

MILLIMAN CLIENT REPORT

Behavioral Health Comparison Rate Development – Phase 1

Washington State Health Care Authority

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Executive Summary

Milliman, Inc. (Milliman) has been retained by the Washington State Health Care Authority (HCA) to provide actuarial and consulting services related to its Medicaid managed care program. The state legislature directs HCA and its contracted actuaries to develop behavioral health comparison rates that will provide transparent payment rate benchmarks for Medicaid-funded behavioral health services.¹ The term “comparison rates” is used in this report for the following reasons:

- HCA is not currently adopting these rates as a state fee-for-service fee schedule or a state-directed payment under managed care.
- Absent future state policy changes, the comparison rates will not be directly incorporated into the state’s managed care capitation rate development (Section A provides additional detail).

This project consists of multiple phases:

- **PHASE 1:** Initial development of comparison rates for a limited set of services with the highest utilization volume in the program, specific to Calendar Year (CY) 2023. *This report provides a summary of the comparison rates developed in Phase 1 and will be released for stakeholder feedback. This report will be finalized after consideration of feedback received.*
- **PHASE 2:** Refinement of comparison rates developed in Phase 1 and an evaluation of historical Medicaid managed care organization (MCO) payment rates to the comparison rates, with a preliminary report due to the Office of Financial Management and the appropriate committees of the legislature by June 30, 2023.

Comparison rates are developed at the service level making it possible to translate them into a fee schedule. Implementing a comparison rates-based fee schedule may require additional legislative funding in cases where current reimbursement levels do not align with the updated fee schedule. Phase 2 will involve additional analyses to help quantify the difference between current reimbursement levels and the refined benchmarks, enabling additional insight into targeted funding improvement opportunities based on observed differences by service and provider type. HCA is pursuing funding to support continued work on behavioral health comparison rates beyond Phase 2 that would address services or service variation not included in the first two phases as well as continued progress towards optimizing a value-based purchasing environment that will demonstrate improved access and quality of care.

HCA is also exploring the development and implementation of a sustainable, alternative payment model for certified community behavioral health services, including the certified community behavioral health clinic (CCBHC) model. A related report is due to the Office of Financial Management and the appropriate committees of the legislature by December 31, 2022.²

A. PROJECT PURPOSE AND INTENDED USE

The primary purpose of this project is to develop and publish Medicaid behavioral health comparison rates that are consistent with the efficiency, economy, quality of care, and access to care. These comparison rates are specific to services provided under Section 13d Rehabilitative Services of Washington’s Medicaid State Plan.³ *The development of the comparison rates does not equate to immediate capitation rate or fee schedule increases; the following narrative describes the intended use of the comparison rates and the relationship between the comparison rates and managed care capitation rates.*

¹ Authorized by 2021-2023 State Operating Budget, Section 215, proviso #98 of Engrossed Substitute Senate Bill 5693

² Washington State Legislature. ESSB 5693. Proviso 106. Accessed online: <https://lawfilesexternal.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Passed%20Legislature/5693-S.PL.pdf?q=20220311101341>

³ State of Washington. Medicaid State Plan Attachment 3, Section 13d. Available online (June 6, 2022): <https://www.hca.wa.gov/assets/program/SP-Att-3-Services-General-Provisions.pdf>

1. Intended Use of Comparison Rates

The analysis and results of the comparison rate project are intended to:

- Provide an examination and understanding of the provider resources involved in delivering individual covered behavioral health services.
- Provide transparent payment rate benchmarks for use by all stakeholders, including during negotiations between payors and providers.
- Allow HCA and other stakeholders to make a number of meaningful comparisons to better understand the difference between the cost of delivering services and the current payment arrangement.
- Support HCA's ability to:
 - Make informed decisions when proposing changes to covered benefits
 - Improve transparency in analysis and communication between HCA and other stakeholders, such as the program's authorizing environment (i.e., State Legislature and Office of Financial Management), providers, insurers, and advisory work groups
 - Evaluate variation in provider payments by comparing actual payment rates to comparison benchmark rates
- Improve transparency and understanding of the cost of behavioral services delivered to Medicaid clients in order to inform future policy approaches and decisions for the program by the HCA and its authorizing environment.

Comparison rates may or may not be appropriate for use by individual providers, e.g., depending on the extent that their wages are materially different than what is included in this modeling or depending on unique population needs.

2. Comparison Rates and Managed Care Capitation Rates

The comparison rates do not constitute a requirement or commitment that managed care organizations (MCOs) or other payors adjust current payment arrangements to match these benchmarks. Of particular note:

- HCA is not currently considering the adoption of comparison rates developed under this project as a state fee-for-service fee schedule or a state-directed payment under managed care.
- Absent future state policy changes, the comparison rates will not be directly incorporated into HCA's managed care capitation rate calculations.
- The current capitation rate development process considers, among other data points, provider utilization and provider payments reported by MCOs as observed in the encounter data. To the extent that MCOs and providers negotiate their contracted rates through reliance on the comparison rates, capitation rates for future periods will include consideration of such changes through the annual rebasing of capitation rate development as such changes emerge.

Potential future changes to fee schedules and/or managed care capitation rates will be evaluated for materiality and applicability, and any changes would need to comply with the relevant federal and state regulations.

B. INCLUDED SERVICES

Comparison rates were developed for high-volume behavioral health services, which are generally defined to be those services provided under Section 13d of the Medicaid State Plan with over \$1 million in CY20 MCO payments at the HCPCS code level, falling into the Mental Health Outpatient (MH OP), Substance Use Disorder Outpatient (SUD OP), and SUD Residential service categories.⁴ Comparison case rates were also developed for providers of PACT

⁴ Volume threshold defined using proxy priced shadow encounters and encounters paid directly to providers by MCOs. Service definitions based on HCA's IMC Service Encounter Reporting Instructions (SERI) published March 1, 2021.

and WISe team services. Figure 1 provides a list of the services included in this report, which represent over 70% of non-inpatient hospital behavioral health payments based on a review of CY 2020 experience data.

FIGURE 1: PHASE 1 BEHAVIORAL HEALTH SERVICES

MODALITY	PROCEDURE CODES	SERI DESCRIPTION*
Mental Health Outpatient Services		
Intake Evaluation	90791	Psych Diag. Eval
	90792	Psych Diag. Eval w/ med srvc
	H0031	MH health assess by non-MD
	99205	Office/OP visit, new patient, high MDM or 60-74 total time of encounter
Individual Treatment Services	90832	Psychotherapy w/ PT. and/or fam. mem., approx. 30 mins.
	90834	Psychotherapy w/ PT and/or fam. mem., approx. 45 mins
	90837	Psychotherapy approx. 60 mins w/ PT and/or fam. mem.
	H0004	BH cnsling and ther., per 15 minutes
	H0036	Comm. psych. supp. tx., face-face, per 15 mins
	H2014	Skills train and dev, per 15 mins
	H2015	Comprehensive community support services, per 15 mins
High Intensity Treatment	S9480	Intnsv. O/P psychiatric srvc, per diem Unit (UN)
Family Treatment	90846	Fam. psychother. w/o PT
	90847	Fam. psychother. w/ PT present
Group Treatment Services	90853	Grp psychother. (other than of a multiple-fam. grp)
Medication Management	99213	Office/OP visit, established patient, low MDM or 20-29 minutes total time of encounter.
	99214	Office/OP visit, established patient, moderate MDM or 30-39 minutes total time of encounter.
	99215	Office/OP visit, established patient, high MDM or 40-54 minutes total time of encounter.
Peer Support	H0038	Self-help/peer srvc, per 15 mins
SUD Outpatient Services		
Outpatient Treatment	H0004	Behav. Hlth Cnslng and thrpy, per 15 mins
	96164	Behav. Hlth Intrvtn. w/ grp (2 or more) face to face, first 30 minutes
	96165	Behav. Hlth Intrvtn. w/ grp (2 or more), face-to-face; each additional 15 minutes (List separately in addition to code for primary service)
Assessment Services	H0001	Alcohol/drug assessment
Case Management	T1016	Case management, each 15 mins
SUD Residential Services		
Withdrawal Management	H0010	Alcohol/drug services; subacute detox in Free Standing E&T facility, per diem (inpatient residential addiction program); Use this code for Clinically Managed Withdrawal Management
	H0011	Alcohol/drug services; acute detox in Free Standing E&T facility, per diem (inpatient residential addiction program); Use this code for Medically Monitored Withdrawal Management
Clinically Managed Residential Services	H0018 (billed with place of service 55 to be specific to SUD)	Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, per diem; ASAM Level 3.5.

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*Washington State Health Care Authority, March 1, 2021. IMC Service Encounter Reporting Instructions to be implemented on or before July 1, 2021.

For purposes of reflecting material provider cost variations for providing clinically managed SUD residential services that correspond to the American Society of Addiction Medicine (ASAM) level of care 3.5 (billed using H0018 with place of service "55" for residential substance abuse treatment facility), we developed comparison rates for the below service type/populations.

- Adult
- Youth
- Adult co-occurring SUD and mental health diagnoses
- Pregnant and Parenting Women (PPW)

As current billing guidelines are not specific to these service types / populations, HCA is evaluating the use of additional modifiers for this procedure code and related changes to the code sets and billing descriptions in SERI.

The following Section 13d services were not included in Phase 1 comparison rates due to their unique considerations:

- Mental health residential services
- Opioid treatment programs
- Crisis services
- Secure withdrawal management (H0017)

For H0019 for long-term SUD residential services corresponding to ASAM Level 3.3, comparison rates were not developed for the following reasons:

- The range of ASAM Level 3.5 comparison rates (billed using H0018) reflect a wide variety of needs.
- ASAM Level 3.3 may be removed from ASAM in future.
- There are no known facilities dedicated only to ASAM Level 3.3.

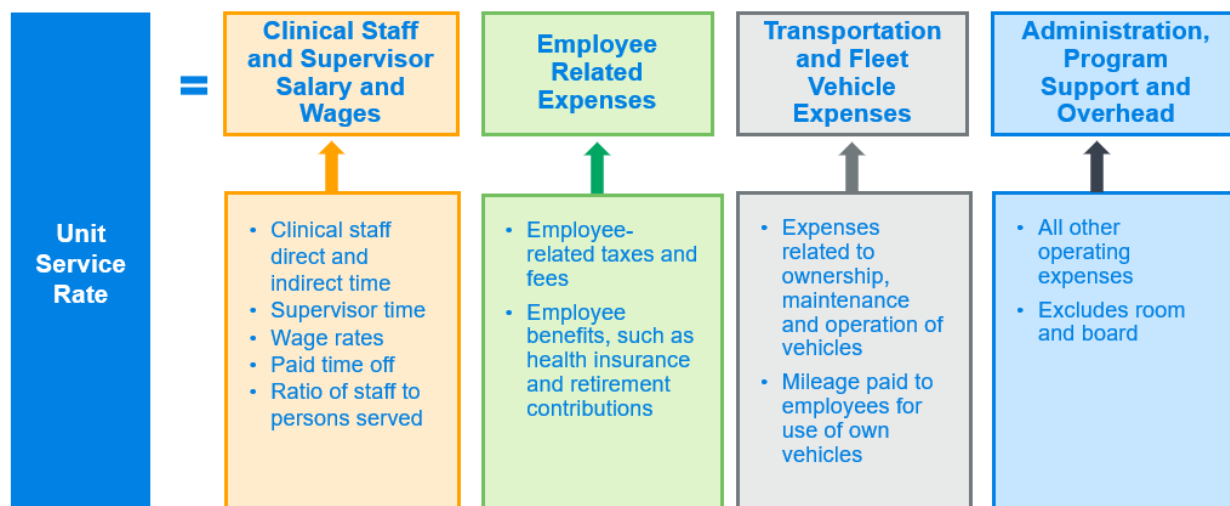
Secure withdrawal management and stabilization (SWMS) will be considered as part of Phase 2 of the BH comparison rate development while HCA will separately consider an appropriate course of action for comparison rate development for the remaining services.

C. COMPARISON RATE DEVELOPMENT APPROACH

The comparison rates were developed using an independent rate model (IRM) approach that serves to capture and document the average expected costs a reasonably efficient Washington provider would incur while delivering the service. This approach provides transparency to rates that are consistent with efficiency, economy, quality of care, and access to care. Another benefit of this approach is that rates are developed independently from actual costs incurred, which facilitates an understanding of the resulting comparison rates under different assumptions. Rather than relying on actual costs incurred from a prior time period to determine what the rates should be, the IRM approach builds rates from the "ground up" and considers what the costs may be to provide the service based on a set of assumptions. To the extent actual costs incurred by service providers are affected by external factors, such as legislatively-mandated funding levels that are not consistent with factors that drive the market, the IRM approach provides a means to communicate what costs may reasonably be incurred, and the issues faced by providers, so decision makers can more equitably allocate resources based on this information.

To develop comparison rates for each of the services included in Figure 1, we utilized different types of rate models for different type of services, which are described in more detail in Section III.C Rate Model Types. Each of these rate models can be adjusted by applying different assumptions specific to how each of the services is expected to be provided. Although the rate models may vary across services, they all include similar types of assumptions, cost components, and elements. Figure 2 provides the key high-level components included in the IRM approach. These rate models are currently based on a set of assumptions that will be further refined in Phase 2, and the resulting comparison rates should not be taken as final rates to inform HCA policy decisions.

FIGURE 2: HIGH-LEVEL INDEPENDENT RATE MODEL COMPONENTS



The first two components shown in Figure 2 above – Clinical Staff and Supervisor Salary and Wages, and Employee Related Expenses (EREs) – comprise the largest portion of the expected costs built into the rate models. The models have been designed to account for differences in the salary and wages and EREs attributable to the different types of clinical service staff and supervisors authorized to provide the services. *Section II.B* provides a detailed description of each of these components.

For many of the services covered by Washington’s Apple Health behavioral health program, there are several types of clinical staff, or qualifying provider types, authorized to perform the services. Rather than establish rate models that account for every possible qualifying position, we made use of “provider groups”, which are groupings of similar provider types. For example, the provider group “Master’s Level Degree Licensed (MHP)” includes Licensed Social Workers, Licensed/Certified Mental Health Counselors, and Licensed Marriage and Family Therapists.

We worked with the HCA (in conjunction with feedback from the provider workgroup meetings) to assign provider types to provider groups that comprise of workers with similar characteristics, such as educational degrees, professional credentials, and expected wage rates. Model assumptions that drive the clinical staff and supervisor salary and wages and ERE components shown above were determined at the provider group level (e.g., supervisor span of control).

This report provides a more in-depth description of the IRM approach, methodology and assumptions used to develop the comparison rates. Appendices A through D to this report provide the comparison rates by service type. These appendices include rate component breakdowns which show the amount attributable to each of the high-level rate components shown in Figure 2, for each service and provider group combination included in this project. Comparison rates in these appendices vary by wage region type (high-cost versus standard) and travel region type (urban vs. rural vs. frontier). Statewide comparison rates are also provided. The remaining appendices provide summaries of wage levels and assumptions related to ERE, non-productive time, indirect time, and transportation time (Appendices E to I).

I. Notable Work Contributing to the Comparison Rates

The development of the comparison rates reflects intensive work with HCA and providers to better understand the costs associated with behavioral health program service delivery, with stakeholder engagement performed using a wide variety of virtual meetings. This process has included the below notable activities.

Public Stakeholder Kickoff Meeting (October 2021). HCA invited behavioral health providers to attend a project kickoff meeting with HCA and Milliman representatives regarding the comparison rate development process and its scope. Stakeholders were encouraged to provide feedback during the meeting (and at any time in the future via e-mail). Stakeholders interested in joining service category specific provider workgroups were invited to contact HCA.

Cross Workgroup Meetings (October 2021 and March 2022). The HCA and Milliman created three provider workgroups with each consisting of providers of MH OP services, SUD OP services, and SUD residential services, respectively. In October 2021, an initial cross workgroup session involving all three workgroups was held to further introduce the IRM approach and discuss proposed provider groups, salary and wages, and employee related expense assumptions. In March 2022, an additional cross workgroup session was held to review and obtain feedback on preliminary IRM assumptions common across services.

Provider Workgroup Meetings (November 2021 through April 2022). HCA and Milliman representatives held stakeholder engagement meetings with the above mentioned three provider workgroups. The primary goal of the provider workgroup meetings was to discuss the costs related to service delivery and to review preliminary comparison rate assumptions and rates specific to each service type and gather feedback.

HCA Bi-weekly Meetings (October 2021 to June 2022). Milliman participated in bi-weekly meetings with HCA representatives. During these meetings, we discussed the provider feedback received during the provider workgroup sessions and planned adjustments to the IRM and draft comparison rates in response to the feedback. We also used this time to select future topics of discussion for the provider workgroups.

WISe and PACT Subgroup Meetings (January and February 2022). HCA and Milliman held one meeting each with providers of WISe and PACT program services. These meetings were used to gather feedback related to assumptions needed to create monthly case rates, with a focus on staffing levels and transportation.

Public Stakeholder Meeting to Review Draft Report (May 2022). HCA and Milliman presented the draft comparison rates and related assumptions during a May 2022 virtual public stakeholder meeting to collect additional feedback. *Section IV* provides a summary of the feedback received.

The assumptions used for the development of the comparison rates were developed based on publicly available data and workgroup feedbacks in conjunction between HCA, Milliman, and stakeholders. We are relying on these assumptions for comparison rate development and have reviewed them to be reasonable and appropriate for this use. To the extent that the data and information provided to develop these assumptions are not accurate, or are not complete, the comparison rates provided in this report may likewise be inaccurate or incomplete.

The following figures provide a listing of stakeholders invited to participate in the workgroups and subgroups. Invited stakeholders varied in terms of the number of meetings attended, and in some cases included other individuals in their respective organizations to provide the necessary feedback.

FIGURE 3: WORKGROUP MEMBERS

MH OUTPATIENT WORKGROUP	SUD OUTPATIENT WORKGROUP	SUD RESIDENTIAL WORKGROUP
Yoon Joo Han, BH Director, Asian Counseling & Referral Services	Mario Paredes, ED, Consejo Counseling & Referral Services	Mike Grundy, VP, Excelsior Wellness
Teri L. Card, CEO, Greater Lakes MH	Thomas Russell, CEO, Daybreak Youth Services	Leslie Blake, Program Manager, Visions Youth Treatment
Monica Bernhard, COO, Kitsap MH Services	Joe Foster, CEO, Lifeline Connections	Amber Blanco, Controller, Triumph
Jenny Billings, CEO, Lake Whatcom Center	Dimita Warren, Administrator/Business Manager, Blue Mountain Counseling	Shermoin Clardy, Director of Residential & Family Recovery Programs, Evergreen Recovery Centers
David McClay, CEO, Okanogan BH	Edie Dibble, Chief Integration & MC Officer, Comprehensive Healthcare	Linda Grant, CEO, Evergreen Recovery Centers
Tanya McNeail, ED, West End Outreach Services	Sara Clark, Director, First Steps	Jim Coffee, CEO, Cowlitz Family
Rebecca Hammill, ED, Passages	Diane Eagleton, President and CEO, Seattle Counseling Services	Dennis Neal, CEO, Northwest Resources
Shekh Ali, CEO, Valley Cities	Mary Stone-Smith, VP and Director of Family Behavioral Health, Catholic Community Services	Diahann Barrera, CFO, Comprehensive Healthcare
Mary Stone-Smith, VP and Director of Family Behavioral Health, Catholic Community Services		Kristen Prentice, Program Director, Seamar
		Caroll Opel, Administrator, ABHS
		Scott Munson, Executive Director, Sundown Ranch

FIGURE 4: PACT AND WISE SUBGROUP MEMBERS

PACT SUBGROUP	WISe SUBGROUP
Wanda Knight, Team Leader, Frontier Behavioral Health	Mary Stone-Smith, VP and Director of Family Behavioral Health, Catholic Community Services
Tawna Thomas, Program Manager, Compass Health	Steve VerValin, CFO, Catholic Community Services
David Metting, PACT Project Manager, Downtown Emergency Service Center (DESC)	Linda Thomas, Director of Family Behavioral Health System, Catholic Community Services
Heather Kranz, PACT Supervisor, Behavioral Health Resources	Drew Comito, Associate Director, Excelsior Wellness
Barbara LeRoy, Catholic Charities Serving Central Washington	Andrew Hill, Chief Executive Officer, Excelsior Wellness
Stacey Alles, COO, Compass Health	Scarlett Gentry, Quality Assurance Officer, Community Youth Services
Judy Heinemann, Clinical Director, Compass Health	Megan Boyle, Director of Children's Intensive Services, Compass Health
Kay Tillema, Director of Adult Intensive Services, Compass Health	LaNaia Colbert, Family Services Clinical Director, Catholic Community Services
	Mike Grundy, VP, Excelsior Wellness
	Kaila Epperly, Counselor MH

II. Methodology

We used an independent rate model (IRM) approach to calculate the average costs that a reasonably efficient Washington provider would be expected to incur while delivering these services. As denoted by its description—**independent** rate model—this approach builds rates from the ground up, by determining the costs related to the individual components shown below and summing the component amounts to derive a comparison rate for each service.

