



**New Mexico DDSD
HCBS Rate Study**

**Overview of Rate Study
Recommendations**

- prepared for -

**New Mexico Health Care Authority
Developmental Disabilities
Supports Division**

December 3, 2025

PRESENTATION OVERVIEW

- Rate Study Overview
- Rate Setting Approach
- Rate Study Tasks
- Rate Model Assumptions
- Service-Specific Recommendations
- Public Comments

PURPOSE OF PRESENTATION

- Overview *initial* recommendations from the rate study for services provided through the Developmental Disabilities, Medically Fragile, and Mi Via Waivers
 - Public comments will be considered before recommendations are finalized
- Ensure stakeholders understand the materials, data sources, calculations, and resulting recommendations so that they may review and offer comments
 - HMA-Burns will respond to any technical questions that stakeholders need addressed to provide comments
- Encourage participation in public comment process
 - Comments should be submitted in writing to allow for consolidation and review of all feedback

SUMMARY OF PROPOSED CHANGES

- ***Fiscal year 2027 rates.*** Proposed rates have been inflated to reflect estimated costs for state fiscal year 2027 (July 1, 2026 through June 30, 2027)
 - For example, wage assumptions have been inflated to January 2027 (the midpoint of the year)
- ***No rate reductions.*** For some services, the rate-setting process has initially produced a lower rate, but DDS does not intend to adopt any rate reductions
- ***Average increase of 17 percent.*** If fully implemented (without any reductions), the proposed rates would increase total spending across the Developmental Disabilities, Medically Fragile, and Mi Via Waivers by almost 17 percent
 - Implementation of rate increases is contingent on additional appropriated funding

RATE STUDY OVERVIEW

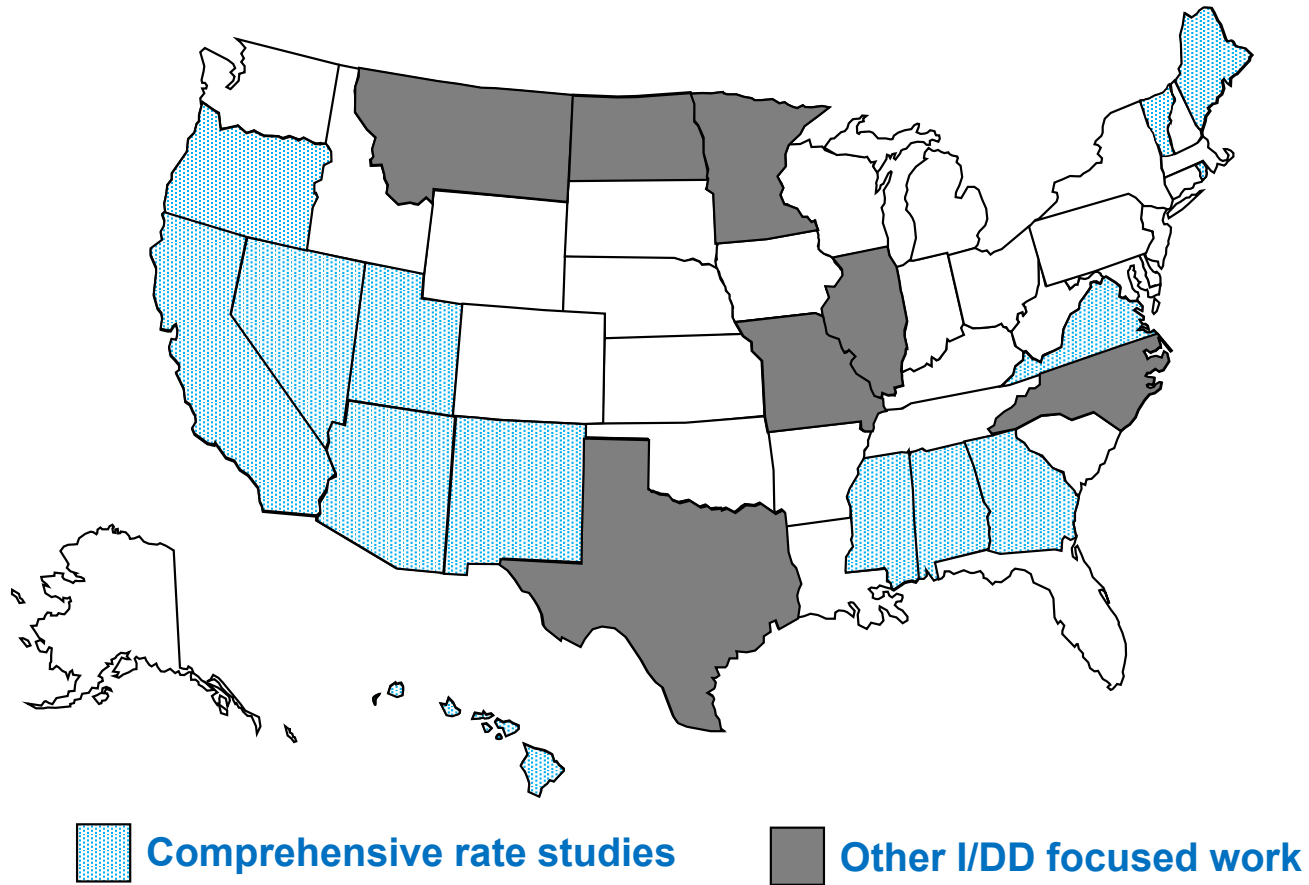
RATE STUDY BACKGROUND

- Federal and state guidelines require DDSD to conduct periodic studies of payment rates for services delivered through the Medicaid waiver programs operated by DDSD
 - Federal Medicaid law requires that provider payments be “consistent with efficiency, economy, and quality of care and sufficient to enlist enough providers...”
 - For Medicaid home and community-based services (HCBS) waivers, states are expected to review payment methodologies at least every five years
 - A 2024 law passed by the New Mexico Legislature (HB 395) requires DDSD to conduct an independent biennial cost study for the purpose of recommending reimbursement rates
- Rate study covers services delivered through the Developmental Disabilities Waiver, Mi Via Waiver, and Medically Fragile Waiver
- DDSD contracted with the Burns & Associates division of Health Management Associates (HMA-Burns) to assist with this rate study

OVERVIEW OF BURNS & ASSOCIATES

- Health policy consultants specializing in assisting state Medicaid agencies and related departments (developmental disabilities and behavioral health authorities)
 - Consulted in approximately 30 states since its founding in 2006
 - Acquired by Health Management Associates in September 2020
- Experience in the intellectual and developmental disabilities field
 - Policy development, including service standards and billing rules
 - Provider rate-setting
 - Program implementation and operations
 - Program evaluation
- Previously consulted to DDSD from 2011 to 2017
 - Tasks included comprehensive rate study that developed many of the payment structures that remain in place

BURNS & ASSOCIATES' I/DD EXPERIENCE



BURNS & ASSOCIATES' RATE STUDY

State	Implementation Status*	Amount Funded or Budgeted for Future Periods
New Mexico	Implementation began in 2013	(\$10 million), although funds were retained in the system
Arizona	Rates adopted in 2015	\$188 million (about \$50 million added in the years after the study)
Oregon	Implemented in phases between 2016 and July 2022	\$195 million, fully funded
Mississippi	Implementation began in 2017	\$20 million, fully funded
California	Implemented in phases between 2020 and 2025	More than \$2 billion, fully funded
Virginia	Implementation began in 2022	\$1.2 billion, partially funded (more than \$600 million)
Rhode Island	Implementation began in 2023	\$62 million, fully funded
Georgia	Implementation began in 2023	\$321 million, fully funded
Alabama	Implementation began in 2024	\$108 million, partially funded
Nevada	Implementation began in 2024	\$38 million, fully funded
Hawaii	Implementation will occur in 2026	\$46 million, fully funded
Vermont	Rate study still in process	N/A
Maine	Rate study still in process	N/A

