

State of Indiana
Family and Social Services Administration
Division of Disability and Rehabilitative
Services
First Steps
Rate Recommendation Report
Public Consulting Group, Inc.

October 2018

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I. EXECUTIVE SUMMARY

First Steps is Indiana's early intervention program under Part C of the Individuals with Disabilities Education Act (IDEA). First Steps serves young children, birth to age 3, with developmental delays or disabilities and their families. In the first three years of a child's life, more than one million new neural connections form every second. These early years are a time of great opportunity and great vulnerability, as early experiences literally shape the brain's architecture to support either a strong or fragile foundation for all future learning, health, and success. The purpose of First Steps and early intervention is to promote young children's lifelong success by supporting the optimal development of infants and toddlers and enhancing the capacity of families to meet the needs of their young children.

First Steps is a program of the Division of Disability and Rehabilitative Services (DDRS) in the Indiana Family and Social Services Administration (FSSA). The program provides services primarily in a child's home or other natural environments. Services such as assistive technology; developmental therapy; family training, counseling, and home visits; nutrition services; occupational therapy; physical therapy; service coordination (i.e., case management); social work services; speech therapy; psychological services; and vision services—are examples of some of the 17 services required at a minimum by Part C regulations. As a federal entitlement program, First Steps serves families at all income levels; however, more than half of the families served fall below 250 percent of poverty.

As an entitlement program, First Steps does not have a wait list for services. Referral rates continue to rise with no signs of abatement and while this has allowed children in need to receive vital services, it has also created service delivery and fiscal challenges. First Steps received 27,952 referrals in 2017—an 8 percent increase from the previous year and a 23 percent increase since 2012. The total number of children served in 2017 with an individualized family service plan, or IFSP, was 20,775. The growth of First Steps is illustrated not only in rising referral rates, but also in the rising proportion of children who are eligible for services. This includes children who have been exposed pre- or postnatally to drugs, alcohol, or other toxic substances and are eligible for First Steps on the diagnosis of exposure alone.

During Indiana's 2018 legislative session, House Bill 1317 was introduced with a requirement that FSSA/DDRS conduct a study of First Steps service provider and system point of entry (SPOE) reimbursement rates. In total, HEA 1317 required:

- A comprehensive rate and time study for First Steps providers and System Point of Entry (SPOE) personnel,
- A comprehensive analysis of First Steps revenue sources and fund recovery systems,
- The identification of new or improved ways to leverage available funding for early intervention services,
- Consultation with other state agencies on the projected number of children who will need early intervention services as a result of drug exposure, and
- The identification of service gaps statewide and the number of early intervention professionals needed to provide First Steps services over the next five (5) years.

This rate study report is one of three reports compiled in response to the requirements of HEA 1317. The second report, on revenue source and fund recovery recommendations, examines ways in which DDRS can improve utilization of available funding sources for early intervention services. A third report addresses projected program growth, First Steps service gaps, and anticipated personnel needs moving forward.¹ FSSA hired Public Consulting Group, Inc. (PCG) to complete the rate study and revenue source analysis. The report on program growth and service gaps was compiled independently by FSSA/DDRS.

This report provides information on the rate and time study, as well as recommendations for DDRS regarding reimbursement rates. The calculated rates are based on state fiscal year 2017 (SFY17) market rates and cost report data. As the report illustrates, a time study was also conducted in 2018 to help associate time and expense data. This executive summary provides an introduction to the time and rate study report through related project background and PCG's rate recommendations.

¹ All three reports can be found on the First Steps website at <https://www.in.gov/fssa/ddrs/4655.htm>.

