2, and 4 as a whole and decreased for Group 3 as a whole. Despite the decrease in Group 3 in 2020, the net income percentage was healthy for this group in all three years.

Exhibit 23 shows the weighted average trend for each provider group over the three fiscal years examined on the left side. In all three years studied, the net income percentage values for each group were three percent or greater. There is more variation when this is examined at the individual provider level on the right side of the exhibit. Among the 102 providers examined, two-thirds of the providers

had a net income percentage of at least 2.0 percent in each of the three years. Between 14 and 17 percent of the providers made a modest profit each year, it was less than 2.0 percent of total revenue. Between 17 and 23 percent of the providers reported a net loss each year. It is unknown if this loss is attributable to the provider’s line of business related to its contract with the Division or for other lines of business. Among the Division’s largest providers (Group 1), there were only two instances where a loss was reported among the nine providers in the group, both of which occurred in fiscal year 2019.

Exhibit 23. Trends in Net Income Percentage for Individual Providers and the Four Peer Groups Defined

LEGEND	
Group 1 Providers	Total Revenues > \$20 million, all service lines
Group 2 Providers	Total Revenues \$5 to \$20 million, all service lines
Group 3 Providers	Total Revenues \$2 to \$5 million, all service lines
Group 4 Providers	Total Revenues < \$5 million, all service lines

	Trends by Group			Trends for Individual Providers					
	Net Income / Total Revenue			Count of Providers in Study	# Providers with Net Income % in Each Range				
	FY 2018	FY 2019	FY 2020		Negative	From 0.1% to 2.0%	From 2.01% to 4.0%	Above 4.0%	
All Providers Examined	3.9%	3.7%	4.3%	FY 2018	102	17	17	19	49
				FY 2019	102	20	16	8	58
				FY 2020	102	23	14	11	54
Group 1 Providers average	3.5%	3.4%	4.0%	FY 2018	9	0	2	5	2
				FY 2019	9	2	3	0	4
				FY 2020	9	0	2	3	4
Group 2 Providers average	3.8%	3.1%	3.1%	FY 2018	30	5	7	6	12
				FY 2019	30	7	7	3	13
				FY 2020	30	12	2	5	11
Group 3 Providers average	5.8%	7.0%	6.1%	FY 2018	20	3	7	0	10
				FY 2019	20	4	3	1	12
				FY 2020	20	6	3	0	11
Group 4 Providers average	7.2%	6.4%	10.3%	FY 2018	43	9	1	8	25
				FY 2019	43	7	3	4	29
				FY 2020	43	5	7	3	28

Examination of Provider Terminations Due to Rates

Exhibit 24 shows the total number of provider terminations due to rates that the Division has reported since the start of CY 2015. Among the average of 614 providers paid annually for services between SFY 2017 and SFY 2021, only 12 providers have terminated their entire Agreement (2.0% of the total) and 11 have terminated specific service lines (but not their entire Agreement with the Division) in the last six years (1.8% of the total). The services that had been delivered by these providers is not weighted toward any specific service category.

Exhibit 24. Count of Provider Terminations Due to Rates Since CY2015 and Services Previously Offered

Type of Termination	Number of Terms	Residential	In Home Supports	Day Programs	Employment	Transportation	Nursing	Therapies
Entire Agreement	12	2	7	5	1	3	0	5
Specific Services	11	1	4	4	2	0	0	1