The IRM approach can be distinguished from other provider payment methodologies in that it estimates what the costs for each service could be given the resources (salaries and other expenses) reasonably expected to be required, on average, while delivering the service. This approach relies on multiple independent data sources to develop rate model assumptions to construct the comparison rates. By contrast, many cost-based methods rely primarily on the actual reported historical costs incurred while delivering services, which can be affected by operating or service delivery decisions made by providers. These operating or service delivery decisions may be inconsistent with program service delivery standards or be caused by program funding limitations that do not necessarily consider the average resource requirements associated with providing these services. Figure 5 provides an overview of the key components and elements of the IRM approach.

FIGURE 5: INDEPENDENT RATE MODEL COMPONENTS

COMPONENT	ELEMENTS	SUB-ELEMENTS	CLARIFYING NOTES
Clinical Staff and Supervisor Salaries and Wages	Service-related Time	Direct Time	Corresponding time unit, or staffing requirement assumptions where not defined Adjusted for staffing ratios for some services (i.e., more than one person served concurrently, e.g., in group counseling sessions or for residential services).
		Indirect Time	Service-necessary planning, note taking and preparation time
		Transportation Time	Travel time related to providing service
		PTO/Training/ Conference Time	Paid vacation, holiday, sick, training and conference time. Also considers additional training time attributable to employee turnover
		Supervisor Time	Accounted for using a span of control variable
	Wage Rates	Can Vary for Overtime and Weekend Shift Differentials	Wage rates vary depending on types of direct service employees, which have been assigned to provider groups
Stipends	Payments for on-call capacity	Used for selected services	
Employee Related Expenses	Payroll-related Taxes and Fees	Federal Insurance Contributions Act (FICA), Federal Unemployment Tax Act (FUTA), State Unemployment Insurance (SUI), Workers Compensation	Applicable to all employees, and varies by wage level assumption
	Employee Benefits	Health, Dental, Vision, Life and Disability Insurance, and Retirement Benefits	Amounts may vary by provider group
Transportation	Vehicle Operating Expenses	Includes all Ownership and Maintenance-Related Expenses	Varies by service with costs estimated based on the federal reimbursement rate.
Administration, Program Support, Overhead	All other business-related costs	Includes program operating expenses, including management, accounting, legal, information technology, etc.	Excludes room and board expenses.

Room and board expenses are excluded from the comparison rate calculations for SUD residential services as these expenses are not allowed for Medicaid payment per federal Medicaid regulation. Providers have, however, indicated that they have experienced challenges covering these costs. HCA is in the process of conducting a survey on room and board costs and will be further exploring this issue separate from the comparison rate development.

The costs for interpreter services are also excluded from the comparison rate development. These costs are separately billable.

While the IRM is intended to be as inclusive as possible for the purpose of explicitly accounting for the key cost components of delivering a specific service, there are situations which may require special considerations of the cost structure or cost elements unique to a specific service operation environment or need. The comparison rates are intended to be a reference point and are not meant to exclude the ability of MCOs and providers to consider these types of situations as part of payment rate negotiations.

Generally, the IRM approach constructs a comparison rate for each service as the sum of the costs associated with each of the components shown in Figure 5. The cost and other assumptions associated with each component are adjusted to reflect the expected use of resources separately for each service.

In *Sections III.A. Provider Groups* and *B. Rate Model Components* we provide more detail regarding each of these components along with their elements and sub-elements.

A. PROVIDER GROUPS

As described above, for many of the behavioral health services covered by Washington’s Medicaid program, there is a range of provider types that are authorized to perform the service as clinical staff. Provider groups that comprise of workers with similar characteristics provide a way to balance the need for the rates to reflect appropriate variation in labor costs by type of clinical staff (and clinical supervisors), and at the same time reasonably limit the number of rates needed for each service. Expected education levels can range from clinical staff with high school degrees to fully accredited physicians. Positions can also vary depending on experience and earned professional credentials and certifications.

Model assumptions that drive the clinical staff salaries and wages, PTO assumptions, and ERE components (described in *Section III.B. Rate Model Components*) were determined at the provider group level. For each of the provider groups, where appropriate, the resulting comparison rate varies depending on the input assumptions (e.g., provider group wage rates).

Figure 6 includes the provider groups proposed by HCA. Appendix E shows the relationship between the provider taxonomies listed in the Service Encounter Reporting Instructions (SERI) and the provider groups.

Where appropriate, separate rate models were developed for services that could be delivered by more than one provider group. Each rate model incorporates wage rates, PTO, and ERE assumptions that were specifically attributable to the provider group(s) included in that rate model. Special attention was paid to developing the provider groups taking into consideration the need for ease of understanding, sufficient granularity to reflect the general market experience, and alignment to SERI provider taxonomy.



B. RATE MODEL COMPONENTS

This subsection provides a description of the key rate components listed in Figure 5, which are:

- Clinical staff and supervisor salary and wages
- Transportation
- Employee related expenses
- Administration, program support, overhead

We also provide a description of additional service-specific adjustments. Comparison rate assumptions, unless otherwise noted, were developed for all of these components primarily based on publicly available data and feedback from the stakeholder workgroups and HCA.

1. Clinical Staff and Supervisor Salary and Wages

The clinical staff salary and wage components are typically the largest components of the comparison rates, comprising the labor-related cost, or the product of the time and expected wage rates for the clinical staff who deliver each of the services. This component includes costs associated with the clinical staff expected to deliver the services and their immediate supervisors.

Clinical Staff and Supervisor Time Assumptions

In the IRM approach, clinical staff time is categorized as direct time, indirect time, transportation time, and supervisor time. Adjustments for PTO, holidays, and in some cases overtime, are also incorporated. Figure 7 provides a description of each of these sub-elements and related adjustments.

FIGURE 7: SUMMARY OF SUB-ELEMENTS RELATED TO CLINICAL STAFF AND SUPERVISOR TIME

TIME SUB-ELEMENT	DEFINITION	ASSUMPTIONS
Clinical Staff Direct Time	<ul style="list-style-type: none"> • Amount of time incurred by clinical staff that can be billed for services provided to individuals. • For example, a service billed as a 15-minute unit assumes that the clinical staff direct time is approximately 15 minutes, an assumption that is consistent with service billing guidelines. Examples of the most common unit types, which vary by service, are a set number of minutes per service unit (e.g., 15-minute, 30-minute), per encounter, per day, or per month. 	<ul style="list-style-type: none"> • For service units that are not defined by a time unit (e.g., per encounter or per diem) direct time assumptions were developed for each procedure code.
Clinical Staff Indirect Time	<ul style="list-style-type: none"> • Time that must be spent by non-supervisory clinical staff to provide the service, but is not spent "person facing", and does not result in a billable unit of service. • Time incurred for necessary activities such as planning, summarizing notes, updating medical records, and other non-billable but appropriate time not otherwise included in clinical staff direct time. • For most services, it is assumed that the indirect time does not result in a billable unit. However, in 2021 the American Medical Association (AMA) changed the service descriptions of select assessment services to allow specific indirect activities to produce a billable unit (e.g., 97151 and 99213), even when the time is not "person facing". For these services, the rate model reflects all billable time (both person facing and non-person facing) as direct time, and non-billable and non-client-facing time as indirect time. 	<ul style="list-style-type: none"> • Indirect time assumptions vary depending on the service. These assumptions do not apply to SUD residential services, WISe and PACT as staffing is expressed as the number of FTEs (per team or per shift). Appendix G provides a listing of indirect time by procedure code, which are based on workgroup feedback. The "PTO Adjustment Factor" row provides information on a separate non-productive time factor.

TIME SUB-ELEMENT	DEFINITION	ASSUMPTIONS
Clinical Staff Transportation Time	<ul style="list-style-type: none"> A provision for transportation time is included for services where it is expected that clinical staff will be required to travel to patients' homes or other community settings to provide the service in certain circumstances. 	<ul style="list-style-type: none"> Transportation time assumptions, detailed in Figure 8, are based on: <ul style="list-style-type: none"> Estimates of average distance driven per service. Amount of time it takes to travel that distance (based on average vehicle speed), which varies based on the region where the service is provided. When applicable, transportation time for clinical staff is adjusted to reflect the geographic area which the service is being delivered (e.g., allowing for more transportation time in frontier areas as compared to urban areas), and the percentage of services delivered in the community.
PTO Adjustment Factor	<ul style="list-style-type: none"> Accounts for additional time that must be covered over the course of a year by other clinical staff, thereby representing additional clinical staff time per unit. <ul style="list-style-type: none"> Annual time related paid vacation, holiday, and sick time. Annual training and/or conference time expected to be incurred by clinical staff and supervisors. Increased for an estimate that considers the amount of one-time training/onboarding and the frequency of this type of training time that can be attributable to employee turnover. 	<ul style="list-style-type: none"> Varies by provider group Incorporates a non-productive time factor, which reflects additional time spent on non-billable activities that are part of providing overall support to the individual. This time factor is set at 20% of total hours net of PTO and training and reflects workgroup feedback regarding overall productivity levels. Applies to all MH and SUD OP procedure codes included in the comparison rates except for group services and case management services. Appendix F provides the PTO and training assumptions by provider group in addition to the 20% non-productive time factor described above.
Overtime/Holiday Adjustment Factor	<ul style="list-style-type: none"> For certain services, such as SUD residential services that are staffed using a 24/7 staffing model, there is an expectation that the "typical" staffing model should include some incremental payment for overtime and holiday pay. 	<ul style="list-style-type: none"> Overtime/Holiday pay – a \$2 per hour extra pay for third shift hours and a "time and a half" assumption is applied to the underlying average hourly wage for staff for the holiday time worked. SUD residential services – "time and a half" assumption, set at 10 holidays per year.
Supervisor Time	<ul style="list-style-type: none"> For the services included in this analysis, clinical staff providing services to individuals require supervision. Supervisors, commonly referred to as front line supervisors, are typically more experienced or higher credentialed provider types responsible for the direct oversight and supervision of those employees that are directly providing the services to individuals. Supervision of clinical staff does not typically result in a separate billable unit of service. Some organizations may not have second-line supervisors while other organizations may operate a two-tiered supervision approach to support clinical staff directly providing services. Supervisor responsibilities may vary, but primarily are on-site providing direct supervising, hiring, training and discipline of the clinical staff, whose primary responsibilities are providing services. Supervisor responsibilities may also include program planning and evaluation, advocacy, working with families, and working with community members. Supervisor time is determined through application of a "span of control" assumption, which is a measure of how many clinical staff a supervisor can supervise 	<ul style="list-style-type: none"> For most mental health outpatient services, a supervisor span of control assumption of 1:10 was used, meaning that on average, every 10 hours of clinical staff time will require one hour of a supervisor's time. Services delivered by psychiatrists had a supervisor span of control assumption of 1:25. The peer support and SUD outpatient services supervisor span of control assumption was 1:8. The span of control included in the rate models is inclusive of both first- and second- line supervisory staff.

Transportation is assumed to be applicable to all outpatient services excluding SUD residential services. The place of service “home” reported on encounter data (POS = 12) was used to determine the mix of services provided in the home and community setting for each procedure code receiving a comparison rate.

As illustrated in Figure 8, the entire Washington State (39 counties) was grouped into three transportation regions to recognize regional variations in terms of average transportation time and miles per trip for visits which require clinicians to travel to the patients’ homes or community for service delivery. Stakeholder feedback on average miles and transportation time per trip, and other state experience were considered in the development of assumptions specific to each region.

FIGURE 8: TRANSPORTATION ASSUMPTIONS USED TO IDENTIFY CLINICAL STAFF TRANSPORTATION TIME FOR MH AND SUD OUTPATIENT SERVICES (EXCLUDES WISE AND PACT)

Transportation Regions	Urban (counties with 200+ persons per sq mile)	Rural (counties with 20-200 persons per sq mile)	Frontier (counties with no more than 20 persons per sq mile)
% of Population (and Land)*	74.6% (16.9% of Land Area)	22.3% (47.9% of Land Area)	3.2% (35.2% of Land Area)
Average transportation time per trip (one-way)	30 minutes	30 minutes	40 minutes
Average miles per trip (one-way)	15 miles	23 miles	35 miles

* Population is 2016 estimates based on the 2010 U.S. Census

Application of the transportation time in the IRM considers the following assumptions:

- Percentage of service units with travel required based on January to June 2021 data (expressed in 5 percentage point increments, e.g., 15%, 20%, 30%) (A)
- Average number of units billed per visit (B)
- Average number of one-way trips per visit (C) with travel required of 1.25 (based on other state experience)
- Average time needed for transportation per one-way trip (D) (see Figure 8; varies by transportation region)

The average transportation time per unit is then calculated using the formula: $A / B * 1.25 * D$

For example, the average transportation time per unit assumption for MH outpatient service family treatment 90846 in the urban transportation region was developed as follows: 30% (A) / 2 (B) * 1.25 (C) * 30 (D) = 5.63 minutes. Appendix G lists the transportation time assumptions by procedure code with the corresponding (1) percentage of units with travel required and (2) the average number of units billed per visit with travel required.

The average per month mileage assumptions used for WIS_e and PACT comparison rates were developed using data provided by workgroup members as summarized in Figure 9 below.

FIGURE 9: TRANSPORTATION ASSUMPTIONS FOR WIS_e AND PACT TEAMS

SERVICE	Urban (counties with 200+ persons per sq mile)	Rural (counties with 20-200 persons per sq mile)	Frontier (counties with no more than 20 persons per sq mile)
WIS _e	2,991	4,487	6,979
PACT – Half Team	2,628	3,941	6,131
PACT – Full Team	5,255	7,883	12,262

Wage Rate Assumptions for Clinical Staff and Supervisors

The clinical staff hourly wage for each provider group was developed using May 2020 wage data from the Bureau of Labor Statistics (BLS) for Washington State. BLS wage data was used because they are publicly available, updated on an annual basis, collected in a consistent and statistically credible manner, and provide the most detailed wage information which allows for wage assumptions to vary by region, by wage percentile, and by provider grouping. The provider types were aligned from the BLS data to the provider groups based on position responsibilities and feedback from the HCA and provider workgroup meetings.

The selection of the BLS wage percentile and annual trend factor was informed by the emerging workforce-specific wage trend, stakeholder feedback, and HCA’s intent to maintain a strong behavioral workforce in Medicaid to carry out behavioral health program goals in today’s inflationary and workforce shortage environment. Figure 10 to the right highlights themes related to wage levels from stakeholder feedback.

Figure 10: High Level Themes Regarding Wage Levels from Stakeholder Feedback:

- Significant pressure on wages due to:
 - Competition from other programs and private sector
 - Employee expectations
 - Workforce shortages that predated COVID
 - Overall cost of living
- Difficulty in retaining employees at all levels due to:
 - Impact of COVID on workforce participation
 - Intensity of work in community-based mental health
 - Ability to obtain higher wages with other employers
- Clinical staff are increasingly less experienced due to difficulty in retaining more experienced staff.

Calendar Year 2023 wage levels for purposes of comparison rate calculation were developed using the following steps:

- Obtain the most recent BLS wage data (May 2020) by occupational code and geographic region.
- For each provider grouping, identify similar BLS occupational categories and their related hourly wages.
- Apply an annual trend factor of 6.5% to the base wage rates, which resulted in an overall 22.1% increase in wages from May 2020 to July 2023. This trend is specific to the comparison rates and related time periods.
- Calculate the proposed CY 2023 statewide hourly wage rate for each provider grouping using the average of the trended wages at 50th and 75th percentile for non-supervisor clinicians.
- Group the entire state into two wage regions and applied uniform regional wage factors to recognize the material wage differential between high-cost areas and the remaining areas

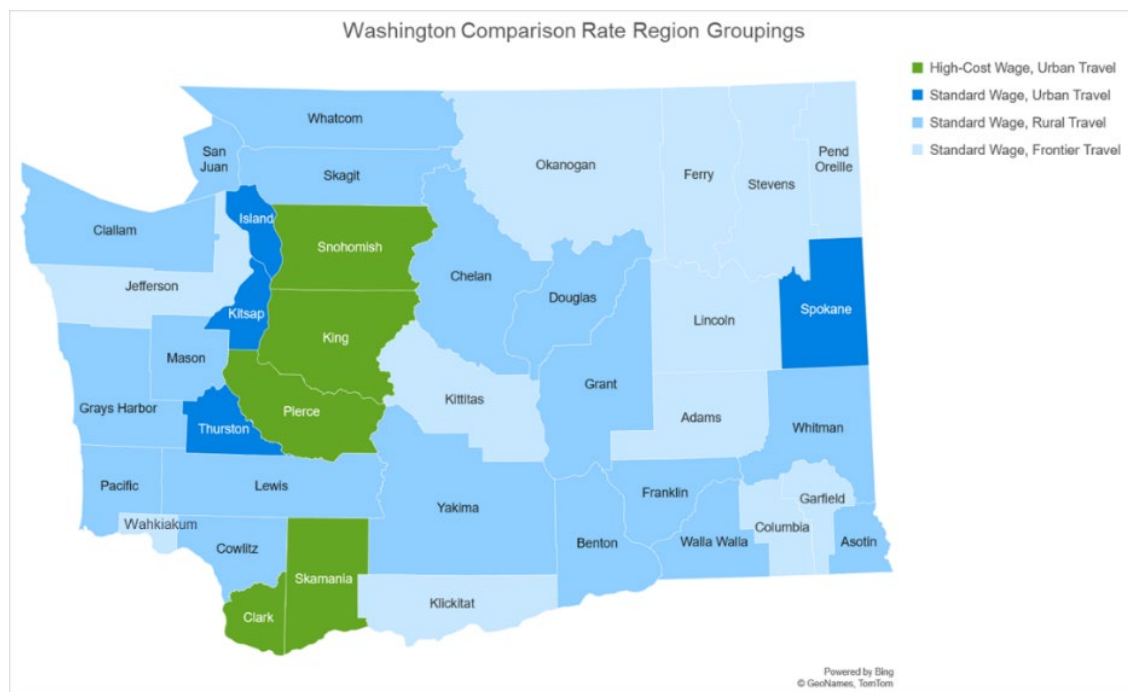
The analysis of BLS wage data for the BLS occupational codes included in the comparison rate analysis indicated that there was no material wage variation at the aggregate level between Metropolitan Statistical Areas (MSAs) and non-metropolitan areas outside of two high-cost MSAs. Figure 11 identifies the payment rate variation by the high-cost areas and standard area wage regions.