II. PROJECT BACKGROUND

Indiana's First Steps early intervention program is a federal entitlement program provided under Part C of the Individuals with Disabilities Education Act, 20 U.S.C. 1431 et seq. and 34 C.F.R. 303 et seq. First Steps provides services primarily in a child's home or other natural environments. Services such as assistive technology; developmental therapy; family training, counseling, and home visits; nutrition services; occupational therapy; physical therapy; service coordination (i.e., case management); social work services; speech therapy; psychological services; and vision services are examples of some of the 17 services required at a minimum by Part C regulations. The purpose of First Steps and early intervention is to promote young children's lifelong success by supporting the optimal development of infants and toddlers with developmental delays and enhancing the capacity of families to meet the needs of their young children. Service coordination and evaluation and assessment are among the services required to be provided at no charge to families and to every family who is eligible for First Steps.

This report covers the portion of the First Steps fiscal analysis project related to the reimbursement rate study for early intervention service providers and service coordinators in alignment with the requirements of HEA 1317². The rate study was conducted for FSSA by Public Consulting Group, Inc. (PCG) and was designed to determine if First Steps early intervention service providers and service coordinators are reimbursed at a reasonable standard rate in relation to the market for similar services and to recommend new rates for these services. The following report details the results of PCG's study and recommendations.

In Indiana, there are 38 First Steps multidisciplinary early intervention provider agencies; nine regional System Point of Entry (SPOE) offices providing intake services, eligibility determination, and service coordination; and a number of independent practitioners providing services like audiology, nutrition services, social work services, and so on. First Steps reimburses early intervention service providers and SPOEs for serving eligible children and families in accordance with federal and state laws and regulations under IDEA Part C.

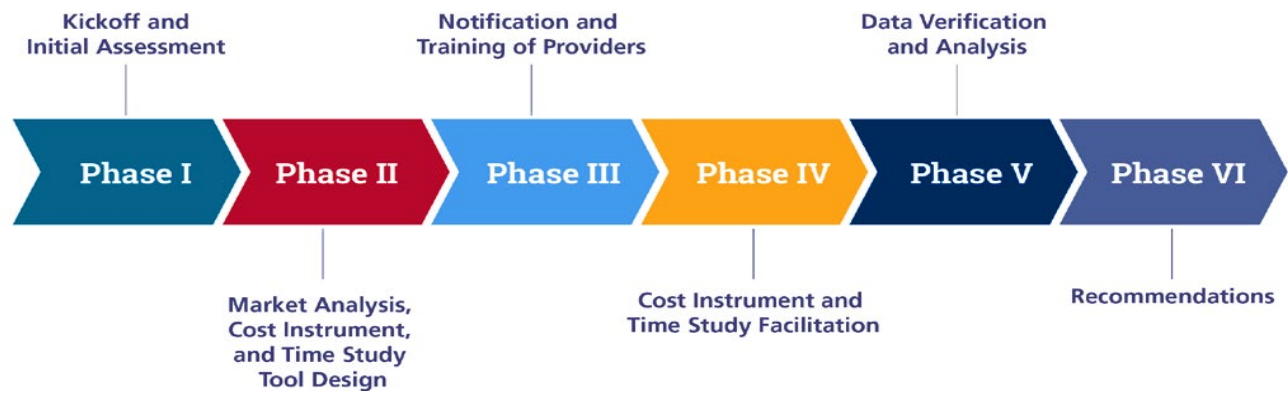
Information for the rate study was collected from three primary data sources: cost reports, personnel rosters, and time studies. Data was collected from provider agencies, SPOE agencies, and independent providers. The data was collected and analyzed separately due to the difference in service offerings between SPOEs and early intervention service providers. Cost reports captured high-level service, revenue, and expense information related to the First Steps program in SFY17. Specifically, the cost reports allowed for a calculation of the proportion of direct personnel expenses to administrative expenses. Personnel rosters were collected to serve as a measure of quality assurance for the time studies and market rate research. Providers were asked to give their current personnel rosters based on 2018 staffing for employees and subcontractors that deliver services. The rosters also provided valuable information on subcontractor rates and provided a methodology to weight market rates appropriately based on actual First Steps data. In total, 38 provider agencies were contacted for cost and personnel information, and 27 cost reports and 27 personnel rosters were received. Cost reports and personnel rosters were received from all SPOE agencies. All submitted cost reports and personnel rosters were utilized in the analysis.