* Implementation status based on most recent HMA-Burns' rate study

RATE SETTING APPROACH

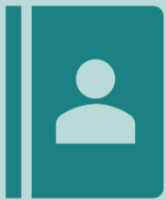
PURPOSE OF INDEPENDENT RATE MODEL APPROACH

- Rates should reflect the reasonable costs providers incur to deliver services consistent with the state's requirements and individuals' service/ treatment plans
- Consider data from multiple sources rather than depending on any single source

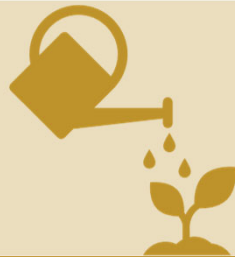
Policies, Rules, and Standards	Provider and Stakeholder Input	Published Sources	Special Studies
Examples include: Program Manuals Prior Rate Studies	Examples include: Provider Survey Public Comments	Examples include: BLS Wage Data IRS Mileage Rates	Examples include: Rate Benchmarking

DEVELOPMENT OF INDEPENDENT RATE MODELS

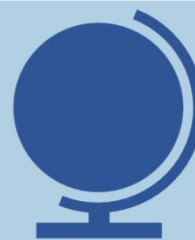
- Specific rate model assumptions are detailed (e.g. staff wages and benefits, staffing levels, transportation, etc.)
 - Assumptions are not mandates (i.e., a provider does not have to pay the wage assumed in the rate)
- A single service may have multiple rates to account for service differences that impact providers' costs



Individual Level of Need
(affecting staffing levels,
staff qualifications, etc.)



Service setting
(e.g., facility or
community-based)



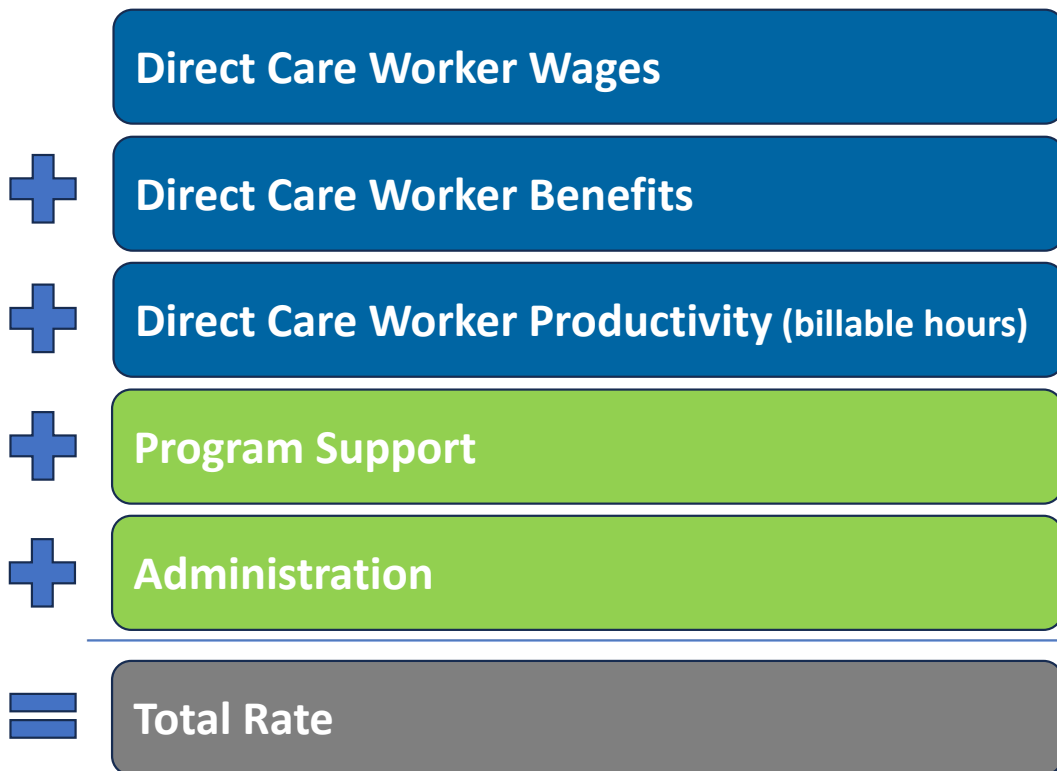
Geography
(e.g. urban and rural)



**Staff Qualifications and
Training**
(e.g., RNs and LPNs)

DEVELOPMENT OF INDEPENDENT RATE MODELS (CONT.)

Five factors in all HCBS (non-facility) rate models:



Other factors vary by service, such as:

- Staffing ratios
- Attendance/ occupancy
- Transportation-related costs
- Program facilities and supplies

RATE MODEL EXAMPLE – IN-HOME SUPPORT (NOT A NEW MEXICO MODEL)

	Unit of Service	15 Minute
Direct Support Staff Wages and Benefits	- Direct Staff Hourly Wage	\$14.20
	- Employee Benefit Rate (as % of wages)	35.9%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	\$19.30
	<i>Productivity Assumptions</i>	
	Total Hours	40.00
	- Travel time (between members)	2.20
	- Participating in care plan meetings	0.66
	- Recordkeeping	0.88
	- Employer and one-on-one supervision time	0.88
	- Training	0.96
- Paid Time Off	3.85	
"Billable" Hours	30.57	
Productivity Adjustment	1.31	
Staff Cost After Productivity Adjustment	\$25.28	
Mileage	- Number of Miles Traveled per Week	100
	- Amount per Mile	\$0.575
	Weekly Mileage Cost	\$57.50
	Mileage Cost per Billable Hour	\$1.88
Administration and Program Support	Cost per Billable Hour Before Admin. and Support	\$27.16
	- Program Support Funding per Day	\$20.00
	Program Support Cost per Billable Hour	\$3.27
	- Administration Percent	15.0%
	Administrative Cost per Billable Hour	\$5.37
Total Cost per Billable Hour	\$35.80	
- Service Provider Tax Rate	6.0%	
Service Provider Tax Amount per Billable Hour	\$2.15	
Rate per 15 Minutes	\$9.49	

- Direct care staff wages and benefits
 - Largest component of costs (60-80 percent) when including productivity
 - Data gathered from multiple sources
 - Review of staff qualifications and responsibilities
 - Provider survey
 - Bureau of Labor Statistics data
- Accounting for 'productivity'
 - Rate models seek to reflect a 'typical' week for direct care staff by establishing productivity adjustments for non-billable time
 - Examples include training, travel, documentation, and employer time

RATE MODEL EXAMPLE – IN-HOME SUPPORT (CONT.)