FIGURE 11: IDENTIFICATION OF TWO WAGE REGIONS

Wage Region #1: High-Cost Areas	Wage Region #2: Standard Areas
<ul style="list-style-type: none"> • Seattle-Tacoma-Bellevue MSA (includes Everett), with 44% Medicaid BH enrollment in 2020 and 2021 • Portland-Vancouver-Hillsboro MSA, with 7% Medicaid BH enrollment in 2020 and 2021 • Wage Region #1 has a weighted hourly BLS wage average of \$35.82 across 14 relevant BLS jobs (May 2020). 	<ul style="list-style-type: none"> • All other MSAs <ul style="list-style-type: none"> ○ Medicaid BH enrollment in 2020 and 2021: 38% ○ 11 BLS regions with a regional enrollment weighted hourly BLS wage average of \$33.14 across 14 relevant BLS jobs (May 2020) • Non-MSAs <ul style="list-style-type: none"> ○ Medicaid BH enrollment in 2020 and 2021: 12% ○ 2 BLS regions with a regional enrollment weighted hourly BLS wage average of \$33.08 across 14 relevant BLS jobs (May 2020)

Figure 12 provides a mapping of the wage and transportation region groupings across Washington State.

FIGURE 12: WASHINGTON COMPARISON RATE REGION GROUPINGS



Appendix H provides a listing of wages used for comparison rate development purposes for both direct care staff and supervisors.

2. Employee Related Expenses

This component captures the ERE expected to be incurred for clinical staff and supervisors for each service. ERE percentages were calculated based on the expected level of ERE as a percentage of clinical staff and supervisor salaries and wages for a given wage region. ERE expenses are calculated as the product of the calculated clinical staff and supervisor salary and wage (described above) and an ERE percentage, which varies by provider group.

Employee related expenses include:

- Employer entity’s portion of payroll taxes, employee medical and other insurance benefits
- Employer portion of retirement expenses incurred on behalf of clinical staff and supervisors

A significant portion of the ERE is driven by the cost of health insurance and retirement benefits the employer provides to its employees.

Figure 13 provides a summary of the employee-related assumptions and their related sources. Insurance and retirement costs were sourced from BLS data for the health care and social assistance⁵ civilian worker classification.

⁵ Bureau of Labor Statistics. (December 2021). *Employer Costs for Employee Compensation – September 2021*. Retrieved from <https://www.bls.gov/news.release/pdf/ecec.pdf>

FIGURE 13: EMPLOYEE RELATED EXPENSE ASSUMPTIONS

COMPONENTS	ASSUMPTIONS FOR CY2023	SOURCE
Employee Social Security Withholding	6.2% (no change from 2021) Wage Base Limit: \$156,000 (as projected by SSA under intermediate scenario)	Internal Revenue Service. Topic No. 751 Social Security and Medicare Withholding Rates. Retrieved from https://www.irs.gov/taxtopics/tc751 Social Security Administration. 2021 Old-Age, Survivors, and Disability Insurance (OASDI) Trustee Report. Retrieved from https://www.ssa.gov/OACT/TR/2021/V_C_prog.html#1047210
Employer Medicare Withholding	1.45% (no change from 2021)	Journal of Accountancy. Social Security wage base, COLA set for 2022. Retrieved from https://www.journalofaccountancy.com/news/2021/oct/ssa-2022-tax-wage-base-benefit-cola.html
FUTA Tax	\$420, 6% of first \$7,000 (no change from 2021)	Internal Revenue Service. Topic No. 759 Form 940 – Employer’s Annual Federal Unemployment (FUTA) Tax Return – Filing and Deposit Requirements. Retrieved from https://www.irs.gov/taxtopics/tc759
SUI Tax	1.45% (no change from 2022) Wage Base Limit: \$62,500 (no change from 2022 limit)	Washington State Employment Security Department. Determining your tax rates. Retrieved from https://esd.wa.gov/employer-taxes/determining-rates Washington State Employment Security Department. Taxable wage base. Retrieved from https://esd.wa.gov/employer-taxes/taxable-wage-base
Workers Compensation	1.5% (no change from 2021)	U.S. Bureau of Labor Statistics. National Compensation Survey, September 2021, Employer Costs for Employee Compensation, Historical Listing. Table 12. Private Industry Workers, by Census Region and Division (Pacific Division). Page 491. Retrieved from https://www.bls.gov/web/ecec/ececqrtn.pdf
Insurance Benefits	\$7,301 per year (\$3.35 base hourly cost for the health care and social assistance industry group multiplied by 2,080 hours, trended from December 1, 2021 to July 1, 2023)	U.S. Bureau of Labor Statistics. (December 2021). Economic News Release, Table 2. Employer Costs for Employee Compensation for civilian workers by occupational and industry group. Retrieved from https://www.bls.gov/news.release/pdf/ecec.pdf
Retirement Percent	3.6% (no change from 2021)	U.S. Bureau of Labor Statistics. (December 2021). Economic News Release, Table 2. Employer Costs for Employee Compensation for civilian workers by occupational and industry group. Retrieved from https://www.bls.gov/news.release/pdf/ecec.pdf

The detailed calculations related to the ERE percentage are shown by provider group in Appendix I.

3. Transportation Expense

The transportation expense component of the IRM approach is intended to capture the provider entities’ out-of-pocket transportation costs. Transportation expenses are based on the assumed average number of miles required to provide a service on a per unit basis. The expenses are calculated by applying the estimated number of miles by the 2022 federal mileage reimbursement allowance of \$0.585 per mile. This excludes the wages paid to clinical staff and supervisors for their transportation time – this wage expense is included in the clinical staff salaries and wages component described previously. The IRM approach also assumes that the federal mileage reimbursement would be sufficient to cover the cost of a provider owned vehicle if the provider opts to rely on the use of a provider vehicle instead of paying mileage reimbursement.

Transportation expense per unit for each outpatient service was calculated by multiplying the average transportation miles required per unit and the federal mileage reimbursement rate of \$0.585. The average transportation miles required per unit was calculated by multiplying the average transportation minutes per unit and the region-specific average transportation speed measured by miles per hour (MPH) assumption and then dividing by 60 (e.g., 6 transportation minutes per unit * 30 MPH / 60 = 3 miles per unit). Transportation expenses are spread across all billable units of a claim in the same way that the transportation time is incorporated into the rate models. Appendix G provides the average transportation minutes per unit and Figure 8 provides the region-specific MPH assumptions.

4. Administration / Program Support / Overhead

An adjustment to account for the cost of administration, program support, and overhead of the provider is built into each of the rate models. The preliminary assumption of 25% of the total expenses was used for all services except for WISE and PACT, which have an administrative cost assumption of 30% to reflect stakeholder feedback regarding additional administrative and program oversight requirements. The 25% assumption was based on industry research. This component is intended to account for the following types of costs:

- **Administrative-related expenses** - Generally, administrative-related expenses would include all expenses incurred by the provider entity necessary to support the provision of services but not directly related to providing services to individuals. These expenses exclude transportation, wages, and employee-related expenses for clinical care, and may include, but not be limited to:
 - Salaries and wages, and related employee benefits for employees or contractors that are not direct service workers or first- and second- line supervisors of direct service workers
 - Liability and other insurance
 - Licenses and taxes
 - Legal and audit fees
 - Accounting and payroll services
 - Billing and collection services
 - Bank service charges and fees
 - Information technology
 - Telephone and other communication expenses
 - Office and other supplies including postage
 - Accreditation expenses, dues, memberships, and subscriptions
 - Meeting and administrative travel related expenses
 - Training and employee development expenses, including related travel
 - Human resources, including background checks and other recruiting expenses
 - Community education
 - Marketing/advertising
 - Interest expense and financing fees
 - Facility and equipment expense and related utilities
 - Vehicle and other transportation expenses not related to transporting individuals receiving services or transporting employees to provide services to individuals
 - Board of director-related expenses
 - Translation services
- **Program support costs** - include supplies, materials, and equipment necessary to support service delivery

5. Other Service-Specific Adjustments

The rate modeling process also incorporated several service-specific assumptions as described in Figure 14.

FIGURE 14: SERVICE-SPECIFIC ADJUSTMENTS

ADJUSTMENT	DESCRIPTION
Staff to client ratio for group services	<ul style="list-style-type: none"> • 90853 (mental health) – 4 people per staff person (based on workgroup feedback) • 96164 and 96165 (SUD) – 10 people per staff person (based on workgroup feedback)
WISe and PACT individuals served per team	<ul style="list-style-type: none"> • WISe – 12 • PACT – 100 for full team and 50 for half team
Overall staffing levels for SUD residential care, WISe and PACT	<ul style="list-style-type: none"> • Staffing by provider group may vary by facility or team (within state requirements) as compared to what is included in the comparison rate buildup, but the overall level of effort and hours are intended to be accommodated within the total hour/FTE assumptions • A provider that has WISe and/or PACT teams may have other non-WISe/PACT staff. These staff may bill for Medicaid services that are not included in the WISe or PACT rates.
Shift-based staffing for SUD residential care	<ul style="list-style-type: none"> • Varies by ASAM level • Developed based on the number of FTEs by provider grouping for each shift • Reflects care needed for 16 individuals
Medication and on-call physician costs for SUD residential care	Includes \$20 in medication and \$7 in on-call physician costs per client per day (based on workgroup feedback)
Caseload efficiency factor for SUD residential services	<ul style="list-style-type: none"> • Adjusts for turnover in residents • 95% factor that is applied to the total cost per week (based on other state experience)

C. RATE MODEL TYPES

The behavioral health comparison rates reflect four main model types which reflect the rate model components described above and are intended to capture the average expenses that the provider is expected to experience delivering each service over a period of time. Figure 15 provides an overview of these model types.

Figure 15 provides an overview of the different model types and the rate model types chosen for each procedure code included in the Phase 1 comparison rates.

FIGURE 15: RATE MODEL TYPES

MODEL	OVERALL DESCRIPTION	ADDITIONAL CONSIDERATIONS	SERVICES INCLUDED IN PHASE 1 COMPARISON RATES
Type 1 Per Unit Rate Model	<ul style="list-style-type: none"> • Used when the clinical service time assumptions related to providing the service can be reasonably determined on a per unit basis • Assumes that all team members incur time when a unit of service is provided, with supervision as necessary. • The final rate per unit reflects the adjusted total minutes multiplied by the hourly labor-related cost components, and then adding all other applicable rate components. • One clinical staff person is expected to provide the service with the presence of a clinical staff supervisor. • May vary based on how many clinical staff people are expected to provide the services. 	<ul style="list-style-type: none"> • On-call stipends may apply • Non-payroll transportation expenses may be included <p><i>Note:</i> The administration/program support/overhead component is included in the final rate per unit by taking the total cost of all prior components divided by one minus the administration/program support/overhead percentage amount</p>	<ul style="list-style-type: none"> • 90791, 90792 • 90832, 90834, 90837, 90846, 90847 • 90853 • 99205, 99213, 99214, 99215 • H0004 • H0031 • H0036 • H0038 • H2014, H2015 • 96164, 96165 • H0001 – Note that the comparison rate for this service is determined on a per 15-minute unit basis. In the past, SERI has indicated this service will be billed on a per minute basis. • T1016

MODEL	OVERALL DESCRIPTION	ADDITIONAL CONSIDERATIONS	SERVICES INCLUDED IN PHASE 1 COMPARISON RATES
Type 2 Case Load Rate Model	<ul style="list-style-type: none"> Used when the expected costs of services are more reasonably determined on a monthly basis, with resulting accumulated monthly expenses converted to a service unit value based on assumptions related to the average number of individuals served and/or units provided during the month. Reflects a team approach to services. While not all team members are expected to contribute to the delivery of every unit of service, the staffing resources assumed for this model are expected to represent the average per unit resources over the course of a month. 	<ul style="list-style-type: none"> Does not separately distinguish direct time from indirect or transportation time. Does not separately apply a PTO adjustment, assuming that the average monthly clinical staff time and expected number of units, which are based on caseload assumptions, already take into account the PTO-reduced capacity of the clinical staff. Adjusted monthly service time components <ul style="list-style-type: none"> Clinical staff time per month Supervisor time per month Caseload assumptions <ul style="list-style-type: none"> Average units per individual per month Add-on cost components per unit Transportation expenses Per unit conversion factor (if applicable) 	<ul style="list-style-type: none"> WISe PACT-Full PACT-Half
Type 3 24/7 Shift- Based Rate Model	<ul style="list-style-type: none"> Used for services where more than one individual is served, typically in a residential setting, where clinical staff are expected to be on-site for scheduled periods or shifts, set up to provide service coverage over an extended period of time, or on a 24/7 basis. Considers the number of clinical staff required for each shift for each day, including separate staffing patterns for weekday periods and weekends. 	<ul style="list-style-type: none"> Since the clinical staff delivering these services commonly earn time and a half pay by working overtime or holiday hours, assumptions for a reasonable percentage of hours paid at a time and a half pay rate are incorporated (see earlier discussion in <i>Section III.B.1</i>). Accounting for time and a half pay, separate weekly wages expenses and ERE expenses are calculated for each type of clinical staff (i.e., provider group) delivering the service. These values are then converted to an average daily expense amount per individual served. Adjusted weekly service time components <ul style="list-style-type: none"> Clinical staff time and supervisor staff time per week Paid time off adjustment factor Add-on cost components per unit <ul style="list-style-type: none"> Transportation expenses Caseload efficiency Program support costs, administration, and overhead Drug costs to support SUD treatment 	<ul style="list-style-type: none"> H0010 H0011 H0018

III. Stakeholder Feedback and Phase 2 Focus

HCA received feedback on the draft comparison rate and related assumptions presented during the May 2022 all stakeholder meeting, as summarized in Figure 16.

FIGURE 16: SUMMARY OF FEEDBACK RECEIVED DURING OR AFTER THE MAY 2022 ALL STAKEHOLDER MEETING

FEEDBACK	RESPONSE
Frontier and rural areas are experiencing challenges for recruiting workforce despite offering higher wages due to lack of available housing resources in the area	This feedback is an example of how a variety of factors beyond payment rate levels contribute to workforce challenges.
Question regarding whether the comparison rates include reinvestment considerations for facilities (initial or routine) or new programs.	The administrative cost assumption reflects ongoing costs related to reinvestment but does not include additional costs specific to new programs.
Question regarding the extent to which members have been involved in the initiative.	The development of payment rate assumptions in Phase 1 has required provider subject matter expertise due to the focus on provider costs related to the payment rate assumptions. HCA welcomes feedback from all stakeholders for the comparison rate project, is releasing the Phase 1 Report publicly for comment, and is considering opportunities for all stakeholders to provide feedback during Phase 2.
Feedback related to capitation rates <ul style="list-style-type: none"> Question regarding if the analysis performed determines a decrease or increase in payment rates, how will that affect BHA's seven percent rate increase as approved in the 2022 Supplemental legislative session. One MCO indicated that the draft SUD residential care comparison rates are significantly higher than what is currently reimbursed. 	The behavioral health comparison rates are meant to illustrate the provider cost of delivering specific behavioral health services. This is a separate and distinct activity from the MCO rate development process. At this time, there is no requirement or direction that MCOs adjust their payments to match the draft comparison rates. This work will not affect the seven percent rate increase effective January 2023.
The additional cost to provide language-specific and culturally relevant service to especially ethnic minority community should be reflected in the study.	Interpreter services are currently billed separately and not included in the payment rate buildup. The comparison rates are only a reference point; they do not preclude MCOs and providers from negotiating different payment rates that reflect unique circumstances.
Health insurance costs (medical and dental) may be understated.	The provider survey in Phase 2 will provide additional information on health insurance costs that can be considered in the development of the related payment rate assumptions.
The 1:10 supervisor span of control ratio for outpatient mental health staff is too high; a 1:6 ratio is more appropriate to provide the necessary staff support and be responsive to workforce pressures.	Phase 2 will include continued review of the supervisor span of control assumptions, which will be informed by provider survey data.
Productivity assumptions are too high for agencies serving specialty behavioral health populations. One provider indicated that 50 percent worked time, and 43% after accounting for paid time off would better reflect the time it takes to outreach and serve a vulnerable specialty population that is unable to access care in conventional behavioral health settings.	Phase 2 will include a continued review of productivity assumptions, which will be informed by provider survey data.
Wage levels of peers and medical assistants are too low and below a living wage. Traditional wage indices for the behavioral health sector are insufficient. One recommendation is to consider wage levels in allied public sectors such as teachers and fire fighters. A higher wage scale for MHPs is also recommended due to the high vacancy rate for this staff type and related significantly higher paying career opportunities for these individuals outside of community behavioral health.	Phase 2 will include a continued review of wage and retention levels, which will be informed by provider survey data.
Recommendation that HCA include a total cost of care analysis during Phase 2 that considers non-Medicaid billable direct client services. This analysis would be a helpful reference tool for future policy and contract planning efforts, as some providers deliverable services that are not currently reimbursable by Medicaid but are necessary to providing high-quality Medicaid behavioral health services.	The comparison rate project is specific to Medicaid-funded services. As such, it will not include the costs of non-Medicaid billable direct client services.
Recommendation that HCA consider building in additional cost and service assumptions to support Washington's Integrated Managed Care (IMC) and health care integration service delivery goals. The inclusion of these costs would support organizations in operationalizing value-based purchasing arrangements, "reverse integration" (bringing primary care	The provider survey in Phase 2 will provide additional information on administrative costs which can be considered during the development of payment rate assumptions.

FEEDBACK	RESPONSE
<p>services to behavioral health settings), complex care coordination services for people living with chronic behavioral and physical health conditions, and behavioral health clinical and medical services delivered in non-traditional settings (i.e., outside, shelters, and housing) would provide valuable information to help the state, providers, and payors in advancing mutual health care integration goals.</p>	
<p>Recommendation that Phase 2 include analyses and rate considerations specific to the needs of specialty populations (e.g., people experiencing homelessness, LGBTQIA+ people, BIPOC communities, etc.).</p>	<p>Rate considerations for specialty providers will be further explored in Phase 2; this is a topic that may require additional time and resources to explore beyond Phase 2.</p>
<p>Recommendation that Milliman provide written guidance regarding how the final comparison rates might not be appropriate for all individual providers.</p>	<p>The Executive Summary of the Phase 1 report addresses this point.</p>
<p>Concerns expressed regarding billable time, including:</p> <ul style="list-style-type: none"> • No show rates are increasing (in particular for Master's level providers and above) and providers are unable to charge Medicaid for these appointments • Management pressure to complete billable hours contributes to existing burnout 	<p>Phase 1 rates incorporate a non-productive time factor, which reflects additional time spent on non-billable activities that are part of providing overall support to the individual. This time factor is set at 20% of total hours net of PTO and training and reflects workgroup feedback regarding overall productivity levels. Additionally, the provider survey in Phase 2 will gather additional information on providers' billable time; this information can be considered when developing payment rate assumptions. Additionally, the</p>
<p>Costs of overhead space are increasing, which might lead providers to use telehealth services. Witnessing non-verbal indicators is critical when working with SUD.</p>	<p>The provider survey in Phase 2 will gather additional information on provider costs; this information can be considered when developing payment rate assumptions.</p>
<p>Inflation has created additional challenges, specifically:</p> <ul style="list-style-type: none"> • High cost of fuel creates a financial burden for clients and makes it less likely they are able to make it to an in-person appointment. • Staff experience additional economic pressures and it is more difficult to match wages/sign on bonuses that other agencies offer 	<p>The provider survey in Phase 2 will gather additional information on billable time and wages; this information can be considered when developing payment rate assumptions.</p> <p>Additionally, hourly wages used for purposes for Phase 1 comparison rate development reflect the average of trended wages at the 50th and 75th percentile of BLS wages for non-supervisor clinicians. The wages were trended using an annual trend factor of 6.5%, which is specific to the comparison rates and related time periods.</p>

Phase 2 of the comparison rates will focus on the following:

- Conduct a provider cost and wage survey to support refinement of current comparison rate assumptions
- Develop comparison payment rates for Secure Withdrawal Management with the use of feedback from Secure Withdrawal Management providers
- Update wages and related trend factor, including consideration of provider survey data and 2021 BLS wage data
- Consider refinements to administrative cost assumptions and health insurance cost assumptions, including consideration of provider survey data
- Develop a payment rate with and without children for the PPW SUD residential care comparison rate for ASAM Level 3.5

The list of included services will continue to exclude crisis care, MH residential care, and opioid treatment program services due to the specialized nature of those services. Additionally, the legislature has mandated and funded the use of Medicare's approach for opioid treatment program services.