The current First Steps reimbursement rate structure is extensive, with 867 individual billable rates for all services covered under the system. With 50 specialties, rates billed at multiple frequencies (1/4 hour, episodic, or unit based), divided between individual and group rates in-home or center-based, the First Steps rate structure is complex and has been analyzed in greater detail throughout this report. Rate calculations were completed based on the hourly cost of the billable unit using market salaries and actual expenses. For example, an hour of billable time may cost a provider two hours because of associated travel, report writing, and administrative time. This is reflected in all the rate calculations. Therefore, each rate calculation starts with a blended market salary rate that adds all other costs and non-billable time to it. All but one of the First Steps rates are presented in 15-minute units. Evaluations were grounded in hourly rates but, for future program consideration, also converted to an event-based rate. Market salaries were used based on data collected by the Bureau of Labor Statistics (BLS). Additionally, Indiana has a unique geographical structure that does not easily fit within a typical urban/rural analysis. Because the data did not display material differences in costs based on geography, an alternative rate structure based on geographical differences was not calculated.

² <http://iga.in.gov/static-documents/4/2/2/4/4224a870/HB1317.06.ENRS.pdf>

III. RATE AND TIME STUDY METHODOLOGY

The approach for the rate and time study fell into six phases, as outlined below.



Tasks under each phase above were coordinated with the Indiana Family and Social Services Administration (FSSA), Division of Disability and Rehabilitative Services (DDRS), First Steps and First Steps providers and other staff as necessary. During the project, there were regular check in meetings with DDRS staff, ongoing coordination of the cost reporting and time study process, quality assurance activities, and conducting follow up as necessary. In addition, a provider stakeholder group was convened multiple times to seek input on the methodology and assumptions. The graphic below depicts specific tasks completed under each phase.

PHASE I: Kickoff and Initial Assessment	<ul style="list-style-type: none"> • Kickoff meeting • Document request • Review and catalog data recieved from First Steps
PHASE II: Market Analysis, Cost Instrument, and Time Study Tool Design	<ul style="list-style-type: none"> • Draft analysis approach, cost report, time study, personnel roster, instructions, and description of methodology • Conduct meeting with providers to vet data collection tools, schedule, and description of methodology
PHASE III: Provider Notification and Training	<ul style="list-style-type: none"> • Draft provider notification communication • Draft training materials • Conduct live webinar to train providers regarding cost report, time study, and personnel roster
PHASE IV: Cost Instrument and Time Study Facilitation	<ul style="list-style-type: none"> • Distribute cost report and time study to providers • Provide technical assistance throughout survey period • Catalog submission of cost report, time studies, and personnel roster
PHASE V: Data Verification and Analysis	<ul style="list-style-type: none"> • Conduct data verification and quality assurance activities • Compile provider responses for data analysis
PHASE VI: Analysis, Final Report, and Recommendations	<ul style="list-style-type: none"> • Analysis of Market analysis, cost report, time study, and personnel roster results • Develop Recommendations • Develop final report and presentation

Time Study Sample

All thirty-eight (38) First Steps provider agencies and nine (9) SPOE providers in Indiana were invited to participate in the time study. Time studies were later distributed and administered directly by First Steps provider program staff, and were completed by individual, direct service staff and sub-contractors in their respective programs. Time studies were conducted during two, two-week periods from February 26, 2018 to March 11, 2018 or from March 12, 2018 to March 25, 2018. Staff only had to track their time during one of the available two-week periods.

In this analysis, time studies were used to quantify the portion of staff time allocated to First Steps-related services in 15-minute increments. These results were used to identify the time and effort associated with service delivery. This allowed for an understanding of the time spent by various staff performing services and other unbillable activities and how those times aligned with associated expenses. Staff who completed the time studies were also expected to be included in the program’s submitted personnel roster to capture individual compensation data. Note that these data were not used as an evaluation of First Steps provider effectiveness or compliance.