	Unit of Service	15 Minute
Direct Support Staff Wages and Benefits	- Direct Staff Hourly Wage	\$14.20
	- Employee Benefit Rate (as % of wages)	35.9%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	\$19.30
	<i>Productivity Assumptions</i>	
	Total Hours	40.00
	- Travel time (between members)	2.20
	- Participating in care plan meetings	0.66
	- Recordkeeping	0.88
	- Employer and one-on-one supervision time	0.88
	- Training	0.96
- Paid Time Off	3.85	
"Billable" Hours	30.57	
Productivity Adjustment	1.31	
Staff Cost After Productivity Adjustment	\$25.28	
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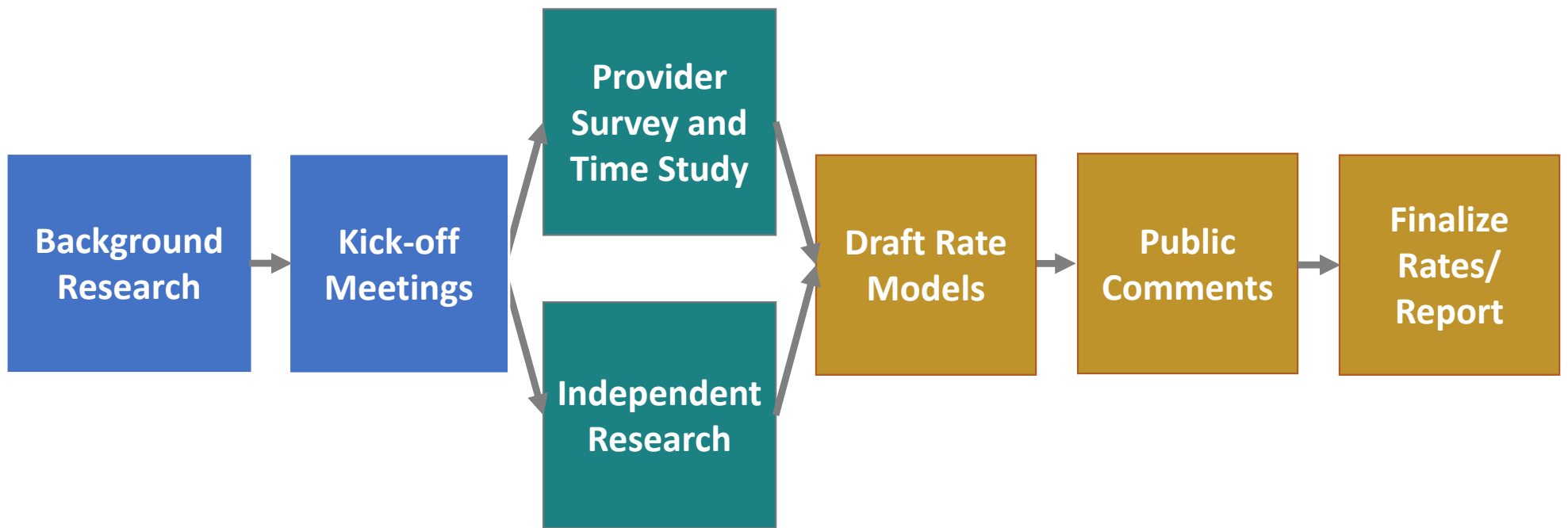
- Program support costs
 - Activities that are program specific, but not billable
 - Examples: supervision, training staff, and program development
- Administrative costs
 - Organizational costs that are not program-specific
 - Examples: executive management, accounting, and human resources
- Other costs vary by service
 - Examples: mileage, staffing ratios, program attendance rates, and program facility and supplies costs

BENEFITS OF INDEPENDENT RATE MODEL APPROACH

- Transparency
 - Models detail the factors, values, and calculations that produce the final rate
- Ability to Advance Policy Goals and Objectives
 - For example, improving direct care staff salaries or benefits, reducing staff-to-participant ratios, incentivizing community-based services, etc.
- Efficiency In Maintaining Rates
 - For example, models can be adjusted for inflation, specific cost factors (e.g., IRS mileage rate), or to meet budget targets

RATE STUDY TASKS

RATE STUDY PROCESS



DELIVERABLE 1: CONDUCT BACKGROUND RESEARCH AND DEVELOP RATE STUDY WORK PLAN

- Task 1: Conduct Background Research
 - Review program regulations, existing waiver applications, policy manuals, and other materials to document the requirements for each service
 - Explore current and future policy changes impacting services or provider costs
 - Compile and review current rate and payment data
- Task 2: Hold Kickoff Meetings with DDSD and Rate Study Advisory Group
 - Present independent rate model approach
 - Discuss system opportunities and challenges
 - Overview draft provider surveys and time study instruments

DELIVERABLE 2: PROVIDER SURVEY AND TIME STUDY

- Task 3: Develop and administer provider survey
 - Design survey to collect information regarding costs and service delivery issues (e.g., staffing ratios, mileage, etc.)
 - Results inform, but do not dictate, rate model assumptions
 - Provide technical assistance
 - Written instructions, recorded webinar to walk-through the survey, dedicated contact for questions
 - Analyze survey results
 - Review submitted surveys, perform statistical analysis
 - Discuss findings and present results to the Rate Study Advisory Group

DELIVERABLE 2: PROVIDER SURVEY AND TIME STUDY (cont.)

- Task 4: Develop and administer time study
 - Design form to collect information about time-use among direct care workers over a two-week period
 - Collect information about specific activities being performed, whether billable or non-billable
 - Collect address details for where activities are being performed
 - Provide technical assistance
 - Analyze results
 - Discuss findings and present results to DDSD and Rate Study Advisory Group

DELIVERABLE 3: RESEARCH AND ANALYSIS

- Task 5: Other Research and Analysis
 - Collect independent data for individual cost drivers (e.g., BLS wage data)
 - Analyze rate and rate methodologies for selected benchmark states; identify other appropriate benchmark payment rates as applicable
 - Evaluate strategies for incentivizing service outcomes
 - Consider approaches for assessing service quality
 - Evaluate impact and scope of federal laws and rules

DELIVERABLE 4: DEVELOP DRAFT RATE MODELS

- Task 6: Draft Rate Models
 - Consider changes to service standards as well as billing codes and requirements
 - Develop draft model structures identifying cost factors for each service
 - A service may have multiple 'alternatives' due to differences in staff qualifications, members' needs/ staffing intensity, etc.
 - Populate rate models with cost assumptions
 - Consider provider survey and other independent data sources
 - Develop rate model appendices and other supporting documentation
 - Estimate fiscal impact and changes to Individual Budget Allotments

DELIVERABLE 5: COLLECT AND RESPOND TO PUBLIC COMMENTS

- Task 7: Public Comments
 - Develop presentation to overview rate study proposal
 - Post proposed rate models and supporting materials online
 - Includes recorded webinar to explain the proposals
 - Accept written comments
 - Allow three-to-four weeks for comments
 - Review and summarize comments

DELIVERABLE 6: FINAL RATE MODELS AND SUMMARY REPORT

- Task 8: Finalize rate models and develop capstone report
 - Revise rate models based on public comments
 - Compile a final set of documents, including the final study report
 - Fiscal impact analysis
 - Provide implementation assistance as needed
 - Develop draft report summarizing the rate study process and results of the study and present to DDSD for feedback
 - Deliver final report to DDSD