IV. Limitations and Data Reliance

The information contained in this report has been prepared for the State of Washington, Health Care Authority (HCA) and is subject to the terms of Milliman's contract with HCA signed on July 14, 2021.

The information contained in this letter, including the appendices, has been prepared for the HCA. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

The contents of this report are not intended to represent a legal or professional opinion or interpretation on any matters. Milliman makes no representations or warranties regarding the contents of this report to third parties. Similarly, third parties are instructed that they are to place no reliance upon this information prepared for HCA by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

Milliman has developed certain models to estimate the values included in this report. The intent of the models was to develop comparison rates using an independent rate model approach. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purposes and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The information in this report has relied extensively on data provided by HCA and stakeholders, and national data sources. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Comparison rates are developed using an independent rate model, which calculates rates based on the sum of independently determined rate inputs and components. Inputs are based on expected resources required to provide the service. It is certain that actual individual provider cost experience will not conform exactly to the assumptions used to develop these comparison rates. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The responsible actuaries for this report, Jeremy Cunningham and Mac Xu, are members of the American Academy of Actuaries and meet the qualification standards for performing the analysis for this presentation.

Appendix A.1, A.2, & A.3

State of Washington
Health Care Authority
Behavioral Health Comparison Rate Development – Phase 1
Appendix A.1 - Rate Summary for MH Outpatient Services, CY2023

HCPCS	Unit Type	Description and Provider Grouping	Standard Wage, Frontier Travel	Standard Wage, Rural Travel	Standard Wage, Urban Travel	High-Cost Wage, Urban Travel	Statewide Wage, Statewide Travel
90791	Encounter	Psych Diag. Eval - Specialty Physician	\$ 825.08	\$ 802.82	\$ 800.62	\$ 800.62	\$ 802.22
90791	Encounter	Psych Diag. Eval - Clinical Psychologist	321.94	311.16	308.97	332.07	321.79
90791	Encounter	Psych Diag. Eval - Master's Level Degree Unlicensed (MHP)	225.40	216.83	214.64	230.06	223.49
90791	Encounter	Psych Diag. Eval - Master's Level Degree Licensed (MHP)	247.04	237.98	235.78	252.92	245.52
90791	Encounter	Psych Diag. Eval - PAs, NPs, and Pharmacists	481.92	467.49	465.29	499.22	483.75
90792	Encounter	Psych Diag. Eval w/ med srvcs - Specialty Physician	922.99	898.48	896.29	900.08	899.90
90792	Encounter	Psych Diag. Eval w/ med srvcs - PAs, NPs, and Pharmacists	532.81	517.22	515.03	552.74	535.44
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - Specialty Physician	339.76	317.49	315.30	315.30	316.90
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - Clinical Psychologist	136.29	125.51	123.32	132.34	129.03
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - Master's Level Degree Unlicensed (MHP)	97.25	88.68	86.49	92.51	90.58
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - Master's Level Degree Licensed (MHP)	106.00	96.94	94.74	101.44	99.20
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - PAs, NPs, and Pharmacists	200.99	186.55	184.36	197.61	192.36
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - Specialty Physician	461.09	438.82	436.63	436.63	438.23
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - Clinical Psychologist	182.70	171.92	169.73	182.27	177.22
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - Master's Level Degree Unlicensed (MHP)	129.29	120.72	118.52	126.90	123.81
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - Master's Level Degree Licensed (MHP)	141.26	132.20	130.00	139.31	135.78
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - PAs, NPs, and Pharmacists	271.22	256.79	254.59	273.01	265.21
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - Specialty Physician	582.42	560.15	557.96	557.96	559.56
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - Clinical Psychologist	229.11	218.34	216.14	232.20	225.41
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - Master's Level Degree Unlicensed (MHP)	161.33	152.76	150.56	161.28	157.04
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - Master's Level Degree Licensed (MHP)	176.52	167.46	165.26	177.18	172.36
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - PAs, NPs, and Pharmacists	341.45	327.02	324.83	348.42	338.05
90846	15 minutes	Fam. psychother. w/o PT - Specialty Physician	169.88	158.75	157.65	157.65	158.45
90846	15 minutes	Fam. psychother. w/o PT - Clinical Psychologist	68.14	62.76	61.66	66.17	64.51
90846	15 minutes	Fam. psychother. w/o PT - Master's Level Degree Unlicensed (MHP)	48.63	44.34	43.24	46.25	45.29
90846	15 minutes	Fam. psychother. w/o PT - Master's Level Degree Licensed (MHP)	53.00	48.47	47.37	50.72	49.60

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Appendix A.1 - Rate Summary for MH Outpatient Services, CY2023

HCPCS	Unit Type	Description and Provider Grouping	Standard Wage, Frontier Travel	Standard Wage, Rural Travel	Standard Wage, Urban Travel	High-Cost Wage, Urban Travel	Statewide Wage, Statewide Travel
90846	15 minutes	Fam. psychother. w/o PT - Master's and Below (Non-MHP Agency-Affiliated Counselors)	46.73	42.55	41.46	44.32	43.43
90846	15 minutes	Fam. psychother. w/o PT - PAs, NPs, and Pharmacists	100.49	93.28	92.18	98.80	96.18
90846	15 minutes	Fam. psychother. w/o PT - Registered Nurse	73.57	67.87	66.78	71.70	69.85
90846	15 minutes	Fam. psychother. w/o PT - Licensed Practical Nurse	50.48	46.09	45.00	48.15	47.12
90847	15 minutes	Fam. psychother. w/ PT present - Specialty Physician	169.88	158.75	157.65	157.65	158.45
90847	15 minutes	Fam. psychother. w/ PT present - Clinical Psychologist	68.14	62.76	61.66	66.17	64.51
90847	15 minutes	Fam. psychother. w/ PT present - Master's Level Degree Unlicensed (MHP)	48.63	44.34	43.24	46.25	45.29
90847	15 minutes	Fam. psychother. w/ PT present - Master's Level Degree Licensed (MHP)	53.00	48.47	47.37	50.72	49.60
90847	15 minutes	Fam. psychother. w/ PT present - Master's and Below (Non-MHP Agency-Affiliated Counselors)	46.73	42.55	41.46	44.32	43.43
90847	15 minutes	Fam. psychother. w/ PT present - PAs, NPs, and Pharmacists	100.49	93.28	92.18	98.80	96.18
90847	15 minutes	Fam. psychother. w/ PT present - Registered Nurse	73.57	67.87	66.78	71.70	69.85
90847	15 minutes	Fam. psychother. w/ PT present - Licensed Practical Nurse	50.48	46.09	45.00	48.15	47.12
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Specialty Physician	29.75	29.25	29.11	29.11	29.18
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Clinical Psychologist	11.80	11.46	11.32	12.15	11.80
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Master's Level Degree Unlicensed (MHP)	8.36	8.05	7.90	8.46	8.24
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Master's Level Degree Licensed (MHP)	9.13	8.81	8.67	9.29	9.04
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Master's and Below (Non-MHP Agency-Affiliated Counselors)	8.02	7.72	7.57	8.10	7.90
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - PAs, NPs, and Pharmacists	17.51	17.12	16.97	18.20	17.66
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Registered Nurse	12.76	12.41	12.26	13.18	12.79
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Licensed Practical Nurse	8.69	8.37	8.23	8.81	8.58
99205	Encounter	Office/OP visit, new patient, high MDM or 60-74 total time of encounter - Specialty Physician	533.87	522.74	521.64	521.64	522.44

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HCPCS	Unit Type	Description and Provider Grouping	Standard Wage, Frontier Travel	Standard Wage, Rural Travel	Standard Wage, Urban Travel	High-Cost Wage, Urban Travel	Statewide Wage, Statewide Travel
99205	Encounter	Office/OP visit, new patient, high MDM or 60-74 total time of encounter - PAs, NPs, and Pharmacists	311.19	303.98	302.88	325.01	314.72
99213	Encounter	Office/OP visit, established patient, low MDM or 20-29 minutes total time of encounter. - Specialty Physician	218.43	196.16	193.97	193.97	195.57
99213	Encounter	Office/OP visit, established patient, low MDM or 20-29 minutes total time of encounter. - PAs, NPs, and Pharmacists	130.75	116.32	114.13	122.21	119.51
99214	Encounter	Office/OP visit, established patient, moderate MDM or 30-39 minutes total time of encounter. - Specialty Physician	309.43	287.16	284.97	284.97	286.57
99214	Encounter	Office/OP visit, established patient, moderate MDM or 30-39 minutes total time of encounter. - PAs, NPs, and Pharmacists	183.43	169.00	166.80	178.76	174.15
99215	Encounter	Office/OP visit, established patient, high MDM or 40-54 minutes total time of encounter. - Specialty Physician	424.69	402.42	400.23	400.23	401.83
99215	Encounter	Office/OP visit, established patient, high MDM or 40-54 minutes total time of encounter. - PAs, NPs, and Pharmacists	250.15	235.72	233.52	250.39	243.35
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Specialty Physician	150.46	143.78	143.12	143.12	143.60
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Clinical Psychologist	59.45	56.22	55.56	59.67	57.98
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Master's Level Degree Unlicensed (MHP)	41.99	39.42	38.76	41.51	40.47
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Master's Level Degree Licensed (MHP)	45.90	43.18	42.53	45.58	44.39
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Master's and Below (Non-MHP Agency-Affiliated Counselors)	40.30	37.79	37.13	39.75	38.77
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - PAs, NPs, and Pharmacists	88.39	84.06	83.40	89.44	86.85
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Registered Nurse	64.30	60.89	60.23	64.72	62.85
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Licensed Practical Nurse	43.65	41.02	40.36	43.24	42.13
H0031	15 minutes	MH health assess by non-MD - Clinical Psychologist	52.21	50.77	50.48	54.26	52.54
H0031	15 minutes	MH health assess by non-MD - Master's Level Degree Unlicensed (MHP)	36.46	35.32	35.03	37.55	36.44
H0031	15 minutes	MH health assess by non-MD - Master's Level Degree Licensed (MHP)	39.99	38.78	38.49	41.30	40.05
H0031	15 minutes	MH health assess by non-MD - Registered Nurse	56.58	55.06	54.77	58.90	57.02
H0031	15 minutes	MH health assess by non-MD - Licensed Practical Nurse	37.96	36.79	36.50	39.14	37.98
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Specialty Physician	268.56	262.62	262.03	262.03	262.46
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Clinical Psychologist	104.41	101.54	100.96	108.52	105.09
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Master's Level Degree Unlicensed (MHP)	72.92	70.64	70.05	75.11	72.89
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Master's Level Degree Licensed (MHP)	79.98	77.56	76.98	82.60	80.11
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Master's and Below (Non-MHP Agency-Affiliated Counselors)	69.87	67.64	67.06	71.87	69.77
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - PAs, NPs, and Pharmacists	156.61	152.76	152.17	163.29	158.14

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HCPCS	Unit Type	Description and Provider Grouping	Standard Wage, Frontier Travel	Standard Wage, Rural Travel	Standard Wage, Urban Travel	High-Cost Wage, Urban Travel	Statewide Wage, Statewide Travel
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Registered Nurse	113.17	110.13	109.54	117.81	114.03
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Licensed Practical Nurse	75.92	73.58	73.00	78.29	75.96
H0038	15 minutes	Self-help/peer srvc, per 15 mins - Peer Support	34.79	31.80	30.92	33.03	32.39
H2014	15 minutes	Skills train and dev, per 15 mins - Specialty Physician	141.16	135.22	134.63	134.63	135.06
H2014	15 minutes	Skills train and dev, per 15 mins - Clinical Psychologist	55.68	52.81	52.22	56.10	54.49
H2014	15 minutes	Skills train and dev, per 15 mins - Master's Level Degree Unlicensed (MHP)	39.28	37.00	36.41	39.00	38.00
H2014	15 minutes	Skills train and dev, per 15 mins - Master's Level Degree Licensed (MHP)	42.96	40.54	39.96	42.83	41.70
H2014	15 minutes	Skills train and dev, per 15 mins - Master's and Below (Non-MHP Agency-Affiliated Counselors)	37.69	35.46	34.88	37.34	36.40
H2014	15 minutes	Skills train and dev, per 15 mins - PAs, NPs, and Pharmacists	82.86	79.01	78.43	84.11	81.65
H2014	15 minutes	Skills train and dev, per 15 mins - Registered Nurse	60.24	57.20	56.62	60.84	59.07
H2014	15 minutes	Skills train and dev, per 15 mins - Licensed Practical Nurse	40.85	38.50	37.92	40.63	39.57
H2014	15 minutes	Skills train and dev, per 15 mins - Peer Support	31.05	29.06	28.48	30.45	29.74
H2015	15 minutes	Comprehensive community support services, per 15 mins - Specialty Physician	180.00	165.15	163.69	163.69	164.76
H2015	15 minutes	Comprehensive community support services, per 15 mins - Clinical Psychologist	73.07	65.88	64.42	69.09	67.54
H2015	15 minutes	Comprehensive community support services, per 15 mins - Master's Level Degree Unlicensed (MHP)	52.55	46.84	45.38	48.49	47.65
H2015	15 minutes	Comprehensive community support services, per 15 mins - Master's Level Degree Licensed (MHP)	57.15	51.11	49.64	53.11	52.11
H2015	15 minutes	Comprehensive community support services, per 15 mins - Master's and Below (Non-MHP Agency-Affiliated Counselors)	50.56	44.99	43.53	46.49	45.72
H2015	15 minutes	Comprehensive community support services, per 15 mins - PAs, NPs, and Pharmacists	107.07	97.45	95.98	102.83	100.31
H2015	15 minutes	Comprehensive community support services, per 15 mins - Registered Nurse	78.77	71.18	69.71	74.80	73.07
H2015	15 minutes	Comprehensive community support services, per 15 mins - Licensed Practical Nurse	54.51	48.65	47.19	50.45	49.55
H2015	15 minutes	Comprehensive community support services, per 15 mins - Peer Support	42.26	37.28	35.82	38.19	37.69

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Appendix A.2 - Service Rate Components for MH Outpatient Services, CY2023 (using high-cost wage and urban transportation assumptions)**

HCPCS	Unit Type	Description and Provider Grouping	Direct Service Employee Salaries & Wages	Indirect Service Employee Salaries & Wages	Transportation Service Employee Salaries & Wages	Employee Related Expenses	Transportation & Fleet Vehicle Expenses	Administration, Program Support & Overhead	Total Rate
90791	Encounter	Psych Diag. Eval - Specialty Physician	\$ 364.84	\$ 121.61	\$ 45.61	\$ 65.11	\$ 3.29	\$ 200.16	\$ 800.62
90791	Encounter	Psych Diag. Eval - Clinical Psychologist	140.29	46.76	17.54	41.18	3.29	83.02	332.07
90791	Encounter	Psych Diag. Eval - Master's Level Degree Unlicensed (MHP)	93.65	31.22	11.71	32.68	3.29	57.52	230.06
90791	Encounter	Psych Diag. Eval - Master's Level Degree Licensed (MHP)	104.08	34.69	13.01	34.62	3.29	63.23	252.92
90791	Encounter	Psych Diag. Eval - PAs, NPs, and Pharmacists	218.00	72.67	27.25	53.21	3.29	124.81	499.22
90792	Encounter	Psych Diag. Eval w/ med srvcs - Specialty Physician	408.90	136.30	51.11	75.46	3.29	225.02	900.08
90792	Encounter	Psych Diag. Eval w/ med srvcs - PAs, NPs, and Pharmacists	241.00	80.33	30.13	59.80	3.29	138.19	552.74
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - Specialty Physician	121.61	40.54	45.61	25.43	3.29	78.82	315.30
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - Clinical Psychologist	46.76	15.59	17.54	16.08	3.29	33.08	132.34
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - Master's Level Degree Unlicensed (MHP)	31.22	10.41	11.71	12.76	3.29	23.13	92.51
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - Master's Level Degree Licensed (MHP)	34.69	11.56	13.01	13.52	3.29	25.36	101.44
90832	30 minutes	Psychother. w/ PT. and/or fam. mem., approx. 30 mins. - PAs, NPs, and Pharmacists	72.67	24.22	27.25	20.78	3.29	49.40	197.61
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - Specialty Physician	182.42	60.81	45.61	35.35	3.29	109.16	436.63
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - Clinical Psychologist	70.14	23.38	17.54	22.35	3.29	45.57	182.27
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - Master's Level Degree Unlicensed (MHP)	46.83	15.61	11.71	17.74	3.29	31.72	126.90

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Appendix A.2 - Service Rate Components for MH Outpatient Services, CY2023 (using high-cost wage and urban transportation assumptions)**

HCPCS	Unit Type	Description and Provider Grouping	Direct Service Employee Salaries & Wages	Indirect Service Employee Salaries & Wages	Transportation Service Employee Salaries & Wages	Employee Related Expenses	Transportation & Fleet Vehicle Expenses	Administration, Program Support & Overhead	Total Rate
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - Master's Level Degree Licensed (MHP)	52.04	17.35	13.01	18.79	3.29	34.83	139.31
90834	45 minutes	Psychother, w/ PT and/or fam. mem., approx. 45 mins - PAs, NPs, and Pharmacists	109.00	36.33	27.25	28.89	3.29	68.25	273.01
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - Specialty Physician	243.23	81.08	45.61	45.27	3.29	139.49	557.96
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - Clinical Psychologist	93.52	31.17	17.54	28.63	3.29	58.05	232.20
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - Master's Level Degree Unlicensed (MHP)	62.43	20.81	11.71	22.72	3.29	40.32	161.28
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - Master's Level Degree Licensed (MHP)	69.39	23.13	13.01	24.07	3.29	44.29	177.18
90837	60 minutes	Psychother. approx. 60 mins w/ PT and/or fam. mem. - PAs, NPs, and Pharmacists	145.33	48.44	27.25	36.99	3.29	87.10	348.42
90846	15 minutes	Fam. psychother. w/o PT - Specialty Physician	60.81	20.27	22.80	12.71	1.65	39.41	157.65
90846	15 minutes	Fam. psychother. w/o PT - Clinical Psychologist	23.38	7.79	8.77	8.04	1.65	16.54	66.17
90846	15 minutes	Fam. psychother. w/o PT - Master's Level Degree Unlicensed (MHP)	15.61	5.20	5.85	6.38	1.65	11.56	46.25
90846	15 minutes	Fam. psychother. w/o PT - Master's Level Degree Licensed (MHP)	17.35	5.78	6.50	6.76	1.65	12.68	50.72
90846	15 minutes	Fam. psychother. w/o PT - Master's and Below (Non-MHP Agency-Affiliated Counselors)	14.86	4.95	5.57	6.22	1.65	11.08	44.32
90846	15 minutes	Fam. psychother. w/o PT - PAs, NPs, and Pharmacists	36.33	12.11	13.62	10.39	1.65	24.70	98.80
90846	15 minutes	Fam. psychother. w/o PT - Registered Nurse	25.52	8.51	9.57	8.54	1.65	17.93	71.70
90846	15 minutes	Fam. psychother. w/o PT - Licensed Practical Nurse	16.35	5.45	6.13	6.54	1.65	12.04	48.15

