

# Our experience in advancing HCBS programs

**Mercer Government**  
Ready for next. Together.

States are being driven to rethink home- and community-based services (HCBS) and move in new directions, despite budget constraints and staffing limitations. States are also being challenged by consumers and advocates to move away from institutional services and instead, create innovative ways to better facilitate community integration by regulators (to increase the transparency, oversight, and objectivity of HCBS waiver programs) and by the provider community (to improve the fairness and equity of their rate systems and fund program expansion). The HCBS final rule presents yet additional challenges as well as opportunities for states to foster community integration and service delivery.

**For over 36 years, we have worked with 45 US states and territories. We bring the right mix of battle-tested experts and multi-disciplinary practitioners to the table to shape real-world solutions and face the toughest issues.**

## How Mercer Government can help

Our team has helped numerous states advance many HCBS program initiatives. The array of HCBS consulting services is outlined below:

- **HCBS final rule implementation and compliance activities**, including analyzing current HCBS settings through the use of tools such as provider surveys, analyzing person-centered care planning development and processes, and developing transition plans using Mercer-developed assessment review tools.
- **Strategy development** to assist in redefining and rebasing HCBS rate systems to improve transparency, objectivity, fairness, and equity, including developing program and financial policies to support those systems.
- **Organizational design consulting** to assist in operational restructuring and program oversight.
- **Financial consulting** to design cost-collection tools and to analyze the resulting cost data.
- **Actuarial consulting** to assess financial risks and develop rates using cost data collected from providers, along with appropriate independent data sources.
- **Stakeholder engagement** to ensure collaboration with advocates, providers, and consumers to create system changes and improve program quality and outcomes.
- **Policy design and waiver development** to further advance program goals and compliance with requirements of the Centers for Medicare & Medicaid Services.



- **Program design consulting** to align multiple HCBS waivers to ensure that goals are met across programs and do not compete against one another.
- **Clinical consulting** that helps develop quality strategies and performance metrics.
- **Compensation analyses** used to improve workforce issues for direct-care service professionals.
- **Information technology consulting** to help reduce administration, improve program compliance, and ensure that claims payment systems are capable of supporting rate system changes.
- **Balancing incentive program implementation, consulting, and financial reporting** to assist the state with increasing access to home-and-community-based services and to obtain higher federal financing participation.
- **Money Follows the Person (MFP) implementation and reporting** to help the state meet its grant requirements.

The way the country utilizes and defines HCBS is undergoing dramatic changes while current services grow at a double-digit pace to meet demand. Mercer Government has extensive and broad experience to help clients move their programs into the future amid this change.



## Case study



### Situation

The client wanted to undertake a comprehensive rebasing of its home- and community-based rate system. The client had previously undergone a process of converting from individualized rates to one that used standardized rates and modifiers. In the client's first effort to rebase the standardized rates, the goal was to re-establish an objective price that was market-driven, experience-based, supported the client's policy goals, and incorporated several improvements to previous rate-setting initiatives.



### Challenge

The client:

- Had very little clinical, operational, or financial data to support the rate-setting process.
- Wanted to correct several assumptions made when the rates were originally set.
- Knew the process would be subjected to intense scrutiny from stakeholders.
- Needed to update and change rates to reflect new policy initiatives and direction.
- Did not have a project plan to rebase rates.



### Action

We worked closely with the client and its partners to design and implement a comprehensive rate-rebasing process. We sought to address all programmatic areas to ensure the final rates would be appropriate and reflect the client's goals. As part of this rate-setting process, the Mercer Government team:

- Reviewed data gathered through focus groups with client field staff to understand service-specific issues, problem areas in the rates, and the market for services.
- Incorporated data gathered through focus groups with consumers and families to understand issues with access, quality, and their expectations of the client and providers.
- Reviewed, implemented, and analyzed a detailed cost report—including data cleaning, validation, and remediation.
- Gathered and reviewed third-party data sources for use as independent benchmarks on areas such as food cost, transportation, direct-care wages, and utilities.
- Reviewed and suggested modifications to service definitions to align payment, scope, and consumer needs.
- Developed rates for services using cost report data.
- Performed several actuarial and financial analyses on budget, cost, and risk transference.
- Conducted numerous public meetings on the rates and impacts.



### Results

The client was able to finalize and publish a set of rebased rates that recognized stakeholder needs, better aligned payments to consumers' needs and objectives, incorporated programmatic goals, and best matched payment to the risk borne by providers in delivering services.

## For more information

Visit our website at [www.mercer-government.mercer.com](http://www.mercer-government.mercer.com) to view our experience, services, and client feedback.