RATE MODEL ASSUMPTIONS

EMPLOYEES AND CONTRACTORS

- Proposed rate models assume all workers providing services are employees rather than contractors
 - Applies to all services regardless of staff qualifications (direct support professionals, case managers, clinicians, etc.)
 - Rate model assumption does not require providers to change operations
- Participants in the provider survey reported the majority of workers are employees although a substantial number of contractors were reported
 - For example, 67 percent of direct support professional paid hours were reported as employees and 33 percent were reported as contractors
- Key assumptions for an employment-based operating model
 - Market-based hourly wages
 - Access to a comprehensive benefits package
 - Productivity adjustments to account for paid hours spent on non-billable activities

WAGE ASSUMPTIONS – BUREAU OF LABOR STATISTICS WAGE DATA

- Appendix A of the rate model packets
- New Mexico wage data published by the Bureau of Labor Statistics used as the starting point for establishing market-based wage assumptions
 - **Comprehensive.** Wage levels are published for more than 800 occupations based on data from 1.2 million establishments representing 57% of the employment in the United States
 - **Cross-industry.** It is not limited to a single industry so estimates for a given occupation are representative of the overall labor market
 - **Regularly updated.** Released once per year – in late March for the previous May (so most recent data published in April 2025 reflects May 2024 survey data)
 - **State- (and local-) specific.** Data is published for individual states and sub-state regions (metropolitan statistical areas)

WAGE ASSUMPTIONS – ADJUSTMENTS TO BLS DATA

- BLS wage data inflated to January 2027
 - Based on data from the Bureau of Economic Analysis for net earnings growth in New Mexico (based on most recent data as of November 2025)
 - Models include a 12.45 percent increase to BLS data based on 32 months wage inflation (May 2024 to January 2027) at 4.5 percent per year (the ten-year average)
- Established a wage floor to account for local minimum wages
 - Any BLS wage (after the inflationary adjustment) less than \$17.50 increased to \$17.50 to account for Santa Fe's minimum wage as of January 2027

WAGE ASSUMPTIONS – BLS OCCUPATION AND WAGE BENCHMARKS

- For each service, BLS occupations are chosen to represent staff qualifications
 - For some services, there is a direct match between the staff providing services and a specific BLS occupation (e.g., the BLS has a classification for registered nurses)
 - For other services, there is not a one-to-one match
 - For example, the BLS combines direct support professionals with staff in other industries in the home health and personal care aide classification, but this classification may not represent the varied roles of DSPs
 - For these services, the rate models construct a weighted average of multiple BLS classifications
- For each occupation, the BLS publishes wage estimates at several levels (e.g., 10th, 25th, 50th, 75th, and 90th percentiles)
 - Rate study uses 50th percentile (median) wage as the benchmark as this is the wage at which half of employees earn more and half earn less

WAGE ASSUMPTIONS – ASSUMED DSP WAGE

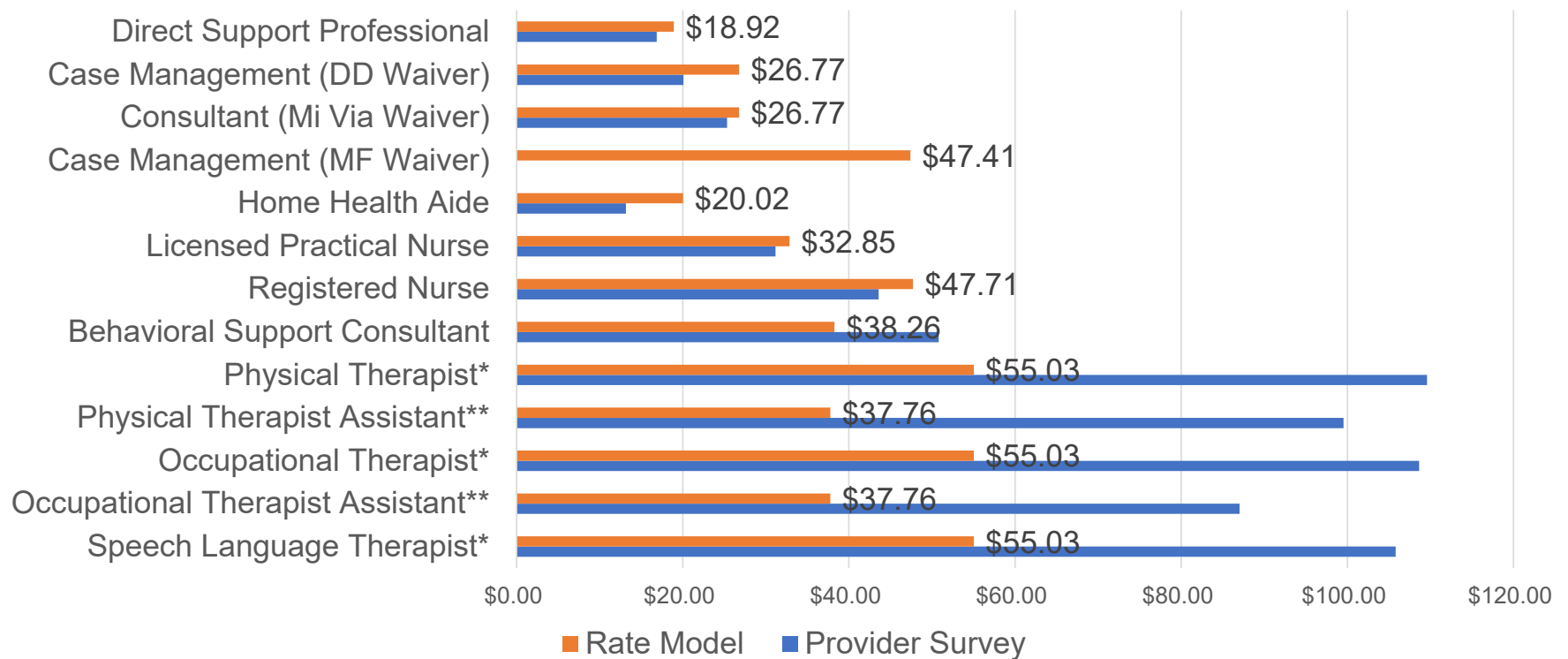
- DSP wage based on a composite of standard occupational classifications (SOCs)

<i>BLS Standard Occupational Classification</i>	<i>Weight</i>	<i>Median Wage (Adjusted)</i>
Social and human service assistant	15%	\$24.31
Psychiatric technicians	15%	\$20.16
Home health/ personal care aide	55%	\$17.50
Recreation worker	15%	\$17.50
Weighted Average Wage		\$18.92

- Rate study assumes the same wage for all services provided by DSPs (e.g., Supported Living, Customized In-Home Supports, Customized Community Support)
- State statute requires rate study to consider impact on rates if DSP wage assumptions were “paid at least one hundred fifty percent of the state minimum wage”
 - State minimum wage is \$12.00 per hour; 150 percent of this would be \$18.00
 - DSP wage assumptions are set at \$18.92, exceeding the minimum threshold