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Appendix A.2 - Service Rate Components for MH Outpatient Services, CY2023 (using high-cost wage and urban transportation assumptions)**

HCPCS	Unit Type	Description and Provider Grouping	Direct Service Employee Salaries & Wages	Indirect Service Employee Salaries & Wages	Transportation Service Employee Salaries & Wages	Employee Related Expenses	Transportation & Fleet Vehicle Expenses	Administration, Program Support & Overhead	Total Rate
90847	15 minutes	Fam. psychother. w/ PT present - Specialty Physician	60.81	20.27	22.80	12.71	1.65	39.41	157.65
90847	15 minutes	Fam. psychother. w/ PT present - Clinical Psychologist	23.38	7.79	8.77	8.04	1.65	16.54	66.17
90847	15 minutes	Fam. psychother. w/ PT present - Master's Level Degree Unlicensed (MHP)	15.61	5.20	5.85	6.38	1.65	11.56	46.25
90847	15 minutes	Fam. psychother. w/ PT present - Master's Level Degree Licensed (MHP)	17.35	5.78	6.50	6.76	1.65	12.68	50.72
90847	15 minutes	Fam. psychother. w/ PT present - Master's and Below (Non-MHP Agency-Affiliated Counselors)	14.86	4.95	5.57	6.22	1.65	11.08	44.32
90847	15 minutes	Fam. psychother. w/ PT present - PAs, NPs, and Pharmacists	36.33	12.11	13.62	10.39	1.65	24.70	98.80
90847	15 minutes	Fam. psychother. w/ PT present - Registered Nurse	25.52	8.51	9.57	8.54	1.65	17.93	71.70
90847	15 minutes	Fam. psychother. w/ PT present - Licensed Practical Nurse	16.35	5.45	6.13	6.54	1.65	12.04	48.15
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Specialty Physician	12.16	6.49	0.61	2.36	0.22	7.28	29.11
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Clinical Psychologist	4.68	2.49	0.23	1.49	0.22	3.04	12.15
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Master's Level Degree Unlicensed (MHP)	3.12	1.66	0.16	1.18	0.22	2.11	8.46

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Appendix A.2 - Service Rate Components for MH Outpatient Services, CY2023 (using high-cost wage and urban transportation assumptions)**

HCPCS	Unit Type	Description and Provider Grouping	Direct Service Employee Salaries & Wages	Indirect Service Employee Salaries & Wages	Transportation Service Employee Salaries & Wages	Employee Related Expenses	Transportation & Fleet Vehicle Expenses	Administration, Program Support & Overhead	Total Rate
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Master's Level Degree Licensed (MHP)	3.47	1.85	0.17	1.25	0.22	2.32	9.29
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Master's and Below (Non-MHP Agency-Affiliated Counselors)	2.97	1.58	0.15	1.15	0.22	2.03	8.10
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - PAs, NPs, and Pharmacists	7.27	3.88	0.36	1.93	0.22	4.55	18.20
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Registered Nurse	5.10	2.72	0.26	1.58	0.22	3.29	13.18
90853	15 minutes	Grp psychother. (other than of a multiple-fam. grp) - Licensed Practical Nurse	3.27	1.74	0.16	1.21	0.22	2.20	8.81
99205	Encounter	Office/OP visit, new patient, high MDM or 60-74 total time of encounter - Specialty Physician	243.23	81.08	22.80	42.48	1.65	130.41	521.64
99205	Encounter	Office/OP visit, new patient, high MDM or 60-74 total time of encounter - PAs, NPs, and Pharmacists	145.33	48.44	13.62	34.71	1.65	81.25	325.01
99213	Encounter	Office/OP visit, established patient, low MDM or 20-29 minutes total time of encounter. - Specialty Physician	60.81	20.27	45.61	15.50	3.29	48.49	193.97
99213	Encounter	Office/OP visit, established patient, low MDM or 20-29 minutes total time of encounter. - PAs, NPs, and Pharmacists	36.33	12.11	27.25	12.67	3.29	30.55	122.21
99214	Encounter	Office/OP visit, established patient, moderate MDM or 30-39 minutes total time of encounter. - Specialty Physician	101.35	40.54	45.61	22.94	3.29	71.24	284.97
99214	Encounter	Office/OP visit, established patient, moderate MDM or 30-39 minutes total time of encounter. - PAs, NPs, and Pharmacists	60.56	24.22	27.25	18.75	3.29	44.69	178.76
99215	Encounter	Office/OP visit, established patient, high MDM or 40-54 minutes total time of encounter. - Specialty Physician	162.15	56.75	45.61	32.37	3.29	100.06	400.23
99215	Encounter	Office/OP visit, established patient, high MDM or 40-54 minutes total time of encounter. - PAs, NPs, and Pharmacists	96.89	33.91	27.25	26.45	3.29	62.60	250.39
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Specialty Physician	60.81	20.27	13.68	11.60	0.99	35.78	143.12
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Clinical Psychologist	23.38	7.79	5.26	7.33	0.99	14.92	59.67

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Appendix A.2 - Service Rate Components for MH Outpatient Services, CY2023 (using high-cost wage and urban transportation assumptions)**

HCPCS	Unit Type	Description and Provider Grouping	Direct Service Employee Salaries & Wages	Indirect Service Employee Salaries & Wages	Transportation Service Employee Salaries & Wages	Employee Related Expenses	Transportation & Fleet Vehicle Expenses	Administration, Program Support & Overhead	Total Rate
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Master's Level Degree Unlicensed (MHP)	15.61	5.20	3.51	5.82	0.99	10.38	41.51
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Master's Level Degree Licensed (MHP)	17.35	5.78	3.90	6.17	0.99	11.39	45.58
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Master's and Below (Non-MHP Agency-Affiliated Counselors)	14.86	4.95	3.34	5.67	0.99	9.94	39.75
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - PAs, NPs, and Pharmacists	36.33	12.11	8.18	9.48	0.99	22.36	89.44
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Registered Nurse	25.52	8.51	5.74	7.79	0.99	16.18	64.72
H0004MH	15 minutes	BH cnsling and ther., per 15 minutes - Licensed Practical Nurse	16.35	5.45	3.68	5.97	0.99	10.81	43.24
H0031	15 minutes	MH health assess by non-MD - Clinical Psychologist	23.38	7.79	2.34	6.75	0.44	13.57	54.26
H0031	15 minutes	MH health assess by non-MD - Master's Level Degree Unlicensed (MHP)	15.61	5.20	1.56	5.35	0.44	9.39	37.55
H0031	15 minutes	MH health assess by non-MD - Master's Level Degree Licensed (MHP)	17.35	5.78	1.73	5.67	0.44	10.32	41.30
H0031	15 minutes	MH health assess by non-MD - Registered Nurse	25.52	8.51	2.55	7.16	0.44	14.73	58.90
H0031	15 minutes	MH health assess by non-MD - Licensed Practical Nurse	16.35	5.45	1.63	5.49	0.44	9.79	39.14
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Specialty Physician	60.81	101.35	12.16	21.33	0.88	65.51	262.03
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Clinical Psychologist	23.38	38.97	4.68	13.49	0.88	27.13	108.52
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Master's Level Degree Unlicensed (MHP)	15.61	26.01	3.12	10.71	0.88	18.78	75.11
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Master's Level Degree Licensed (MHP)	17.35	28.91	3.47	11.34	0.88	20.65	82.60

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Appendix A.2 - Service Rate Components for MH Outpatient Services, CY2023 (using high-cost wage and urban transportation assumptions)

HCPCS	Unit Type	Description and Provider Grouping	Direct Service Employee Salaries & Wages	Indirect Service Employee Salaries & Wages	Transportation Service Employee Salaries & Wages	Employee Related Expenses	Transportation & Fleet Vehicle Expenses	Administration, Program Support & Overhead	Total Rate
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Master's and Below (Non-MHP Agency-Affiliated Counselors)	14.86	24.76	2.97	10.43	0.88	17.97	71.87
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - PAs, NPs, and Pharmacists	36.33	60.56	7.27	17.43	0.88	40.82	163.29
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Registered Nurse	25.52	42.53	5.10	14.33	0.88	29.45	117.81
H0036	15 minutes	Comm. psych. supp. tx., face-face, per 15 mins - Licensed Practical Nurse	16.35	27.25	3.27	10.98	0.88	19.57	78.29
H0038	15 minutes	Self-help/peer srvc, per 15 mins - Peer Support	11.75	3.13	3.52	5.05	1.32	8.26	33.03
H2014	15 minutes	Skills train and dev, per 15 mins - Specialty Physician	60.81	16.22	12.16	10.91	0.88	33.66	134.63
H2014	15 minutes	Skills train and dev, per 15 mins - Clinical Psychologist	23.38	6.24	4.68	6.90	0.88	14.02	56.10
H2014	15 minutes	Skills train and dev, per 15 mins - Master's Level Degree Unlicensed (MHP)	15.61	4.16	3.12	5.48	0.88	9.75	39.00
H2014	15 minutes	Skills train and dev, per 15 mins - Master's Level Degree Licensed (MHP)	17.35	4.63	3.47	5.80	0.88	10.71	42.83
H2014	15 minutes	Skills train and dev, per 15 mins - Master's and Below (Non-MHP Agency-Affiliated Counselors)	14.86	3.96	2.97	5.34	0.88	9.34	37.34
H2014	15 minutes	Skills train and dev, per 15 mins - PAs, NPs, and Pharmacists	36.33	9.69	7.27	8.92	0.88	21.03	84.11
H2014	15 minutes	Skills train and dev, per 15 mins - Registered Nurse	25.52	6.80	5.10	7.33	0.88	15.21	60.84
H2014	15 minutes	Skills train and dev, per 15 mins - Licensed Practical Nurse	16.35	4.36	3.27	5.62	0.88	10.16	40.63
H2014	15 minutes	Skills train and dev, per 15 mins - Peer Support	11.75	3.13	2.35	4.73	0.88	7.61	30.45
H2015	15 minutes	Comprehensive community support services, per 15 mins - Specialty Physician	60.81	16.22	30.40	13.15	2.19	40.92	163.69

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Appendix A.2 - Service Rate Components for MH Outpatient Services, CY2023 (using high-cost wage and urban transportation assumptions)

HCPCS	Unit Type	Description and Provider Grouping	Direct Service Employee Salaries & Wages	Indirect Service Employee Salaries & Wages	Transportation Service Employee Salaries & Wages	Employee Related Expenses	Transportation & Fleet Vehicle Expenses	Administration, Program Support & Overhead	Total Rate
H2015	15 minutes	Comprehensive community support services, per 15 mins - Clinical Psychologist	23.38	6.24	11.69	8.31	2.19	17.27	69.09
H2015	15 minutes	Comprehensive community support services, per 15 mins - Master's Level Degree Unlicensed (MHP)	15.61	4.16	7.80	6.60	2.19	12.12	48.49
H2015	15 minutes	Comprehensive community support services, per 15 mins - Master's Level Degree Licensed (MHP)	17.35	4.63	8.67	6.99	2.19	13.28	53.11
H2015	15 minutes	Comprehensive community support services, per 15 mins - Master's and Below (Non-MHP Agency-Affiliated Counselors)	14.86	3.96	7.43	6.43	2.19	11.62	46.49
H2015	15 minutes	Comprehensive community support services, per 15 mins - PAs, NPs, and Pharmacists	36.33	9.69	18.17	10.74	2.19	25.71	102.83
H2015	15 minutes	Comprehensive community support services, per 15 mins - Registered Nurse	25.52	6.80	12.76	8.83	2.19	18.70	74.80
H2015	15 minutes	Comprehensive community support services, per 15 mins - Licensed Practical Nurse	16.35	4.36	8.17	6.77	2.19	12.61	50.45
H2015	15 minutes	Comprehensive community support services, per 15 mins - Peer Support	11.75	3.13	5.87	5.70	2.19	9.55	38.19

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Appendix A.3 - MH Outpatient Comparison Rate Build Up Example – Group Psychotherapy (90853), CY2023 (using high cost wage assumptions and urban transportation assumptions)

Service Information

Service Code: 90853 - Master's Level Degree Licensed (MHP)
 Region: High-Cost Wage, Urban Travel
 Service Category: Mental Health Outpatient
 Service Description: Grp psychother. (other than of a multiple-fam. grp)
 Reporting Units: 15 Minutes

Ref.	Description	Clinician: Master's Level Degree Licensed (MHP)	Supervisor: Master's Level Degree Licensed (MHP)	Total	Notes
A	Average minutes of direct time per unit	15.00			
B	Average minutes of indirect time per unit	8.00			
C	Average minutes of transportation time per unit	0.75			Based on separate travel build
D	Total minutes per unit	23.75			D = A + B + C
E	Staffing Ratio	4.00			
F	Supervisor span of control		10.00		10 employees assumed to be managed by 1 supervisor
G	Supervisor time per unit		0.59		G = D / E / F
H	PTO/training/conference time adjustment factor	22.4%	22.4%		Based on separate PTO build
I	Adjusted total minutes per unit	7.27	0.73		I = D / E * (1 + H) I = G * (1 + H)
J	Hourly wage	\$ 40.86	\$ 44.90		Based on separate wage build
K	Total wages expense per unit	\$ 4.95	\$ 0.54	\$ 5.49	K = J * I / 60
L	Employee related expense (ERE) percentage	22.9%	22.0%		Based on separate ERE build
M	Total ERE expense per unit	\$ 1.13	\$ 0.12	\$ 1.25	M = K * L
N	Estimated average MPH			30.00	Based on estimated % of in-home services, and the following MPH: Statewide 35.4, Urban 30, Rural 45 MPH, Frontier 55
O	Estimated miles driven per unit			0.38	O = C * N / 60
P	Federal reimbursement rate			\$ 0.585	
Q	Transportation costs per unit			\$ 0.22	Q = O * P
R	Administration / program support / overhead			25.0%	Portion of total rate
S	Administration expenses			\$ 2.32	S = R * (K + M + Q) / (1 - R)
T	Rate Per 15 Minutes			\$9.29	T = K + M + Q + S

Appendix B.1, B.2, & B.3

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Behavioral Health Comparison Rate Development – Phase 1
Appendix B.1 - Rate Summary for SUD Outpatient Services, CY2023

HCPCS	Unit Type	Description and Provider Grouping	Standard Wage, Frontier Travel	Standard Wage, Rural Travel	Standard Wage, Urban Travel	High-Cost Wage, Urban Travel	Statewide Wage, Statewide Travel
96164	30 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more) face to face, first 30 minutes - SUDPT	\$ 14.87	\$ 13.45	\$ 12.72	\$ 13.53	\$ 13.42
96164	30 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more) face to face, first 30 minutes - SUDP Bachelor's and Below	15.36	13.93	13.20	14.06	13.93
96164	30 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more) face to face, first 30 minutes - SUDP Master's in a Social Services Field	16.57	15.12	14.39	15.35	15.17
96165	15 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more), face-to-face; each additional 15 minutes (List separately in addition to code for primary service) - SUDPT	4.09	4.09	4.09	4.39	4.24
96165	15 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more), face-to-face; each additional 15 minutes (List separately in addition to code for primary service) - SUDP Bachelor's and Below	4.27	4.27	4.27	4.58	4.43
96165	15 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more), face-to-face; each additional 15 minutes (List separately in addition to code for primary service) - SUDP Master's in a Social Services Field	4.70	4.70	4.70	5.05	4.88
H0001	15 minutes	Alcohol/drug assessmt - SUDPT	31.31	30.77	30.62	32.83	31.81
H0001	15 minutes	Alcohol/drug assessmt - SUDP Bachelor's and Below	32.63	32.07	31.93	34.24	33.17
H0001	15 minutes	Alcohol/drug assessmt - SUDP Master's in a Social Services Field	35.87	35.28	35.14	37.70	36.51
H0004SUD	15 minutes	Behav. Hlth Cnslng and thrpy, per 15 mins - SUDPT	37.12	34.68	34.02	36.40	35.53
H0004SUD	15 minutes	Behav. Hlth Cnslng and thrpy, per 15 mins - SUDP Bachelor's and Below	38.59	36.09	35.43	37.92	37.00
H0004SUD	15 minutes	Behav. Hlth Cnslng and thrpy, per 15 mins - SUDP Master's in a Social Services Field	42.19	39.55	38.89	41.66	40.61
T1016	15 minutes	Case management, each 15 mins - SUDPT	34.27	31.03	30.05	32.09	31.53
T1016	15 minutes	Case management, each 15 mins - SUDP Bachelor's and Below	35.55	32.24	31.26	33.40	32.79
T1016	15 minutes	Case management, each 15 mins - SUDP Master's in a Social Services Field	38.69	35.21	34.23	36.61	35.89

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State of Washington Health Care Authority Behavioral Health Comparison Rate Development – Phase 1 Appendix B.2 - Service Rate Components for SUD Outpatient Services, CY2023 (using high cost wage and urban transportation assumptions)										
HCPCS	Unit Type	Description and Provider Grouping	Direct Service Employee Salaries & Wages	Indirect Service Employee Salaries & Wages	Transportation Service Employee Salaries & Wages	Employee Related Expenses	Transportation & Fleet Vehicle Expenses	Administration, Program Support & Overhead	Total Rate	
96164	30 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more) face to face, first 30 minutes - SUDPT	\$ 3.76	\$ 3.01	\$ 0.47	\$ 1.82	\$ 1.10	\$ 3.38	\$ 13.53	
96164	30 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more) face to face, first 30 minutes - SUDP Bachelor's and Below	3.94	3.15	0.49	1.86	1.10	3.51	14.06	
96164	30 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more) face to face, first 30 minutes - SUDP Master's in a Social Services Field	4.38	3.51	0.55	1.97	1.10	3.84	15.35	
96165	15 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more), face-to-face; each additional 15 minutes (List separately in addition to code for primary service) - SUDPT	1.88	0.75	-	0.66	-	1.10	4.39	
96165	15 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more), face-to-face; each additional 15 minutes (List separately in addition to code for primary service) - SUDP Bachelor's and Below	1.97	0.79	-	0.68	-	1.15	4.58	
96165	15 minutes	Behav. Hlth Intrvtn. w/ grp (2 or more), face-to-face; each additional 15 minutes (List separately in addition to code for primary service) - SUDP Master's in a Social Services Field	2.19	0.88	-	0.72	-	1.26	5.05	
H0001	15 minutes	Alcohol/drug assessmt - SUDPT	14.10	4.70	0.70	4.90	0.22	8.21	32.83	
H0001	15 minutes	Alcohol/drug assessmt - SUDP Bachelor's and Below	14.77	4.92	0.74	5.02	0.22	8.56	34.24	
H0001	15 minutes	Alcohol/drug assessmt - SUDP Master's in a Social Services Field	16.44	5.48	0.82	5.31	0.22	9.43	37.70	
H0004SUD	15 minutes	Behav. Hlth Cnslng and thrpy, per 15 mins - SUDPT	14.10	3.76	3.17	5.28	0.99	9.10	36.40	
H0004SUD	15 minutes	Behav. Hlth Cnslng and thrpy, per 15 mins - SUDP Bachelor's and Below	14.77	3.94	3.32	5.41	0.99	9.48	37.92	
H0004SUD	15 minutes	Behav. Hlth Cnslng and thrpy, per 15 mins - SUDP Master's in a Social Services Field	16.44	4.38	3.70	5.73	0.99	10.41	41.66	
T1016	15 minutes	Case management, each 15 mins - SUDPT	11.28	3.01	3.78	4.54	1.47	8.02	32.09	
T1016	15 minutes	Case management, each 15 mins - SUDP Bachelor's and Below	11.82	3.15	3.96	4.65	1.47	8.35	33.40	
T1016	15 minutes	Case management, each 15 mins - SUDP Master's in a Social Services Field	13.15	3.51	4.41	4.92	1.47	9.15	36.61	