Of the 47 total providers (38 provider agencies and 9 SPOEs), five provider agencies ultimately did not submit any time studies for analysis; and of the remaining 37 that did participate, 18 required additional follow-up in the quality assurance/data verification process. SPOEs had full participation with all nine SPOES submitting time studies. In total, 674 employees and contractors from 34 provider agencies serving 89 counties in Indiana and 274 employees and contractors from all nine SPOEs serving 92 counties in Indiana submitted time study data. Each time study was reviewed for errors and reasonability and follow up was conducted for clarification as needed. After the QA process, 625 employees and contractors from 34 provider agencies serving 89 counties and 256 employees and contractors from all SPOEs serving all 92 counties were included in the final analysis. Counties covered were recorded by time study participants throughout the state are represented by the map above.



Cost Report & Personnel Roster Submissions

Similar to the time studies, all First Steps provider agencies and SPOEs were invited to complete a cost report and personnel roster during this engagement. Cost reports were designed to capture program revenue and expenses for fiscal year 2017 (July 1, 2016 – June 30, 2017), while personnel roster submissions were for current staffing to align with the time studies. The tools used were adapted from tools that had been used successfully for similar studies in other states and tested them with input from DDRS staff and a designated stakeholder group representing the First Steps provider community. After testing and revisions, trainings were provided and several reference resources were distributed to assist providers in completing the tools.

Ultimately, 31 cost reports and personnel rosters were received for use in the study. 27 of these were from the 38 First Steps provider agencies. The remaining four (4) cost reports and personnel rosters represent submissions for all nine (9) SPOES. This is because four companies serve as the fiscal agents for all nine (9) SPOEs. A thorough quality assurance process was implemented to ensure accuracy and completeness of all submissions. The QA process began on April 9, 2018 following the April 6, 2018 submission due date.

The chart below describes how the tools were developed, completed, and reviewed to ensure the highest level of integrity in the analysis and results.

Table III-A: Tool Quality Assurance Controls

Quality Assurance Control	Purpose
Stakeholder Group	<ul style="list-style-type: none"> • Opportunity to test tools³ and their assumptions. • Solicit feedback from the provider community.
Tool Edits and Testing	<ul style="list-style-type: none"> • Agree on and make changes to the tools. • Test the final tools by entering test data to every field.
Tool and Instructions Distribution	<ul style="list-style-type: none"> • Allow providers to review the tools and instructions prior to trainings.
Technical Assistance <ul style="list-style-type: none"> • Email account • Help line • Live and recorded webinars • Word instructions • Training PPT 	<ul style="list-style-type: none"> • Provide agencies with several resources to answer any questions related to the tool process. • Log correspondence summaries.
Tool Trainings	<ul style="list-style-type: none"> • Provide three live training webinars to orient agencies to the tools, timeline, and resources available.
Submission Due Date	<ul style="list-style-type: none"> • Give agencies six weeks to complete the tools.
Follow-Up with Agencies	<ul style="list-style-type: none"> • Reach out to agencies that have not submitted tools.
Quality Assurance Checklist Review	<ul style="list-style-type: none"> • Ensure at least two individuals review each tool submission and its accompanying backup documentation for accuracy and completeness.
Quality Assurance Q&A with Agencies	<ul style="list-style-type: none"> • Email a summary of quality assurance (QA) findings to providers to acquire additional information/clarification.
Adjustments to Tools	<ul style="list-style-type: none"> • Provider resubmissions were used instead of original submissions.
Import of Data	<ul style="list-style-type: none"> • Agency tool data was not final until all submissions were reviewed and providers were contacted as needed.
Flag Unreasonable Submissions	<ul style="list-style-type: none"> • For instance: initial analysis flagged several providers that still had unreasonable discrepancies between their First Steps and non-First Steps revenue and expense totals.
Review Flagged Submissions	<ul style="list-style-type: none"> • Discuss why providers were flagged and identify next steps for follow up.
Reach out to Flagged Submissions	<ul style="list-style-type: none"> • Acquire clarification (or in some cases resubmissions) for flagged submissions.
Final Adjustments to Tools	<ul style="list-style-type: none"> • Make final adjustments to tools based on clarification/information provided by flagged providers.
Test and Make Final Edits to Data	<ul style="list-style-type: none"> • Ensure data is updated with information from flagged providers.