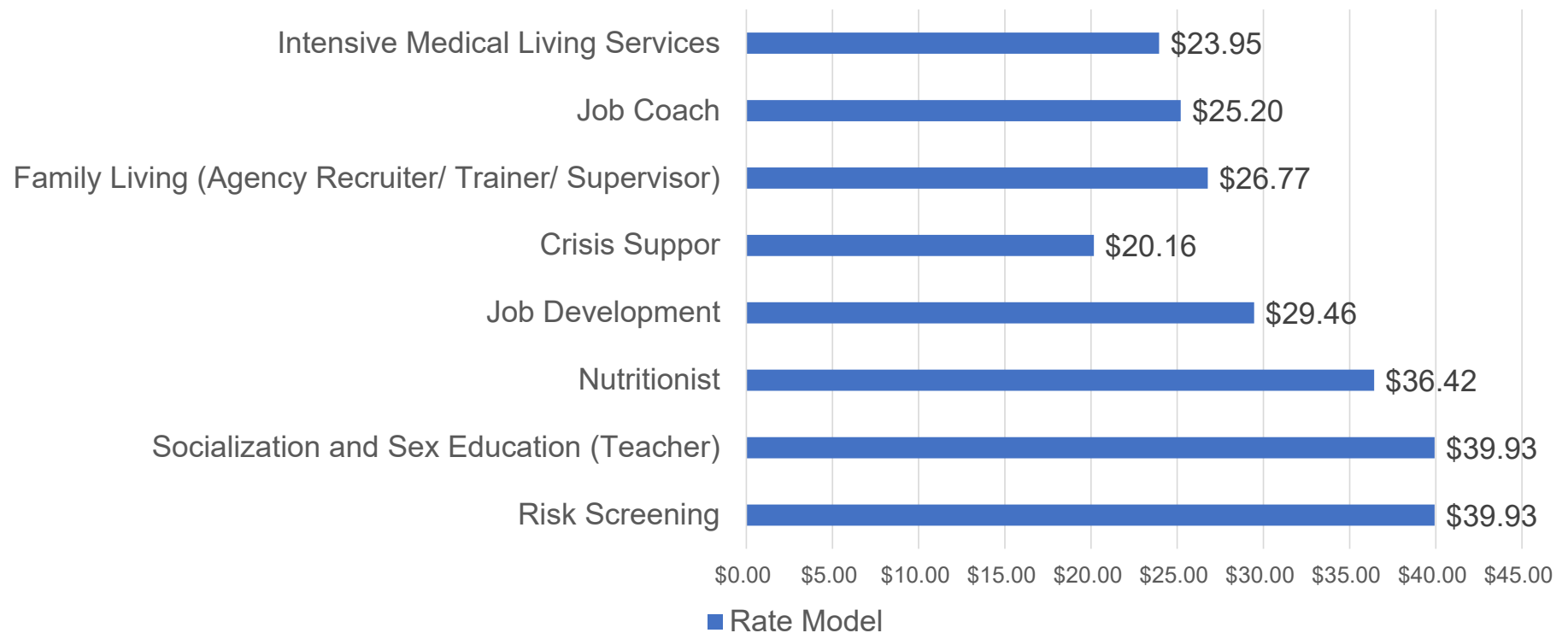
WAGE ASSUMPTIONS – RATE MODEL ASSUMPTIONS

- Recommended wage levels in rate models are based on the BLS wage median (after adjusting for inflation and wage floor)



WAGE ASSUMPTIONS – RATE MODEL ASSUMPTIONS (cont.)

- Recommended wage levels in rate models are based on the BLS wage median (after adjusting for inflation and wage floor)



PAYROLL TAX AND FRINGE BENEFIT ASSUMPTIONS

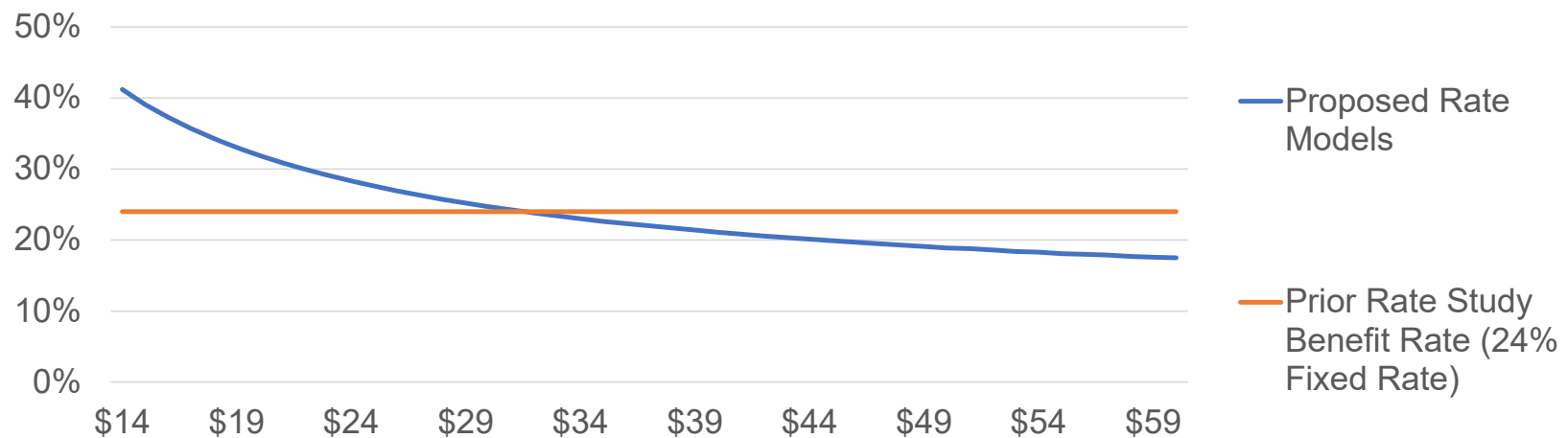
- Payroll taxes
 - Social Security and Medicare payroll (7.65 percent of wages)
 - Federal Unemployment Insurance – 0.60 percent on first \$7,000 in wages
 - State Unemployment Insurance – 1.0 percent (new employer rate in 2025) on first \$33,200 in wages
 - Workers' compensation rate of 2.64 percent of wages
 - CM providers reported 4.12 percent in the provider survey
 - All other providers reported 2.01 percent

PAYROLL TAX AND FRINGE BENEFIT ASSUMPTIONS (cont.)

- ***Paid time off.*** 25 annual paid days off (holiday, vacation, and sick) (treated as a productivity adjustment)
 - Case Management/ Consultant providers reported an average of 20 days (combined)
 - All other HCBS providers reported an average of 18 days annually (combined)
- ***Health insurance.*** \$639.08 per employee per month for health insurance (after adjusting for participation rates of 64.3 percent) based on New Mexico specific data from U.S. DHHS' Medical Expenditure Panel Survey related to take-up rates, plan types (employee only, employee plus-one, and family), and employer costs
 - Case Management/ Consultant providers reported an effective monthly cost of \$383 per employee (accounting for employee participation)
 - Other service providers reported an effective monthly cost of \$176 per employee (accounting for employee participation)
- ***Other benefits.*** \$100.00 per employee per month for other benefits (e.g., dental, retirement, etc.)

PAYROLL TAX AND FRINGE BENEFIT ASSUMPTIONS (cont.)

- Benefit assumptions are translated to benefit rates by wage level
 - Paid time off is treated as a productivity adjustment (reduction in billable hours)
 - Since certain benefit assumptions are fixed, the benefit rate declines as the wage increases (e.g., health insurance is fixed, and represents a greater portion of lower-wages than higher wages as a result)



PRODUCTIVITY ADJUSTMENTS

- Productivity adjustments are intended to recognize costs associated with direct care workers' non-billable responsibilities
 - Ensures providers are compensated for activities that they cannot bill directly, such as the time direct support staff spend in training or traveling between service encounters
 - Example
 - An employee earning \$25 per hour (wages, payroll taxes, and benefits) and working 40 hours per week earns \$1,000 per week
 - However, if the employer can only bill for 32 hours per week, a productivity adjustment of 1.25 is required (work hours divided by billable hours)
 - Thus, the agency must be able to bill \$31.25 per service hour (\$25 multiplied by 1.25) to cover the cost of wages and benefits

PRODUCTIVITY ADJUSTMENTS (cont.)