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Appendix B.3 - SUD Outpatient Comparison Rate Build Up Example – SUD Assessment (H0001), CY2023 (using high cost wage and urban transportation assumptions)

Service Information

Service Code: H0001 - SUDP Bachelor's and Below
 Region: High-Cost Wage, Urban Travel
 Service Category: SUD Outpatient
 Service Description: Alcohol/drug assessmt
 Reporting Units: 15 minutes

Ref.	Description	Clinician: SUDP Bachelor's and Below	Supervisor: SUDP Bachelor's and Below	Total	Notes
A	Average minutes of direct time per unit	15.00			
B	Average minutes of indirect time per unit	5.00			
C	Average minutes of transportation time per unit	0.75			Based on separate travel build
D	Total minutes per unit	20.75			D = A + B + C
E	Staffing ratio	1.00			
F	Supervisor span of control		10.00		10 employees assumed to be managed by 1 supervisor
G	Supervisor time per unit		2.08		G = D / E / F
H	PTO/training/conference time adjustment factor	53.0%	53.0%		Based on separate PTO build (includes 20.0% unproductive time adjustment)
I	Adjusted total minutes per unit	31.74	3.17		I = D / E * (1 + H) I = G * (1 + H)
J	Hourly wage	\$ 34.73	\$ 39.03		Based on separate wage build
K	Total wages expense per unit	\$ 18.37	\$ 2.07	\$ 20.44	K = J * I / 60
L	Employee related expense (ERE) percentage	24.7%	23.4%		Based on separate ERE build
M	Total ERE expense per unit	\$ 4.54	\$ 0.48	\$ 5.02	M = K * L
N	Estimated average MPH			30.00	Based on estimated % of in-home services, and the following MPH: Statewide 35.4, Urban 30, Rural 45 MPH, Frontier 55
O	Estimated miles driven per unit			0.38	O = C * N / 60
P	Federal reimbursement rate			\$ 0.585	
Q	Transportation fleet costs per unit			\$ 0.22	Q = O * P
R	Administration / program support / overhead			25.0%	Portion of total rate
S	Administration expenses			\$ 8.56	S = R * (K + M + Q) / (1 - R)
T	Rate Per 15 minutes			\$34.24	T = K + M + Q + S

Appendix C.1 & C.2

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Behavioral Health Comparison Rate Development – Phase 1
Appendix C.1 - Rate Summary for SUD Residential Services, CY2023

HCPCS	ASAM	Unit Type	Population	Description	Standard Wage	High-Cost Wage	Statewide Wage
H0010	ASAM Level 3.2	Per Diem	Not applicable	Alcohol/drug services; subacute detox in Free Standing E&T facility, per diem (inpatient residential addition program); Use this code for Clinically Managed Withdrawal Management.	\$ 471.80	\$ 503.60	\$ 487.88
H0011	ASAM Level 3.7	Per Diem	Not applicable	Alcohol/drug services; acute detox in Free Standing E&T facility, per diem (inpatient residential addition program); Use this code for Medically Monitored Withdrawal Management.	662.49	708.67	685.83
H0018	ASAM Level 3.5	Per Diem	Adult	Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, per diem; ASAM Level 3.5.	384.65	410.52	397.73
H0018	ASAM Level 3.5	Per Diem	Co-occurring MH & SUD	Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, per diem; ASAM Level 3.5; Co-occurring MH & SUD.	399.21	426.21	412.86
H0018	ASAM Level 3.5	Per Diem	Youth facility	Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, per diem; ASAM Level 3.5; Youth facility.	543.85	581.58	562.92
H0018	ASAM Level 3.5	Per Diem	PPW facility	Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, per diem; ASAM Level 3.5; PPW facility.	449.55	480.11	465.00

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Appendix C.2 - Rate Buildups for SUD Residential Services, CY2023 (using high-cost wage assumptions)**

Service Information

Service Code: H0010
 Region: High-Cost Wage
 Service Category: SUD Residential
 Service Description: Alcohol/drug services; subacute detox in Free Standing E&T facility, Per Diem (inpatient residential addition program); Use this code for Clinically Managed Withdrawal Management.
 Reporting Units: Per Diem

		Resident Assistant in SUD Facility (non-clinical)	SUDP Bachelor's and Below	SUDP Master's in a Social Services Field	Registered Nurse	Licensed Practical Nurse	PAs, NPs, and Pharmacists	Total	Notes
A	First shift workers	1.00	1.50	1.00	0.80	0.20	1.00		
B	Second shift workers	1.00	1.00	-	0.80	0.20	-		
C	Third shift workers	1.00	-	-	0.80	0.20	-		
D	Weekend first shift workers	1.00	1.50	-	0.80	0.20	1.00		
E	Weekend second shift workers	1.00	1.00	-	0.80	0.20	-		
F	Weekend third shift workers	1.00	-	-	0.80	0.20	-		
G	Total weekly hours	168	140	40	134	34	56	572	$G = \{[(A + B + C) * 5] + [(D + E + F) * 2]\} * 8$
H	Number of individuals served							16	The assumed number of clients in the facility
I	PTO/training/conference time adjustment factor	19.7%	22.4%	22.4%	22.4%	22.4%	22.4%		Based on separate PTO build
J	Adjusted total hours of time per week	201.06	171.34	48.96	164.49	41.12	68.54		$J = G * (1 + I)$
K	Hourly wage	\$ 23.47	\$ 34.73	\$ 38.66	\$ 60.15	\$ 38.65	\$ 85.80		Based on separate wage build
L	Percent of hours that are third shift	33%	0%	0%	33%	33%	0%		$L = ((C * 5 + F * 2) * 8) / G$
M	Total wages expense per week	\$ 4,853	\$ 5,950	\$ 1,892	\$ 10,004	\$ 1,617	\$ 5,881		$M = J * (K + L * \$2)$ Third shift workers get paid an extra \$2/hour
N	Holidays worked per year	10.00	10.00	10.00	10.00	10.00	10.00		
O	Percent of non-holiday hours paid at time and a half	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
P	Percent of total hours paid at time and a half	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%		$P = ((365.25 - N) * O + N) / 365.25$
Q	Total direct care wage adjusted for overtime and holidays per week	\$ 4,908.49	\$ 6,016.86	\$ 1,913.64	\$ 10,115.63	\$ 1,634.91	\$ 5,946.36	\$ 30,535.89	$Q = M + G * P * (K + L * \$2) * 0.5$
R	Employee related expense (ERE) percentage	30.0%	24.7%	23.5%	19.6%	23.5%	16.8%		Based on separate ERE build
S	Total ERE expense per week	\$ 1,473.33	\$ 1,485.79	\$ 449.32	\$ 1,987.29	\$ 383.90	\$ 999.21	\$ 6,778.84	$S = Q * R$
T	Medication and on-call prescriber costs							\$ 2,872.80	$T = (\$20 \text{ Medication} + \$7 \text{ On-Call Prescriber}) \text{ per client per day} * 16 \text{ clients} * 7 \text{ days} * Y$
U	Subtotal before administration / overhead / program support							\$ 40,187.52	$U = (Q + S + T)$
V	Administration / program support / overhead percentage							25.0%	
W	Administration / overhead / program support cost per week							\$13,395.84	$W = (U * V) / (1 - V)$
X	Total cost per week							\$53,583.36	$X = U + W$
Y	Caseload efficiency							95.0%	
Z	Units per week							7.00	
AA	Per Diem Rate							\$503.60	$AA = X / Y / Z / H$

Ref.	Cost Component							Total	Notes
AB	Direct care employee salaries & wages							\$ 286.99	$AB = Q / H / Y / Z$
AC	Employee related expenses							\$ 63.71	$AC = S / H / Y / Z$
AD	Administration, program support & overhead							\$ 152.90	$AD = (T + W) / H / Y / Z$
AE	Per Diem Rate							\$503.60	

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Behavioral Health Comparison Rate Development – Phase 1
Appendix C.2 - Rate Buildups for SUD Residential Services, CY2023 (using high-cost wage assumptions)

Service Information

Service Code: H0011
 Region: High-Cost Wage
 Service Category: SUD Residential
 Service Description: Alcohol/drug services; acute detox in Free Standing E&T facility, Per Diem (inpatient residential addition program); Use this code for Medically Monitored Withdrawal Management.
 Reporting Units: Per Diem

		Resident Assistant in SUD Facility (non-clinical)	SUDP Bachelor's and Below	SUDP Master's in a Social Services Field	Registered Nurse	Licensed Practical Nurse	PAs, NPs, and Pharmacists	Total	Notes
A	First shift workers	1.00	1.50	1.00	2.00	0.50	1.00		
B	Second shift workers	1.00	1.00	-	2.00	0.50	-		
C	Third shift workers	1.00	-	-	1.20	0.30	-		
D	Weekend first shift workers	1.00	1.50	-	2.00	0.50	1.00		
E	Weekend second shift workers	1.00	1.00	-	2.00	0.50	-		
F	Weekend third shift workers	1.00	-	-	1.20	0.30	-		
G	Total weekly hours	168	140	40	291	73	56	768	$G = \{[(A + B + C) * 5] + [(D + E + F) * 2]\} * 8$
H	Number of individuals served							16	The assumed number of clients in the facility
I	PTO/training/conference time adjustment factor	19.7%	22.4%	22.4%	22.4%	22.4%	22.4%		Based on separate PTO build
J	Adjusted total hours of time per week	201.06	171.34	48.96	356.40	89.10	68.54		$J = G * (1 + I)$
K	Hourly wage	\$ 23.47	\$ 34.73	\$ 38.66	\$ 60.15	\$ 38.65	\$ 85.80		Based on separate wage build
L	Percent of hours that are third shift	33%	0%	0%	23%	23%	0%		$L = ((C * 5 + F * 2) * 8) / G$
M	Total wages expense per week	\$ 4,853	\$ 5,950	\$ 1,892	\$ 21,602	\$ 3,485	\$ 5,881		$M = J * (K + L * \$2)$ Third shift workers get paid an extra \$2/hour
N	Holidays worked per year	10.00	10.00	10.00	10.00	10.00	10.00		
O	Percent of non-holiday hours paid at time and a half	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
P	Percent of total hours paid at time and a half	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%		$P = ((365.25 - N) * O + N) / 365.25$
Q	Total direct care wage adjusted for overtime and holidays per week	\$ 4,908.49	\$ 6,016.86	\$ 1,913.64	\$ 21,843.28	\$ 3,523.83	\$ 5,946.36	\$ 44,152.45	$Q = M + G * P * (K + L * \$2) * 0.5$
R	Employee related expense (ERE) percentage	30.0%	24.7%	23.5%	19.6%	23.5%	16.8%		Based on separate ERE build
S	Total ERE expense per week	\$ 1,473.33	\$ 1,485.79	\$ 449.32	\$ 4,291.27	\$ 827.45	\$ 999.21	\$ 9,526.36	$S = Q * R$
T	Medication and on-call prescriber costs							\$ 2,872.80	$T = (\$20 \text{ Medication} + \$7 \text{ On-Call Prescriber}) \text{ per client per day} * 16 \text{ clients} * 7 \text{ days} * Y$
U	Subtotal before administration / overhead / program support							\$ 56,551.61	$U = (Q + S + T)$
V	Administration / program support / overhead percentage							25.0%	
W	Administration / overhead / program support cost per week							\$18,850.54	$W = (U * V) / (1 - V)$
X	Total cost per week							\$75,402.15	$X = U + W$
Y	Caseload efficiency							95.0%	
Z	Units per week							7.00	
AA	Per Diem Rate							\$708.67	$AA = X / Y / Z / H$

Ref.	Cost Component							Total	Notes
AB	Direct care employee salaries & wages							\$ 414.97	$AB = Q / H / Y / Z$
AC	Employee related expenses							\$ 89.53	$AC = S / H / Y / Z$
AD	Administration, program support & overhead							\$ 204.17	$AD = (T + W) / H / Y / Z$
AE	Per Diem Rate							\$708.67	

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Behavioral Health Comparison Rate Development – Phase 1
Appendix C.2 - Rate Buildups for SUD Residential Services, CY2023 (using high-cost wage assumptions)

Service Information
 Service Code: H0018
 Region: High-Cost Wage
 Service Category: SUD Residential
 Service Description: Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, Per Diem; ASAM Level 3.5.
 Reporting Units: Per Diem

		Resident Assistant in SUD Facility (non-clinical)	SUDPT	SUDP Bachelor's and Below	SUDP Master's in a Social Services Field	Licensed Practical Nurse	Specialty Physician	Total	Notes
A	First shift workers	2.00	1.00	1.00	1.50	0.50	0.20		
B	Second shift workers	2.00	-	1.00	1.00	-	-		
C	Third shift workers	2.00	-	-	-	-	-		
D	Weekend first shift workers	2.00	1.00	1.00	1.50	-	-		
E	Weekend second shift workers	2.00	-	1.00	1.00	-	-		
F	Weekend third shift workers	2.00	-	-	-	-	-		
G	Total weekly hours	336	56	112	140	20	8	672	$G = (((A + B + C) * 5) + [(D + E + F) * 2]) * 8$
H	Number of individuals served							16	The assumed number of clients in the facility
I	PTO/training/conference time adjustment factor	19.7%	22.4%	22.4%	22.4%	22.4%	21.0%		Based on separate PTO build
J	Adjusted total hours of time per week	402.12	68.54	137.08	171.34	24.48	9.68		$J = G * (1 + I)$
K	Hourly wage	\$ 23.47	\$ 32.95	\$ 34.73	\$ 38.66	\$ 38.65	\$ 154.67		Based on separate wage build
L	Percent of hours that are third shift	33%	0%	0%	0%	0%	0%		$L = ((C * 5 + F * 2) * 8) / G$
M	Total wages expense per week	\$ 9,706	\$ 2,258	\$ 4,760	\$ 6,624	\$ 946	\$ 1,497		$M = J * (K + L * \$2)$ Third shift workers get paid an extra \$2/hour
N	Holidays worked per year	10.00	10.00	10.00	10.00	10.00	-		
O	Percent of non-holiday hours paid at time and a half	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
P	Percent of total hours paid at time and a half	2.7%	2.7%	2.7%	2.7%	2.7%	0.0%		$P = ((365.25 - N) * O + N) / 365.25$
Q	Total direct care wage adjusted for overtime and holidays per week	\$ 9,816.98	\$ 2,283.75	\$ 4,813.49	\$ 6,697.72	\$ 956.66	\$ 1,496.79	\$ 26,065.39	$Q = M + G * P * (K + L * \$2) * 0.5$
R	Employee related expense (ERE) percentage	30.0%	25.3%	24.7%	23.5%	23.5%	12.2%		Based on separate ERE build
S	Total ERE expense per week	\$ 2,946.65	\$ 578.64	\$ 1,188.64	\$ 1,572.60	\$ 224.64	\$ 183.18	\$ 6,694.34	$S = Q * R$
T	Medication and on-call prescriber costs							\$ 0.00	$T = (\$0 \text{ Medication} + \$0 \text{ On-Call Prescriber}) \text{ per client per day} * 16 \text{ clients} * 7 \text{ days} * Y$
U	Subtotal before administration / overhead / program support							\$ 32,759.73	$U = (Q + S + T)$
V	Administration / program support / overhead percentage							25.0%	
W	Administration / overhead / program support cost per week							\$10,919.91	$W = (U * V) / (1 - V)$
X	Total cost per week							\$43,679.64	$X = U + W$
Y	Caseload efficiency							95.0%	
Z	Units per week							7.00	
AA	Per Diem Rate							\$410.52	$AA = X / Y / Z / H$

Ref.	Cost Component							Total	Notes
AB	Direct care employee salaries & wages							\$ 244.98	$AB = Q / H / Y / Z$
AC	Employee related expenses							\$ 62.92	$AC = S / H / Y / Z$
AD	Administration, program support & overhead							\$ 102.63	$AD = (T + W) / H / Y / Z$
AE	Per Diem Rate							\$410.52	

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Behavioral Health Comparison Rate Development – Phase 1
Appendix C.2 - Rate Buildups for SUD Residential Services, CY2023 (using high-cost wage assumptions)

Service Information

Service Code: H0018 - Co-occurring
 Region: High-Cost Wage
 Service Category: SUD Residential
 Service Description: Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, Per Diem; ASAM Level 3.5; Co-occurring MH & SUD.
 Reporting Units: Per Diem

		Resident Assistant in SUD Facility (non-clinical)	SUDPT	SUDP Master's in a Social Services Field	PAs, NPs, and Pharmacists	Specialty Physician	Total	Notes
A	First shift workers	2.00	1.00	2.00	0.50	0.20		
B	Second shift workers	2.00	-	2.00	-	-		
C	Third shift workers	2.00	-	-	-	-		
D	Weekend first shift workers	2.00	1.00	2.00	0.50	-		
E	Weekend second shift workers	2.00	-	2.00	-	-		
F	Weekend third shift workers	2.00	-	-	-	-		
G	Total weekly hours	336	56	224	28	8	652	$G = \{[(A + B + C) * 5] + [(D + E + F) * 2]\} * 8$
H	Number of individuals served						16	The assumed number of clients in the facility
I	PTO/training/conference time adjustment factor	19.7%	22.4%	22.4%	22.4%	21.0%		Based on separate PTO build
J	Adjusted total hours of time per week	402.12	68.54	274.15	34.27	9.68		$J = G * (1 + I)$
K	Hourly wage	\$ 23.47	\$ 32.95	\$ 38.66	\$ 85.80	\$ 154.67		Based on separate wage build
L	Percent of hours that are third shift	33%	0%	0%	0%	0%		$L = ((C * 5 + F * 2) * 8) / G$
M	Total wages expense per week	\$ 9,706	\$ 2,258	\$ 10,598	\$ 2,940	\$ 1,497		$M = J * (K + L * \$2) \parallel$ Third shift workers get paid an extra \$2/hour
N	Holidays worked per year	10.00	10.00	10.00	10.00	-		
O	Percent of non-holiday hours paid at time and a half	0.0%	0.0%	0.0%	0.0%	0.0%		
P	Percent of total hours paid at time and a half	2.7%	2.7%	2.7%	2.7%	0.0%		$P = ((365.25 - N) * O + N) / 365.25$
Q	Total direct care wage adjusted for overtime and holidays per week	\$ 9,816.98	\$ 2,283.75	\$ 10,716.36	\$ 2,973.18	\$ 1,496.79	\$ 27,287.05	$Q = M + G * P * (K + L * \$2) * 0.5$
R	Employee related expense (ERE) percentage	30.0%	25.3%	23.5%	16.8%	12.2%		Based on separate ERE build
S	Total ERE expense per week	\$ 2,946.65	\$ 578.64	\$ 2,516.17	\$ 499.60	\$ 183.18	\$ 6,724.24	$S = Q * R$
T	Medication and on-call prescriber costs						\$ 0.00	$T = (\$0 \text{ Medication} + \$0 \text{ On-Call Prescriber}) \text{ per client per day} * 16 \text{ clients} * 7 \text{ days} * Y$
U	Subtotal before administration / overhead / program support						\$ 34,011.29	$U = (Q + S + T)$
V	Administration / program support / overhead percentage						25.0%	
W	Administration / overhead / program support cost per week						\$11,337.10	$W = (U * V) / (1 - V)$
X	Total cost per week						\$45,348.39	$X = U + W$
Y	Caseload efficiency						95.0%	
Z	Units per week						7.00	
AA	Per Diem Rate						\$426.21	$AA = X / Y / Z / H$