³ All three of the tools (cost report, personnel roster, and time study) were put through the entirety of the described quality assurance process.

Limitations and Considerations

Time studies were designed to capture the amount of direct service time staff dedicated to First Steps program activities. These results are based on staff self-reporting time spent and their supervisor's review and approval. Though each of the 805 time studies were reviewed for accuracy, completeness, and reasonableness, discrepancies may exist in the data. Because supporting documentation was not submitted with most time studies, independent verification of the data was not possible.

Figures presented in this report are rounded to the nearest cent (\$0.01) or second digit. This may result in marginal differences for any calculations redone manually using figures presented in this report.

IV. MARKET SALARY ANALYSIS

Market rate salaries were assessed and used in the rate calculations to help ensure that the rate calculations were reasonable in relation to market realities. Purely cost-based rates may propagate rate deficiencies because existing provider payment structures often dictate the salaries that providers can afford to pay personnel. For example, a provider may lose key personnel because it can only afford to pay First Steps personnel what the existing rate structure will allow. In this example, that provider's cost report and roster may reflect salaries that do not reflect the market. Based on these considerations, a thorough review of market salaries was conducted for each discipline in the First Steps program and incorporated the market salaries into the rate methodology described in this document.

The first step in calculating the base rates was to calculate salary per hour. Salary per hour was calculated by:

1. Separating First Steps personnel into personnel disciplines (also called professions or positions)
2. Determining a base salary for each position
3. Weighting the base salary for each position by the percentage of time represented by that discipline in the personnel rosters

For the purposes of this rate study, First Steps personnel are categorized using the 12 disciplines listed below. This is not a comprehensive list of all disciplines offered through First Steps. While all service providers were invited to participate in the rate study not every provider participated. These 12 disciplines represent the personnel who participated in the time study.

- Audiologist
- Developmental Specialist/Therapists
- Interpreter
- Licensed Clinical Social Worker
- Occupational Therapist
- Occupational Therapy Assistant
- Other Professional
- Physical Therapist
- Physical Therapist Assistant
- Registered Dietitian/Nutritionist
- Service Coordinator
- Speech Pathologist/Audiologist

A salary benchmark was identified for each discipline using the May 2017 State Occupational Employment and Wage Estimates Data Published by the Bureau of Labor Statistics (BLS) for the state of Indiana. The table below illustrates the Indiana BLS and roster salary data collected and analyzed during the rate study.

Table IV-A: Market Rate and Reported Salaries by Discipline

Discipline/Primary Title	Indiana Average Salary
Audiologist	\$71,000
Developmental Specialist/Therapists	\$46,620
Interpreter	\$41,780
Licensed Clinical Social Worker	\$50,367
Occupational Therapist	\$79,490
Occupational Therapy Assistant	\$59,910
Discipline/Primary Title	Indiana Average Salary
Other Professional	\$38,810
Physical Therapist	\$82,190
Physical Therapist Assistant	\$55,800
Psychologist	\$85,230
Registered Dietitian/Nutritionist	\$54,190
Service Coordinator	\$44,405
Speech Pathologist	\$74,640

Some of the First Steps disciplines did not match directly to job titles in the BLS data. For these disciplines, the stakeholder group helped determine the most appropriate job title from the BLS data to use as a proxy. In certain instances, one job title did not directly meet the discipline, so a combination of BLS job titles was used by taking the average of all BLS positions contributing to a First Steps discipline. A summary of the BLS salaries used for each First Steps discipline is outlined in Appendix A.