- Assumptions are detailed within the rate model packet (see Appendix C)
 - Rate models generally assume lower productivity (fewer billable hours) than reported in the time study
- Standard assumptions
 - All services include 200 annual hours for paid time off (25 days as noted in the benefits assumptions section, an average of 3.85 hours per week)
 - Most services include 50 annual hours for training (0.96 hours per week)
 - Most services include 0.75 hours per week for supervision and employer time
- Other productivity adjustments included in each rate model and the assumed amount of time spent on each are more variable across services
 - Travel between service encounters
 - Program set-up and clean-up
 - Collateral contacts
 - Recordkeeping and reporting
 - Progress notes/ medical records
 - Missed appointments

ADMINISTRATION AND PROGRAM SUPPORT

- Program support funds activities that are program-specific, but not billable
 - Functions include supervision, training, program development and oversight, quality monitoring, nursing/ specialized supports, and coordination of care activities
 - Costs include wages and benefits of staff performing these functions, other expenses supporting these functions (e.g., facility-related costs, travel), insurance, etc.
- Models include \$35 per day for program support costs
 - Overall, program support equates to about 12.7 percent of providers' costs based on current rates
 - Case Management/ Consultant providers reported an average of 7.5 percent in the provider survey
 - Other HCBS providers reported an average of 9.0 percent in the provider survey
- When combined with administration, the rate models include an average of nearly 28 percent for overhead costs (not including Gross Receipts Tax)

ADMINISTRATION AND PROGRAM SUPPORT (cont.)

- Administration funds activities that are not program-specific
 - Examples include executive management, accounting, human resources
 - Costs include wages and benefits of staff performing these functions, other expenses supporting these functions (e.g., facility-related costs, travel), information technology costs, consulting expenses, etc.
- Models include 15 percent of the total rate (not including Gross Receipts Tax [GRT]) for administration
 - Case Management/ Consultant providers reported an average of 11.6 percent (not including GRT)
 - Other service providers reported an average of 12.4 percent (not including GRT)
 - GRT is added to the billed rate as appropriate
- When combined with program support, the rate models include an average of approximately 28 percent for overhead costs

SERVICE-SPECIFIC RECOMMENDATIONS

CASE MANAGEMENT AND CONSULTANT SERVICES

- **Caseload assumptions.** Rate study considered caseloads reported through the provider survey
 - DDW – Assume 24 (survey average: 24.1)
 - Mi Via – Assume 30 (survey average: 31.7)
 - MFW – Assume 20

Service	Rates (per month)		
	Current	Proposed	Change
DDW Case Mgt.	\$370.80	\$380.69	2.7%
Mi Via Consult.	\$406.68	\$304.55	(25.1%)
MFW Case Mgt.	\$668.03	\$692.26	3.6%

- **Alignment of DDW and Mi Via rates.** DDS D intends to standardize rates for DDW Case Management and Mi Via Consultant services
 - Currently, Mi Via consultants earn substantially more than DD Waiver case managers due to both a higher rate and larger average caseloads
 - With DDS D’s hold-harmless policy, the DDW Case Management rate would increase to the current Mi Via Consultant rate (\$406.68 per month)

SUPPORTED LIVING AND INTENSIVE MEDICAL LIVING SERVICES

- Staffing assumptions detailed in Appendix D of the rate model packet
 - **Baseline shared staffing.** Covers staffing during occupied hours
 - Assumes an average of 3.5 residents
 - **One-to-one staffing.** Assumed hours vary by rate category
 - No changes to current standards for 1:1 hours in each rate category
 - Category 1 = 7 hours per week
 - Category 3 = 28 hours per week
- Overall, assumed hours slightly greater than reported in the provider survey

Service	Rates (per day)		
	Current	Proposed	Change
Cat. 1	\$221.54	\$311.79	40.7%
Cat. 2	\$272.45	\$357.16	31.1%
Cat. 3	\$357.13	\$443.16	24.1%
Cat. 4	\$463.59	\$529.17	14.1%
IMLS	\$492.90	\$667.79	35.5%
Non-Amb	\$65.22	\$124.61	91.1%

Category 2 = 14 hours per week
 Category 4 = 42 hours per week

SUPPORTED LIVING AND INTENSIVE MEDICAL LIVING SERVICES (cont.)

- **Clinical hours.** No changes to current standards
 - Nursing
 - Category 1 = 18 hours per year Category 2 = 60 hours per year
 - Category 3 = 120 hours per year Category 4 = 180 hours per year
 - Intensive Medical Living = 520 hours per year
 - Nutrition
 - Categories 1-4 = 5 hours per year
 - Intensive Medical Living = 12 hours per year

FAMILY LIVING

- **Unbundling substitute care.** Rate study recommends that substitute care be removed from the Family Living rate and billed separately
 - Substitute care would be billed at the Respite rate
 - No changes to current 750-hour limit (1,000 hours for Jackson Class)
 - Provider survey suggest fewer hours currently delivered (average of 439 hours), and more than a third of the reported participants did not receive substitute care
 - Ensures alignment between services provided and payments received
 - Proposed rate increase is understated as current rate includes substitute care costs
- **Minimum payment for home providers.** Proposed rate assumes agencies will pay contracted homes \$3,250 per month (\$39,000 annually)
 - Average reported in the provider survey was \$2,790 per month
 - Rate study recommends a payment 'floor' requiring agencies to pay *at least* 55 percent of the total rate to their contracted homes (equates to a minimum monthly payment of \$3,154 based on the proposed rate)

Rates (per day)		
Current	Proposed	Change
\$191.71	\$202.39	5.6%

340-DAY BILLING POLICY FOR RESIDENTIAL SERVICES

- **Maintain 340-day billing policy.** ‘Insures’ providers for up to 25 absences per individual per year
 - Rate models calculate the assumed annual cost of service delivery, but divides this cost by 340 days rather than 365
 - Produces a rate 7.4 percent higher than a 365-day rate
 - Since providers are fully reimbursed for the assumed annual cost of service after 340 days, they are limited to 340 billing days per individual per year
 - Applies to Supported Living, Intensive Medical Living Services, and Family Living
 - Billing limit would reset if an individual changes agencies (but not homes for the same agency during the year)
 - It is impossible for a provider to receive less revenue with a 340-day billing year

IN-HOME LIVING SUPPORT (IHLS)

- **Hourly threshold.** No change proposed to existing standard that require the hourly rate to be billed for up to four hours of service in a day and the daily rate to be billed for longer periods

Service	Rates		
	Current	Proposed	Change
Hourly	\$26.33	\$25.01	(5.0%)
Day	\$191.48	\$188.53	(1.5%)

- **Rate benchmarks.**
 - Daily rate tied to the proposed Family Living rate, adjusted for a 365-day billing year (compared to the 340-day billing year for Family Living)
 - Hourly rate tied to DSP compensation assumptions (wages and benefits, excluding the cost of payroll taxes that are added to the billed rate)