Ref.	Cost Component	Total	Notes
AB	Direct care employee salaries & wages	\$ 256.46	$AB = Q / H / Y / Z$
AC	Employee related expenses	\$ 63.20	$AC = S / H / Y / Z$
AD	Administration, program support & overhead	\$ 106.55	$AD = (T + W) / H / Y / Z$
AE	Per Diem Rate	\$426.21	

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Behavioral Health Comparison Rate Development – Phase 1
Appendix C.2 - Rate Buildups for SUD Residential Services, CY2023 (using high-cost wage assumptions)

Service Information

Service Code: H0018 - Youth
 Region: High-Cost Wage
 Service Category: SUD Residential
 Service Description: Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, Per Diem; ASAM Level 3.5; Youth facility.
 Reporting Units: Per Diem

		Master's and Below (Non-MHP Agency-Affiliated Counselors)	SUDPT	SUDP Bachelor's and Below	SUDP Master's in a Social Services Field	Specialty Physician	Total	Notes
A	First shift workers	3.00	1.00	1.00	2.00	0.20		
B	Second shift workers	3.00	-	1.00	1.00	-		
C	Third shift workers	2.50	-	-	-	-		
D	Weekend first shift workers	3.00	1.00	1.00	2.00	-		
E	Weekend second shift workers	3.00	-	1.00	1.00	-		
F	Weekend third shift workers	2.50	-	-	-	-		
G	Total weekly hours	476	56	112	168	8	820	$G = \{[(A + B + C) * 5] + [(D + E + F) * 2]\} * 8$
H	Number of individuals served						16	The assumed number of clients in the facility
I	PTO/training/conference time adjustment factor	22.4%	22.4%	22.4%	22.4%	21.0%		Based on separate PTO build
J	Adjusted total hours of time per week	582.57	68.54	137.08	205.61	9.68		$J = G * (1 + I)$
K	Hourly wage	\$ 34.73	\$ 32.95	\$ 34.73	\$ 38.66	\$ 154.67		Based on separate wage build
L	Percent of hours that are third shift	29%	0%	0%	0%	0%		$L = ((C * 5 + F * 2) * 8) / G$
M	Total wages expense per week	\$ 20,574	\$ 2,258	\$ 4,760	\$ 7,948	\$ 1,497		$M = J * (K + L * \$2)$ Third shift workers get paid an extra \$2/hour
N	Holidays worked per year	10.00	10.00	10.00	10.00	-		
O	Percent of non-holiday hours paid at time and a half	0.0%	0.0%	0.0%	0.0%	0.0%		
P	Percent of total hours paid at time and a half	2.7%	2.7%	2.7%	2.7%	0.0%		$P = ((365.25 - N) * O + N) / 365.25$
Q	Total direct care wage adjusted for overtime and holidays per week	\$ 20,803.85	\$ 2,283.75	\$ 4,813.49	\$ 8,037.27	\$ 1,496.79	\$ 37,435.14	$Q = M + G * P * (K + L * \$2) * 0.5$
R	Employee related expense (ERE) percentage	24.7%	25.3%	24.7%	23.5%	12.2%		Based on separate ERE build
S	Total ERE expense per week	\$ 5,137.27	\$ 578.64	\$ 1,188.64	\$ 1,887.13	\$ 183.18	\$ 8,974.85	$S = Q * R$
T	Medication and on-call prescriber costs						\$ 0.00	$T = (\$0 \text{ Medication} + \$0 \text{ On-Call Prescriber}) \text{ per client per day} * 16 \text{ clients} * 7 \text{ days} * Y$
U	Subtotal before administration / overhead / program support						\$ 46,409.99	$U = (Q + S + T)$
V	Administration / program support / overhead percentage						25.0%	
W	Administration / overhead / program support cost per week						\$15,470.00	$W = (U * V) / (1 - V)$
X	Total cost per week						\$61,879.98	$X = U + W$
Y	Caseload efficiency						95.0%	
Z	Units per week						7.00	
AA	Per Diem Rate						\$581.58	$AA = X / Y / Z / H$

Ref.	Cost Component	Total	Notes
AB	Direct care employee salaries & wages	\$ 351.83	$AB = Q / H / Y / Z$
AC	Employee related expenses	\$ 84.35	$AC = S / H / Y / Z$
AD	Administration, program support & overhead	\$ 145.39	$AD = (T + W) / H / Y / Z$
AE	Per Diem Rate	\$581.58	

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Behavioral Health Comparison Rate Development – Phase 1
Appendix C.2 - Rate Buildups for SUD Residential Services, CY2023 (using high-cost wage assumptions)

Service Information

Service Code: H0018 - PPW
 Region: High-Cost Wage
 Service Category: SUD Residential
 Service Description: Behavioral health; short-term resid. (nonhospital residential trx program), w/o room and board, Per Diem; ASAM Level 3.5; PPW facility.
 Reporting Units: Per Diem

		Resident Assistant in SUD Facility (non-clinical)	SUDP Master's in a Social Services Field	Registered Nurse	Licensed Practical Nurse	PAs, NPs, and Pharmacists	Specialty Physician	Total	Notes
A	First shift workers	2.50	2.50	0.16	0.04	0.50	0.20		
B	Second shift workers	2.50	2.50	-	-	-	-		
C	Third shift workers	2.50	-	-	-	-	-		
D	Weekend first shift workers	2.50	2.50	-	-	0.50	-		
E	Weekend second shift workers	2.50	2.50	-	-	-	-		
F	Weekend third shift workers	2.50	-	-	-	-	-		
G	Total weekly hours	420	280	6	2	28	8	744	$G = \{[(A + B + C) * 5] + [(D + E + F) * 2]\} * 8$
H	Number of individuals served							16	The assumed number of clients in the facility
I	PTO/training/conference time adjustment factor	19.7%	22.4%	22.4%	22.4%	22.4%	21.0%		Based on separate PTO build
J	Adjusted total hours of time per week	502.65	342.69	7.83	1.96	34.27	9.68		$J = G * (1 + I)$
K	Hourly wage	\$ 23.47	\$ 38.66	\$ 60.15	\$ 38.65	\$ 85.80	\$ 154.67		Based on separate wage build
L	Percent of hours that are third shift	33%	0%	0%	0%	0%	0%		$L = ((C * 5 + F * 2) * 8) / G$
M	Total wages expense per week	\$ 12,132	\$ 13,247	\$ 471	\$ 76	\$ 2,940	\$ 1,497		$M = J * (K + L * \$2)$ Third shift workers get paid an extra \$2/hour
N	Holidays worked per year	10.00	10.00	10.00	10.00	10.00	-		
O	Percent of non-holiday hours paid at time and a half	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
P	Percent of total hours paid at time and a half	2.7%	2.7%	2.7%	2.7%	2.7%	0.0%		$P = ((365.25 - N) * O + N) / 365.25$
Q	Total direct care wage adjusted for overtime and holidays per week	\$ 12,271.22	\$ 13,395.45	\$ 476.42	\$ 76.53	\$ 2,973.18	\$ 1,496.79	\$ 30,689.58	$Q = M + G * P * (K + L * \$2) * 0.5$
R	Employee related expense (ERE) percentage	30.0%	23.5%	19.6%	23.5%	16.8%	12.2%		Based on separate ERE build
S	Total ERE expense per week	\$ 3,683.32	\$ 3,145.21	\$ 93.60	\$ 17.97	\$ 499.60	\$ 183.18	\$ 7,622.87	$S = Q * R$
T	Medication and on-call prescriber costs							\$ 0.00	$T = (\$0 \text{ Medication} + \$0 \text{ On-Call Prescriber}) \text{ per client per day} * 16 \text{ clients} * 7 \text{ days} * Y$
U	Subtotal before administration / overhead / program support							\$ 38,312.46	$U = (Q + S + T)$
V	Administration / program support / overhead percentage							25.0%	
W	Administration / overhead / program support cost per week							\$12,770.82	$W = (U * V) / (1 - V)$
X	Total cost per week							\$51,083.28	$X = U + W$
Y	Caseload efficiency							95.0%	
Z	Units per week							7.00	
AA	Per Diem Rate							\$480.11	$AA = X / Y / Z / H$

Ref.	Cost Component							Total	Notes
AB	Direct care employee salaries & wages							\$ 288.44	$AB = Q / H / Y / Z$
AC	Employee related expenses							\$ 71.64	$AC = S / H / Y / Z$
AD	Administration, program support & overhead							\$ 120.03	$AD = (T + W) / H / Y / Z$
AE	Per Diem Rate							\$480.11	

Appendix D.1, D.2, D.3, & D.4

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 Behavioral Health Comparison Rate Development – Phase 1
 Appendix D.1 - Rate Summary for WISe and PACT Services, CY2023

HCPCS	Unit Type	Description	Total FTEs per Team Used for Rate Development	Total FTEs per Team Required by State	Caseload per Team	Standard Wage, Frontier Travel	Standard Wage, Urban Travel	High-Cost Wage, Urban Travel	Standard Wage, Rural Travel	Statewide Wage, Statewide Travel
WISe	Monthly	Wraparound with Intensive Services	4.22	4 Roles ^[1]	12	\$ 4,213.35	\$ 3,935.62	\$ 4,206.99	\$ 4,039.77	\$ 4,114.50
PACT-Full	Monthly	Washington Program for Assertive Community Treatment	13.00	11.00-15.50	100	2,018.35	1,959.79	2,084.31	1,981.75	2,031.53
PACT-Half	Monthly	Washington Program for Assertive Community Treatment	9.00	8.00-9.50	50	2,628.78	2,570.23	2,739.83	2,592.18	2,664.76

[1] Each WISe team requires 4 specific roles with no explicit number of FTE requirement.

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Appendix D.2 - Rate Buildups for WISe, CY2023 (using high-cost wage and urban transportation assumptions)

Service Information

Service Code: WISe
 Region: High-Cost Wage, Urban Travel
 Service Category: Mental Health Program
 Service Description: Wraparound with Intensive Services
 Reporting Units: Monthly

Ref.	Description	Peer Support	Master's and Below (Non-MHP Agency-Affiliated Counselors)	SUDP Master's in a Social Services Field	Master's Level Degree Unlicensed (MHP)	Master's Level Degree Licensed (MHP)	Total	Notes
A	Hourly wage	\$ 29.25	\$ 38.20	\$ 38.20	\$ 40.36	\$ 44.95		Based on separate wage build, with a 10% increase
B	Number of employees	1.13	1.13	0.50	1.33	0.13		
C	Total wages expense per month	\$ 5,730	\$ 7,482	\$ 3,311	\$ 9,305	\$ 1,013	\$ 26,840	C = A * B * 2,080 / 12
D	Employee related expense (ERE) percentage	28.2%	24.7%	24.7%	24.1%	22.9%		Based on separate ERE build
E	Total ERE expense per month	\$ 1,613	\$ 1,848	\$ 818	\$ 2,238	\$ 232	\$ 6,749	E = C * D
F	Estimated miles driven per month						2,991	Based on separate travel build
G	Federal reimbursement rate						\$ 0.585	
H	Transportation fleet costs per month						\$ 1,749.74	H = F * G
I	Administration / program support / overhead						30.0%	Portion of monthly costs
J	Monthly administrative expenses						\$ 15,145.15	J = I * (C + E + H) / (1 - I)
K	Monthly costs						\$ 50,483.83	K = C + E + H + J
L	Number of clients per team						12.00	
M	Monthly Rate						\$ 4,206.99	M = K / L

Ref.	Summary of Rate Model Components						Total	Notes
N	Service employee salaries & wages						2,236.69	
O	Employee related expenses						\$ 562.39	
P	Transportation & fleet vehicle expenses						\$ 145.81	
Q	Administration, program support & overhead						\$ 1,262.10	
R	Total Rate						\$ 4,206.99	

State of Washington
Health Care Authority
Behavioral Health Comparison Rate Development – Phase 1
Appendix D.3 - Rate Buildups for PACT – Half, CY2023 (using high-cost wage and urban transportation assumptions)

Service Information

Service Code: PACT-Half
 Region: High-Cost Wage, Urban Travel
 Service Category: Mental Health Program
 Service Description: Washington Program for Assertive Community Treatment
 Reporting Units: Monthly

Ref.	Description	Peer Support	Master's and Below (Non-MHP Agency-Affiliated Counselors)	SUDP Master's in a Social Services Field	Master's Level Degree Unlicensed (MHP)	Master's Level Degree Licensed (MHP)	Registered Nurse	PAs, NPs, and Pharmacists	Specialty Physician	Total	Notes
A	Hourly wage	\$ 29.25	\$ 38.20	\$ 42.52	\$ 40.36	\$ 44.95	\$ 66.16	\$ 94.38	\$ 170.14		Based on separate wage build, with a 10% increase
B	Number of employees	1.00	3.50	0.50	0.50	1.00	2.00	0.25	0.25		
C	Total wages expense per month	\$ 5,071	\$ 23,175	\$ 3,685	\$ 3,498	\$ 7,792	\$ 22,937	\$ 4,090	\$ 7,373	\$ 77,620	C = A * B * 2,080 / 12
D	Employee related expense (ERE) percentage	28.2%	24.7%	23.5%	24.1%	22.9%	19.6%	16.8%	12.2%		Based on separate ERE build
E	Total ERE expense per month	\$ 1,428	\$ 5,723	\$ 865	\$ 841	\$ 1,784	\$ 4,506	\$ 687	\$ 902	\$ 16,737	E = C * D
F	Estimated miles driven per month									2,628	Based on separate travel build
G	Federal reimbursement rate									\$ 0.585	
H	Transportation fleet costs per month									\$ 1,537.10	H = F * G
I	Administration / program support / overhead									30.0%	Portion of monthly costs
J	Monthly administrative expenses									\$ 41,097.44	J = I * (C + E + H) / (1 - I)
K	Monthly costs									\$ 136,991.48	K = C + E + H + J
L	Number of clients per team									50.00	
M	Monthly Rate									\$ 2,739.83	M = K / L

Ref.	Summary of Rate Model Components	Total	Notes
N	Service employee salaries & wages	1,552.40	
O	Employee related expenses	\$ 334.74	
P	Transportation & fleet vehicle expenses	\$ 30.74	
Q	Administration, program support & overhead	\$ 821.95	
R	Total Rate	\$ 2,739.83	

State of Washington
Health Care Authority
Behavioral Health Comparison Rate Development – Phase 1
Appendix D.4 - Rate Buildups for PACT – Full, CY2023 (using high-cost wage and urban transportation assumptions)

Service Information

Service Code: PACT-Full
 Region: High-Cost Wage, Urban Travel
 Service Category: Mental Health Program
 Service Description: Washington Program for Assertive Community Treatment
 Reporting Units: Monthly

Ref.	Description	Peer Support	Master's and Below (Non-MHP Agency-Affiliated Counselors)	SUDP Master's in a Social Services Field	Master's Level Degree Unlicensed (MHP)	Master's Level Degree Licensed (MHP)	Registered Nurse	PAs, NPs, and Pharmacists	Specialty Physician	Total	Notes
A	Hourly wage	\$ 29.25	\$ 38.20	\$ 42.52	\$ 40.36	\$ 44.95	\$ 66.16	\$ 94.38	\$ 170.14		Based on separate wage build, with a 10% increase
B	Number of employees	1.00	4.00	1.00	2.00	1.00	3.00	0.50	0.50		
C	Total wages expense per month	\$ 5,071	\$ 26,485	\$ 7,371	\$ 13,992	\$ 7,792	\$ 34,406	\$ 8,180	\$ 14,745	\$ 118,041	C = A * B * 2,080 / 12
D	Employee related expense (ERE) percentage	28.2%	24.7%	23.5%	24.1%	22.9%	19.6%	16.8%	12.2%		Based on separate ERE build
E	Total ERE expense per month	\$ 1,428	\$ 6,540	\$ 1,731	\$ 3,366	\$ 1,784	\$ 6,759	\$ 1,374	\$ 1,805	\$ 24,787	E = C * D
F	Estimated miles driven per month									5,255	Based on separate travel build
G	Federal reimbursement rate									\$ 0.585	
H	Transportation fleet costs per month									\$ 3,074.19	H = F * G
I	Administration / program support / overhead									30.0%	Portion of monthly costs
J	Monthly administrative expenses									\$ 62,529.29	J = I * (C + E + H) / (1 - I)
K	Monthly costs									\$ 208,430.96	K = C + E + H + J
L	Number of clients per team									100.00	
M	Monthly Rate									\$ 2,084.31	M = K / L

Ref.	Summary of Rate Model Components	Total	Notes
N	Service employee salaries & wages	1,180.41	
O	Employee related expenses	\$ 247.87	
P	Transportation & fleet vehicle expenses	\$ 30.74	
Q	Administration, program support & overhead	\$ 625.29	
R	Total Rate	\$ 2,084.31	

Appendix E

**State of Washington
Health Care Authority
Behavioral Health Comparison Rate Development – Phase 1
Appendix E - Crosswalk of Provider Types from SERI to Provider Group**

Provider Types	SERI Taxonomy Code	Provider Grouping
Resident Assistant in SUD Facility (non-clinical)	Not Listed in SERI	Resident Assistant in SUD Facility (non-clinical)
Substance Use Disorder Professional Trainee (SUDPT)	101Y99995L	SUDPT
Substance Use Disorder Professional (SUDP)	101YA0400X	SUDP Bachelor's and Below
Substance Use Disorder Professional (SUDP)	101YA0400X	SUDP Master's in a Social Services Field
Medical Assistant - Certified	101Y99993L	Certified Medical Assistant
Licensed Psychologist	103T00000X	Clinical Psychologist
Licensed Practical Nurse	164W00000X	Licensed Practical Nurse
Other (Clinical Staff)	101Y99995L	Master's and Below (Non-MHP Agency-Affiliated Counselors)
Below Master's Degree	101Y99995L	Master's and Below (Non-MHP Agency-Affiliated Counselors)
Licensed Social Worker (Advanced or Independent Clinical License)	104I00000X	Master's Level Degree Licensed (MHP)
Licensed/Certified Mental Health Counselor	101YM0800X	Master's Level Degree Licensed (MHP)
Licensed Marriage and Family Therapist	106H00000X	Master's Level Degree Licensed (MHP)
Bachelor Level W Exception/Waiver	101Y99995L	Master's Level Degree Unlicensed (MHP)
Non Licensed MA/PHD	101Y99996L	Master's Level Degree Unlicensed (MHP)
Master Level with Exception/Waiver	101Y99995L	Master's Level Degree Unlicensed (MHP)
Physician Assistant (PA)	363A00000X	PAs, NPs, and Pharmacists
Pharmacist- D	183500000X	PAs, NPs, and Pharmacists
Psych, Mental Health ARNP	363LP0808X	PAs, NPs, and Pharmacists
DBHR Credentialed Certified Peer Counselor	175T00000X	Peer Support
Registered Nurse	163W00000X	Registered Nurse
Psychiatry & Neurology	2084P0800X	Specialty Physician