IN-HOME SERVICES

- **Home Health Aide rate alignment.** Rate study proposes to standardize Home Health Aide rates across the Mi Via and Medically Fragile waivers
- **Mi Via rate benchmarks for Homemaker / Direct Support.**
 - Low end of range tied to wage floor established for BLS data (\$17.50)
 - High end of range tied to DSP compensation assumptions (wages and benefits, excluding the cost of payroll taxes that are added to the billed rate)

Service	Rates		
	Current	Proposed	Change
Develop. Disabilities Waiver (per 15 min.)			
Custom. In-Home	\$8.42	\$11.93	41.7%
Mi Via Waiver (per hour)			
Home-maker	\$7.90 - \$15.38	\$17.50 - \$25.01	121.5% - (2.4%)
Home Hlth. Aide	\$17.19	\$49.93	190.5%
Medically Fragile (per hour)			
Home Hlth. Aide	\$45.23	\$49.93	10.4%

RESPITE

- **Nurse rate alignment.** Rate study proposes to standardize Nurse Respite rates across the Mi Via and Medically Fragile waivers

Service	Rates		
	Current	Proposed	Change
Develop. Disabilities Waiver (per 15 min.)			
Respite-Individual	\$7.46	\$10.94	46.6%
Respite-Group	\$3.45	\$5.40	56.5%
Mi Via Waiver (per hour)			
Respite-Standard	\$7.94	\$10.94	37.8%
Respite-LPN	\$11.48	\$26.38	129.8%
Respite-RN	\$7.15	\$20.33	184.3%
Medically Fragile (per hour)			
Respite-Hlth. Aide	\$45.23	\$49.93	10.4%
Respite-LPN	\$29.76	\$26.38	(11.4%)
Respite-RN	\$19.92	\$20.33	2.1%

CUSTOMIZED COMMUNITY SUPPORTS

- **No changes to staffing levels.** Rate study does not propose changes to DDW staffing standards
 - Category 1 for groups of up to 6 (rate model assumes average of 5.5 individuals per DSP)
 - Category 2 for groups of up to 4 (rate model assumes average of 3.0 individuals per DSP)
 - Small Groups for up to 3 persons (rate model assumes average of 2.5 individuals per DSP)
- **Mi Via rate benchmarks.**
 - CDS - Low end of range tied to wage floor established for BLS data (\$17.50); high end tied to DSP compensation assumptions (wages and benefits, excluding the cost of payroll taxes that are added to the billed rate)
 - CCS-Group - Low rate tied to DDW Category 1; high rate tied to DDW Small Group

Service	Rates (15 minutes)		
	Current	Proposed	Change
Developmental Disabilities Waiver			
Individual	\$12.22	\$12.18	(0.3%)
Grp. Cat 1	\$2.96	\$4.69	58.4%
Grp. Cat 2	\$6.75	\$6.91	2.4%
Small Grp	\$6.03	\$7.70	27.7%
Mi Via Waiver			
Comm. Dir. Supp.	\$11.15 - \$16.30	\$17.50 - \$25.01	53.8% - 53.4%
Group	\$2.69 - \$9.29	\$4.69 - \$7.70	62.5% / (19.5%)
Medically Fragile Waiver			
Group	\$5.93	\$7.70	29.8%

EMPLOYMENT SUPPORTS - INDIVIDUAL

- **Maintain assumed Job Maintenance hours.**
 Rate model assumes individuals receive an average of 22 hours of support per month
 - Consistent with existing model
- **Change to Mi Via Job Developer unit.** Rate study proposes to transition Job Developer services to a 15-minute rate
 - Consistent with similar service in DDW
- **Mi Via rate benchmarks.**
 - Low end of rates tied to assumed job coach / job developer wages in DDW rates
 - High end of rates tied to total assumed wages and benefits (excluding payroll taxes) for job coaches / job developers in DDW rates

Service (unit)	Rates		
	Current	Proposed	Change
Developmental Disabilities Waiver			
Job Dev. (15 min.)	\$12.07	\$18.57	53.9%
Job Maint. (month)	\$1,363.11	\$1,302.18	(4.5%)
Intensive (Hour)	\$59.42	\$59.19	(0.4%)
Job Coach (15 min.)	\$12.07	\$14.80	22.6%
Self-Emp. (15 min.)	\$16.11	\$14.80	(8.1%)
Mi Via Waiver (15 min.)			
Job Dev.	\$105-\$737 (each)	\$7.37 - \$9.14	-
Emp. Sup. (15 min.)	\$2.26 - \$7.30	\$6.30 - \$7.97	178.8% / 9.2%

EMPLOYMENT SUPPORTS – GROUP (DDW)

- ***No changes to staffing levels.***

- Category 1 for groups of up to 6 (rate model assumes average of 5.5 individuals per job coach)
- Category 2 for groups of up to 4 (rate model assumes average of 3.0 individuals per job coach)

Service	Rates (15 minutes)		
	Current	Proposed	Change
Cat. 1	\$2.34	\$4.49	91.9%
Cat. 2	\$3.89	\$6.81	75.1%

TRANSPORTATION

- **IRS mileage rate for per-mile billing.** Rate study recommends using the IRS' standard mileage rate
- **Mi Via rate benchmarks.**
 - Low end of rate range tied to wage floor established for BLS data (\$17.50)
 - High end of rate range tied to DSP compensation assumptions (wages and benefits, excluding the cost of payroll taxes that are added to the billed rate)

Service	Rates		
	Current	Proposed	Change
Per mile	\$0.66	\$0.70	16.7%
Hour (Mi Via)	\$12.00 - \$15.38	\$17.50 - \$25.01	45.8% - 62.6%

BEHAVIORAL SUPPORT CONSULTATION

- Standardization across regions.** Rate study proposes to eliminate separate standard and incentive rates
 - Proposed rate reflects statewide figures
- Mi Via benchmarks.** Low rate tied to clinician base wage; high rate tied to full agency rate
- Creation of telehealth rates.** Rate study proposes telehealth rates for office-based services (rate models exclude travel costs)

Service	Rates (15 minutes)		
	Current	Proposed	Change
Developmental Disabilities Waiver			
Standard / Incentive	\$31.08 / \$40.09	\$30.22	(2.8%) / (24.6%)
Telehealth	-	\$20.41	-
Mi Via Waiver			
Standard / Incentive	\$22.04 - \$31.10 / \$31.52 - \$40.09	\$9.40 - \$30.22	-
Telehealth	-	\$9.40 - \$20.41	-
Medically Fragile Waiver			
Behavior Consult.	\$25.66	\$30.22	17.8%
Telehealth	-	\$20.41	-

OTHER BEHAVIORALLY-FOCUSED SERVICES (DDW)

- **Standardization across regions.** Rate study proposes to eliminate separate standard and incentive rates
 - Proposed rate reflects statewide figures
- **Socialization and Sexuality Education class size.** Provider revenue varies significantly based on number of individuals served
 - Rate model assumes an average class of 8 individuals

Service	Rates		
	Current	Proposed	Change
Crisis-Ind. Residence	\$10.22 (15 min.)	\$12.62 (15 min.)	23.5%
Crisis-Alt. Residence	\$490.25 (day)	\$936.83 (day)	91.1%
Risk Screen. (Std/Inc.)	\$28.37 / \$36.35 (15 min.)	\$31.80 (15 min.)	12.1%/ (12.5%)
Soc./ Sex. Education (Std/Inc.)	\$536.88 / \$1,073.76 (series)	\$528.51 (series)	(1.6%) – (50.8%)

THERAPIES (OT / PT / SLP)

- **Standardization across disciplines.** Rate study proposes to establish the same rate for all therapeutic disciplines
 - Rate model uses the highest reported BLS wage across the three disciplines (SLPs)
 - With DDSD's hold-harmless, all billing would be reimbursed at current Incentive rate for physical therapists
- **Standardization across regions.** Rate study proposes to eliminate separate standard and incentive rates
 - Proposed rate reflects statewide figures
- **Creation of telehealth rates.** Rate study proposes telehealth rates for office-based services (rate models exclude travel costs)

Service	Rates (15 minutes)		
	Current	Proposed	Change
Developmental Disabilities Waiver			
Occ. Ther. (Std/Inc.)	\$40.83 / \$52.07	\$40.98	0.4% / (21.3%)
Phy. Ther. (Std/Inc.)	\$49.66 / \$63.33	\$40.98	(17.5%) / (35.3%)
Spe. Ther. (Std/Inc.)	\$48.93 / \$62.39	\$40.98	(16.2%) / (34.3%)
Telehealth	-	\$28.55	-

THERAPIES (OT / PT / SLP) (cont.)

- **Mi Via benchmarks.** Low rate tied to therapist base wage; high rate tied to full agency rate

Service	Rates (15 minutes)		
	Current	Proposed	Change
Mi Via Waiver			
Occ. Ther. (Incentive)	\$13.42 - \$52.07	\$14.18 - \$40.98	(0.3%) / (35.3%)
Phy. Ther. (Incentive)	\$14.22 - \$63.33	\$14.18 - \$40.98	5.7% / (21.3%)
Spe. Ther. (Incentive)	\$16.91 - \$62.39	\$14.18 - \$40.98	(16.1%) / (34.3%)
Telehealth	-	\$14.18 - \$28.55	-
Medically Fragile Waiver			
Occ. Ther.	\$40.83	\$40.98	0.4%
Phy. Ther.	\$49.66	\$40.98	(17.5%)
Spe. Ther.	\$48.93	\$40.98	(16.2%)
Telehealth	-	\$28.55	-

THERAPIES (COTA / PTA)

- **Standardization across disciplines.** Rate study proposes to establish the same rate for all therapeutic disciplines
 - Rate model uses the highest reported BLS wage across the two disciplines (COTAs)
 - With DDSD's hold-harmless, all billing would be at current Incentive rate for PT assistants
- **Standardization across regions.** Rate study proposes to eliminate separate standard and incentive rates
 - Proposed rate model reflects statewide figures
- **Creation of telehealth rates.** Rate study proposes telehealth rates for office-based services (rate models exclude travel costs)

Service	Rates (15 minutes)		
	Current	Proposed	Change
Developmental Disabilities Waiver			
COTA (Std/Inc.)	\$27.05 / \$35.49	\$27.26	0.8% / (23.2%)
PTA (Std/Inc.)	\$27.80 / \$36.47	\$27.26	(1.9%) / (25.3%)
Telehealth	-	\$19.17	-
Medically Fragile Waiver			
COTA	\$27.05	\$27.26	0.8%
PTA	\$27.80	\$27.26	(1.9%)
Telehealth	-	\$19.17	-

NURSING AND NUTRITIONAL COUNSELING

- **Rate alignment.** Rate study proposes to standardize rates across waivers

Service	Rates		
	Current	Proposed	Change
Develop. Disabilities Waiver (per 15 min.)			
RN	\$29.76	\$26.38	(11.4%)
LPN	\$19.92	\$20.33	2.1%
Nutrition	\$22.22	\$20.92	(5.9%)
Mi Via Waiver (per 15 min.; Nutrition per hr)			
RN	\$11.48	\$26.38	129.8%
LPN	\$7.15	\$20.33	184.3%
Nutrition	\$45.11	\$83.67	85.5%
Med. Fragile (per 15 min.; Nutrition per hr)			
RN	\$29.76	\$26.38	(11.4%)
LPN	\$19.92	\$20.33	2.1%
Nutrition	\$88.89	\$83.67	(5.9%)

MI VIA AND MEDICALLY FRAGILE WAIVERS - SPECIALIZED THERAPIES

- **Establishment of rate maximums.** Rate study proposes maximum rates for 15-minute units of service
 - Biofeedback, Chiropractic, Hippotherapy, Naprapathy currently have visit rates
 - Providers cannot charge higher rates than charged to private pay clients
- **Tied to commercial market.** Proposed rates based on research of private pay rates
- **Addition of Music Therapy.** Proposed rates include new service in Medically Fragile Waiver

Service	Rates		
	Current	Proposed	Change
Acupuncture	\$13.17 - \$26.33	\$37.50	185% - 42%
Biofeedback	\$52.66 - \$105.32	\$75.00	470% - 185%*
Chiropractic	\$52.66 - \$105.32	\$37.50	185% - 42%*
Cognitive Rehab	\$13.17 - \$26.33	\$56.25	327% - 114%
Hippotherapy	\$52.66 - \$105.32	\$26.33	100% - 0%*
Massage Therapy	\$13.17 - \$26.33	\$26.33	100% - 0%
Naprapathy	\$52.66 - \$105.32	\$31.25	137% - 19%*
Play Therapy	\$13.17 - \$26.33	\$37.50	185% - 42%
Music Therapy	-	\$37.50	-

* Current visit rates assumed to average one hour

COST-BASED SERVICES

- Compared New Mexico's limits for cost-based services to limits in other states
 - Rate study proposes increases to most current limits
 - Limits are inclusive of applicable current purchasing/ administration fees

<i>Service</i>	<i>Limits</i>			
	<i>Current-DDW</i>	<i>Current-Mi Via</i>	<i>Current-MF</i>	<i>Proposed</i>
Environmental Modifications	\$5,000 / 5 years	\$5,000 / 5 years	\$5,000 / 5 years	\$25,000 / 5 yrs.
Individual Directed Goods / Services		not specified	\$2,000 / year	\$2,000 / year
Specialized Medical Equipment			\$1,200 / year	\$3,500 / year
SME and ID&G Fiscal Agent			\$120 per item per year	15% of SME or ID&G costs
Vehicle Modifications			\$5,000 / 5 years	\$20,000 / 5 yrs.
Independent Living Transition	\$1,500 / lifetime			\$2,500 / lifetime
Assistive Technology	\$500 / year			\$5,000 / year
Remote Personal Support Technology	\$5,000 / year			\$5,000 / year
Fiscal Mgt. of Adult Ed. Opportunities	\$550 / year			\$750 / year
Non Medical Trans.-Mileage	\$850 / year			\$1,000 / year (in combination)
Non Medical Trans.-Pass/ Tickets	\$460 per year			

PUBLIC COMMENTS

PUBLIC COMMENTS

- Materials will be published on the HMA-Burns website where other materials are hosted: <https://www.healthmanagement.com/burns-reports/new-mexico-home-and-community-based-services-hcbs-rate-study/>
 - HMA-Burns will record a webinar and distribute materials to all providers and the Rate Study Advisory Group
 - Stakeholders will be given approximately 2 weeks to review materials and provide their written responses (no later than **December 19th, 2025**)
 - Stakeholders may email their written comments and any supplemental details to DDSD-Rate-Study@healthmanagement.com
- HMA-Burns will review, categorize, and draft responses to public comments
 - Changes to the rate models as a result of public comments will be identified in the final report