Appendix F

State of Washington
Health Care Authority
Behavioral Health Comparison Rate Development – Phase 1
Appendix F - PTO, Training Time, and Non-Productive Time Factor by Provider Group

Provider Group	A	B	C	D	E	F	G	H	I	J	K	L
	Total Hours	Paid Holidays and PTO per year	On-going training/conference time hours per year	Total	Training hours/inefficient time for each new hire	Turnover percentage	New hire training hours per year	Hours of replacement for non-productive time	Annual productive time	PTO / training / conference time adjustment factor	Additional non-productive time	Adjustment factor using additional non-productive time
				B + C			E * F	D + G	A - H	A / I - 1		A / (I * (1 - K)) - 1
Specialty Physician	2,080	268	40	308	150	35%	53	361	1,720	21.0%	20.0%	51.2%
Clinical Psychologist	2,080	268	40	308	150	35%	53	361	1,720	21.0%	20.0%	51.2%
Resident Assistant in SUD Facility (non-clinical)	2,080	268	60	328	40	35%	14	342	1,738	19.7%	20.0%	49.6%
Certified Medical Assistant	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
SUDPT	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
SUDP Bachelor's and Below	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
SUDP Master's in a Social Services Field	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
Master's and Below (Non-MHP Agency-Affiliated Counselors)	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
Master's Level Degree Unlicensed (MHP)	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
Master's Level Degree Licensed (MHP)	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
PAs, NPs, and Pharmacists	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
Registered Nurse	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
Licensed Practical Nurse	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%
Peer Support	2,080	268	60	328	150	35%	53	381	1,700	22.4%	20.0%	53.0%

Appendix G

State of Washington
Health Care Authority
Behavioral Health Comparison Rate Development – Phase 1
Appendix G - Indirect Time and Transportation Time by Procedure Code

Service Code	Service Type	Description	Percent of Units with Transportation	Average Number of Units Billed Per Visit with Travel Required	Average Travel Minutes Per Unit Assumptions			Indirect Time
					Urban	Rural	Frontier	
90791	MH OP	Psych Diag. Eval	30.0%	1.00	11.25	11.25	14.32	30.00
90792	MH OP	Psych Diag. Eval w/ med srvc	30.0%	1.00	11.25	11.25	14.32	30.00
90832	MH OP	Psychother. w/ PT. and/or fam. mem., approx. 30 mins.	30.0%	1.00	11.25	11.25	14.32	10.00
90834	MH OP	Psychother. w/ PT and/or fam. mem., approx. 45 mins	30.0%	1.00	11.25	11.25	14.32	15.00
90837	MH OP	Psychother. approx. 60 mins w/ PT and/or fam. mem.	30.0%	1.00	11.25	11.25	14.32	20.00
90846	MH OP	Fam. psychother. w/o PT	30.0%	2.00	5.63	5.63	7.16	5.00
90847	MH OP	Fam. psychother. w/ PT present	30.0%	2.00	5.63	5.63	7.16	5.00
90853	MH OP	Grp psychother. (other than of a multiple-fam. grp)	10.0%	5.00	0.75	0.75	0.95	8.00
99205	MH OP	Office/OP visit, new patient, high MDM or 60-74 total time of encounter	15.0%	1.00	5.63	5.63	7.16	20.00
99213	MH OP	Office/OP visit, established patient, low MDM or 20-29 minutes total time of encounter.	30.0%	1.00	11.25	11.25	14.32	5.00
99214	MH OP	Office/OP visit, established patient, moderate MDM or 30-39 minutes total time of encounter.	30.0%	1.00	11.25	11.25	14.32	10.00
99215	MH OP	Office/OP visit, established patient, high MDM or 40-54 minutes total time of encounter.	30.0%	1.00	11.25	11.25	14.32	14.00
H0004	MH OP	BH cnsling and ther., per 15 minutes	30.0%	3.33	3.38	3.38	4.30	5.00
H0031	MH OP	MH health assess by non-MD	20.0%	5.00	1.50	1.50	1.91	5.00
H0036	MH OP	Comm. psych. supp. tx., face-face, per 15 mins	20.0%	2.50	3.00	3.00	3.82	25.00
H0038	MH OP	Self-help/peer srvc, per 15 mins	40.0%	3.33	4.50	4.50	5.73	4.00
H2014	MH OP	Skills train and dev, per 15 mins	40.0%	5.00	3.00	3.00	3.82	4.00
H2015	MH OP	Comprehensive community support services, per 15 mins	40.0%	2.00	7.50	7.50	9.55	4.00
96164	SUD OP	Behav. Hlth Intrvtn. w/ grp (2 or more) face to face, first 30 minutes	10.0%	1.00	3.75	3.75	4.77	24.00
96165	SUD OP	Behav. Hlth Intrvtn. w/ grp (2 or more), face-to-face; each additional 15 minutes (List separately in addition to code for primary service)	10.0%	Travel time is accounted for via 96164				6.00
H0004SUD	SUD OP	Behav. Hlth Cnslng and thrpy, per 15 mins	30.0%	3.33	3.38	3.38	4.30	4.00
T1016	SUD OP	Case management, each 15 mins	20.0%	1.49	5.03	5.03	6.40	4.00
H0001	SUD OP	Alcohol/drug assessmt	10.0%	5.00	0.75	0.75	0.95	5.00

Percentage of units with transportation was determined using the home place of service.

Appendix H.1 & H.2

State of Washington Health Care Authority Behavioral Health Comparison Rate Development – Phase 1 Appendix H.1 - Projected CY 2023 Statewide and Regional Wages by Provider Grouping – Non-Supervisor Clinicians						
Provider Grouping	Statewide BLS May 2020 Hourly Wage ^[1]	Statewide Proposed CY23 Hourly Wage ^[2]	Assumed Aggregate Wage Trend	High-Cost Region Proposed CY23 Hourly Wage ^[3]	Standard Region Proposed CY23 Hourly Wage ^[3]	Regional Wage Differential
Bureau of Labor Statistics Positions						
Specialty Physician	\$126.72	\$154.67	22.1%	\$154.67	\$154.67	1.000
Psychiatrists	126.72 ^[4]	154.67	22.1%	154.67	154.67	1.000
Clinical Psychologist	\$43.92	\$53.60	22.1%	\$55.67	\$51.49	1.081
Clinical, Counseling, and School Psychologists	43.92	53.60	22.1%	55.67	51.49	1.081
Resident Assistant in SUD Facility (non-clinical)	\$18.52	\$22.60	22.1%	\$23.47	\$21.71	1.081
Social and Human Service Assistants	20.98	25.61	22.1%	26.60	24.60	1.081
Home Health and Personal Care Aides	16.05	19.59	22.1%	20.35	18.82	1.081
Certified Medical Assistant	\$23.39	\$28.54	22.1%	\$29.64	\$27.42	1.081
Medical Assistants	23.39	28.54	22.1%	29.64	27.42	1.081
SUDPT	\$26.00	\$31.73	22.1%	\$32.95	\$30.48	1.081
Substance Abuse, Behavioral Disorder, and Mental Health Counselors	27.40	33.44	22.1%	34.73	32.12	1.081
Rehabilitation Counselors	24.60	30.02	22.1%	31.18	28.84	1.081
SUDP Bachelor's and Below	\$27.40	\$33.44	22.1%	\$34.73	\$32.12	1.081
Substance Abuse, Behavioral Disorder, and Mental Health Counselors	27.40	33.44	22.1%	34.73	32.12	1.081
SUDP Master's in a Social Services Field	\$30.50	\$37.22	22.1%	\$38.66	\$35.75	1.081
Mental Health and Substance Abuse Social Workers	30.50	37.22	22.1%	38.66	35.75	1.081
Master's and Below (Non-MHP Agency-Affiliated Counselors)	\$27.40	\$33.44	22.1%	\$34.73	\$32.12	1.081
Substance Abuse, Behavioral Disorder, and Mental Health Counselors	27.40	33.44	22.1%	34.73	32.12	1.081
Master's Level Degree Unlicensed (MHP)	\$28.95	\$35.33	22.1%	\$36.69	\$33.94	1.081
Mental Health and Substance Abuse Social Workers	30.50	37.22	22.1%	38.66	35.75	1.081
Substance Abuse, Behavioral Disorder, and Mental Health Counselors	27.40	33.44	22.1%	34.73	32.12	1.081
Master's Level Degree Licensed (MHP)	\$32.24	\$39.35	22.1%	\$40.86	\$37.79	1.081
Healthcare Social Workers	35.41	43.22	22.1%	44.89	41.52	1.081
Mental Health and Substance Abuse Social Workers	30.50	37.22	22.1%	38.66	35.75	1.081
Child, Family, and School Social Workers	30.81	37.60	22.1%	39.05	36.12	1.081
PAs, NPs, and Pharmacists	\$67.69	\$82.61	22.1%	\$85.80	\$79.36	1.081
Physician Assistants	67.89	82.86	22.1%	86.05	79.59	1.081
Pharmacists	69.42	84.73	22.1%	87.99	81.38	1.081
Nurse Practitioners	65.76	80.26	22.1%	83.35	77.09	1.081
Registered Nurse	\$47.45	\$57.92	22.1%	\$60.15	\$55.63	1.081
Registered Nurses	47.45	57.92	22.1%	60.15	55.63	1.081
Licensed Practical Nurse	\$30.49	\$37.21	22.1%	\$38.65	\$35.75	1.081
Licensed Practical and Licensed Vocational Nurses	30.49	37.21	22.1%	38.65	35.75	1.081
Peer Support	\$20.98	\$25.61	22.1%	\$26.60	\$24.60	1.081
Social and Human Service Assistants	20.98	25.61	22.1%	26.60	24.60	1.081

[1] Statewide BLS May 2020 wages were calculated using the average of the Washington specific BLS wages at the median and 75th percentile levels.

Additionally, the Provider Grouping wage is the straight average of the BLS position wages listed below.

[2] Wages trended from 5/1/20 to 7/1/23 at an annualized trend of 6.5% (as informed by Federal Reserve Economic Data and stakeholder feedback on wage dynamics)

[3] May 2020 WA specific BLS wage regional variation analysis indicated that wages were 3.9% higher in the High-Cost region and 3.9% lower in the Standard region as compared to the Statewide level.

[4] Using the mean BLS hourly rate as the BLS did not provide median or 75th percentile hourly wages for this occupational code. Using the same wage for all regions.

Wage Data Source

Bureau of Labor Statistics. (March 2021). *May 2020 State Occupational Employment and Wage Estimates: Washington*. Retrieved from: https://www.bls.gov/oes/current/oes_wa.htm

Trend Data Source

Federal Reserve Economic Data. (January 2022). *Average Hourly Earnings of All Employees, Education and Health Services*. Retrieved from: <https://fred.stlouisfed.org/series/CE5650000003>

State of Washington Health Care Authority Behavioral Health Comparison Rate Development – Phase 1 Appendix H.2 - Projected CY 2023 Statewide and Regional Wages by Provider Grouping – Supervisor Clinicians						
Provider Grouping Bureau of Labor Statistics Positions	Statewide	Statewide	Assumed	High-Cost Region	Standard Region	Regional
	BLS May 2020 Hourly Wage ^[1]	Proposed CY23 Hourly Wage ^[2]	Aggregate Wage Trend	Proposed CY23 Hourly Wage ^[3]	Proposed CY23 Hourly Wage ^[3]	Wage Differential
Specialty Physician	\$126.72	\$154.67	22.1%	\$154.67	\$154.67	1.000
Psychiatrists	126.72 ^[4]	154.67	22.1%	154.67	154.67	1.000
Clinical Psychologist	\$48.78	\$59.54	22.1%	\$61.84	\$57.19	1.081
Clinical, Counseling, and School Psychologists	48.78	59.54	22.1%	61.84	57.19	1.081
Resident Assistant in SUD Facility (non-clinical)	\$20.14	\$24.58	22.1%	\$25.52	\$23.61	1.081
Social and Human Service Assistants	23.31	28.45	22.1%	29.55	27.33	1.081
Home Health and Personal Care Aides	16.96	20.70	22.1%	21.50	19.88	1.081
Certified Medical Assistant	\$24.89	\$30.38	22.1%	\$31.55	\$29.18	1.081
Medical Assistants	24.89	30.38	22.1%	31.55	29.18	1.081
SUDPT	\$28.99	\$35.38	22.1%	\$36.75	\$33.99	1.081
Substance Abuse, Behavioral Disorder, and Mental Health Counselor:	30.79	37.58	22.1%	39.03	36.10	1.081
Rehabilitation Counselors	27.19	33.19	22.1%	34.47	31.88	1.081
SUDP Bachelor's and Below	\$30.79	\$37.58	22.1%	\$39.03	\$36.10	1.081
Substance Abuse, Behavioral Disorder, and Mental Health Counselor:	30.79	37.58	22.1%	39.03	36.10	1.081
SUDP Master's in a Social Services Field	\$34.18	\$41.72	22.1%	\$43.33	\$40.07	1.081
Mental Health and Substance Abuse Social Workers	34.18	41.72	22.1%	43.33	40.07	1.081
Master's and Below (Non-MHP Agency-Affiliated Counselors)	\$30.79	\$37.58	22.1%	\$39.03	\$36.10	1.081
Substance Abuse, Behavioral Disorder, and Mental Health Counselor:	30.79	37.58	22.1%	39.03	36.10	1.081
Master's Level Degree Unlicensed (MHP)	\$32.49	\$39.65	22.1%	\$41.18	\$38.09	1.081
Mental Health and Substance Abuse Social Workers	34.18	41.72	22.1%	43.33	40.07	1.081
Substance Abuse, Behavioral Disorder, and Mental Health Counselor:	30.79	37.58	22.1%	39.03	36.10	1.081
Master's Level Degree Licensed (MHP)	\$35.42	\$43.23	22.1%	\$44.90	\$41.52	1.081
Healthcare Social Workers	38.60	47.11	22.1%	48.93	45.26	1.081
Mental Health and Substance Abuse Social Workers	34.18	41.72	22.1%	43.33	40.07	1.081
Child, Family, and School Social Workers	33.47	40.85	22.1%	42.43	39.24	1.081
PAs, NPs, and Pharmacists	\$72.55	\$88.55	22.1%	\$91.97	\$85.06	1.081
Physician Assistants	73.80	90.08	22.1%	93.55	86.52	1.081
Pharmacists	73.74	90.00	22.1%	93.48	86.45	1.081
Nurse Practitioners	70.11	85.57	22.1%	88.87	82.20	1.081
Registered Nurse	\$51.80	\$63.23	22.1%	\$65.66	\$60.73	1.081
Registered Nurses	51.80	63.23	22.1%	65.66	60.73	1.081
Licensed Practical Nurse	\$32.27	\$39.39	22.1%	\$40.91	\$37.83	1.081
Licensed Practical and Licensed Vocational Nurses	32.27	39.39	22.1%	40.91	37.83	1.081
Peer Support	\$23.31	\$28.45	22.1%	\$29.55	\$27.33	1.081
Social and Human Service Assistants	23.31	28.45	22.1%	29.55	27.33	1.081

[1] Statewide BLS May 2020 wages are the Washington specific BLS wages at the 75th percentile level.
The Provider Grouping wage is the straight average of the BLS position wages listed below.

[2] Wages trended from 5/1/20 to 7/1/23 at an annualized trend of 6.5% (as informed by Federal Reserve Economic Data and stakeholder feedback on wage dynamics)

[3] May 2020 WA specific BLS wage regional variation analysis indicated that wages were 3.9% higher in the High-Cost region and 3.9% lower in the Standard region as compared to the Statewide level.

[4] Using the mean BLS hourly rate as the BLS did not provide median or 75th percentile hourly wages for this occupational code. Using the same wage for all regions.

Wage Data Source
Bureau of Labor Statistics. (March 2021). May 2020 State Occupational Employment and Wage Estimates: Washington. Retrieved from: https://www.bls.gov/oes/current/oes_wa.htm

Trend Data Source
Federal Reserve Economic Data. (January 2022). Average Hourly Earnings of All Employees, Education and Health Services. Retrieved from: <https://fred.stlouisfed.org/series/CES6500000003>

Appendix I

State of Washington
Health Care Authority
Behavioral Health Comparison Rate Development – Phase 1
Appendix I - Employee Related Expense Buildup (using high-cost wage assumptions)

	A	B	C	D	E	F	G	H	I	J	K	L
Provider Group	Trended Wage (High-Cost)	Annual Employee Salary	Medicare	Social Security	FUTA	SUI	Workers Comp	Insurance	Retirement	ERE per Employee	ERE Percentage	Annual Salary and ERE
Notes	Trended from 5/1/2020 to 7/1/2023 at a rate of 6.5%	A * 2,080	B * 1.45%	B * 6.2% up to \$156,000 estimated taxable limit	6% of first \$7,000 earned	B * 1.45% up to \$62,500 estimated taxable limit	B * 1.5%		B * 3.6%	Sum of C through I	J / B	B * (1 + K)
Specialty Physician	\$154.67	\$321,716	\$4,665	\$9,672	\$420	\$906	\$4,826	\$7,301	\$11,582	\$39,372	12.2%	\$361,088
Clinical Psychologist	55.67	115,791	1,679	7,179	420	906	1,737	7,301	4,168	23,391	20.2%	139,181
Resident Assistant in SUD Facility (non-clinical)	23.47	48,819	708	3,027	420	708	732	7,301	1,757	14,653	30.0%	63,472
Certified Medical Assistant	29.64	61,659	894	3,823	420	894	925	7,301	2,220	16,477	26.7%	78,136
SUDPT	32.95	68,541	994	4,250	420	906	1,028	7,301	2,467	17,366	25.3%	85,907
SUDP Bachelor's and Below	34.73	72,232	1,047	4,478	420	906	1,083	7,301	2,600	17,837	24.7%	90,069
SUDP Master's in a Social Services Field	38.66	80,406	1,166	4,985	420	906	1,206	7,301	2,895	18,879	23.5%	99,285
Master's and Below (Non-MHP Agency-Affiliated Counselors)	34.73	72,232	1,047	4,478	420	906	1,083	7,301	2,600	17,837	24.7%	90,069
Master's Level Degree Unlicensed (MHP)	36.69	76,319	1,107	4,732	420	906	1,145	7,301	2,747	18,358	24.1%	94,677
Master's Level Degree Licensed (MHP)	40.86	84,998	1,232	5,270	420	906	1,275	7,301	3,060	19,465	22.9%	104,463
PAs, NPs, and Pharmacists	85.80	178,465	2,588	9,672	420	906	2,677	7,301	6,425	29,989	16.8%	208,454
Registered Nurse	60.15	125,112	1,814	7,757	420	906	1,877	7,301	4,504	24,579	19.6%	149,691
Licensed Practical Nurse	38.65	80,393	1,166	4,984	420	906	1,206	7,301	2,894	18,877	23.5%	99,271
Peer Support	26.60	55,318	802	3,430	420	802	830	7,301	1,991	15,576	28.2%	70,894