V. TIME STUDY ANALYSIS

Overall Results

Indiana Family and Social Services Administration (FSSA), Division of Disability and Rehabilitative Services (DDRS) Standards outlines that the bases for billable time is face-to-face contact with the recipient of a service. The reimbursement rate must consider other activities that are integral to service delivery but do not occur face-to-face, such as travel and report writing. The time study grouped activities as either billable or unbillable, which is shown on Table V-A below.

Table V-A: Billable and Unbillable Services

Billable*	Unbillable
Audiology	Additional Quality Assurance
Developmental Therapy	Client No Shows
Evaluation	Staff No Shows
Health Services	Other Administrative Activities
Interpreter Services	Prep Time
Medical	Report Writing
Nursing	Supervisor Related Activities
Nutrition	Team Collaboration
Occupational Therapy	Training
Other Related Svc.	Travel
Physical Therapy	
Psychology	
Service Coordination	
Social Work	
Speech Therapy	
Transportation	
Vision	

* All service providers were invited to participate in the rate study but not every provider participated. The activities above were offered, however, activities that were not selected during the study were removed from the analysis.

Table V-B, below, shows the percent of billable time associated with each First Steps discipline used to estimate the billable percentage for provider agencies. The time study captured a billable percentage of 43.94%.

Table V-B: Provider Agency Billable Percentage by Discipline

Discipline*	Billable Units	Total Units	Billable %
Audiologist	31	68	45.59%
Developmental Specialist/Therapists	11,413	26,284	43.42%
Licensed Clinical Social Worker	50	138	36.23%
Occupational Therapist	8,435	19,874	42.44%
Occupational Therapy Assistant	1,271	3,229	39.36%
Other Professional	0	261	0.00%
Physical Therapist	7,141	16,249	43.95%
Physical Therapist Assistant	732	1,468	49.86%
Speech Pathologist	12,648	27,385	46.19%

Discipline*	Billable Units	Total Units	Billable %
Total	41,721	94,956	43.94%

* All service providers were invited to participate in the rate study but not every provider participated. The disciplines above represent the personnel who participated in the time study

Table V-C below, shows the percent of billable time associated with each First Steps discipline used to estimate the billable percentage for SPOE agencies. The time study captured a billable percentage of 52.34% for evaluation and 60.37% for service coordination.

Table V-C: SPOE Agency Billable Percentage by Discipline

Discipline	Billable Units	Total Units	Billable %
Developmental Therapist (Evaluation)	1,845	3,231	57.10%
Occupational Therapist (Evaluation)	1,642	2,838	57.86%
Physical Therapist (Evaluation)	2,042	3,211	63.59%
Service Coordinator	34,262	56,757	60.37%
Speech Pathologist (Evaluation)	2,287	3,706	61.71%
Total	42,078	69,743	60.33%

Table V-D: below lays out the percentage of units claimed in the provider agency time studies, which reflects the 43.94% figure for billable time.

Table V-D: Provider Agency Total Units Reported by Service Category

Service Category*	Units	% of Total
Audiology	33	0.03%
Developmental Therapy	11,258	11.86%
Evaluation	31	0.03%
Health Services	0	0.00%
Interpreter Services	2	0.00%
Medical	0	0.00%
Nursing	0	0.00%
Nutrition	0	0.00%
Occupational Therapy	9,730	10.25%
Other Related Svc.	0	0.00%
Physical Therapy	7,983	8.41%
Psychology	0	0.00%
Social Work	49	0.05%
Speech Therapy	12,635	13.31%
Transportation	0	0.00%
Vision	0	0.00%
Additional Quality Assurance	1,239	1.30%
Client No Shows	3,547	3.74%
Staff No Shows	971	1.02%
Other Administrative Activities	7,475	7.87%
Prep Time	5,208	5.48%
Report Writing	6,840	7.20%
Supervisor Related Activities	639	0.67%
Team Collaboration	1,801	1.90%
Training	4,621	4.87%

Service Category*	Units	% of Total
Travel	20,894	22.00%
Total	94,956	100.00%

* All service providers were invited to participate in the rate study but not every provider participated. The activities above were offered, however, activities with zero units were not selected during the study and were not included in the analysis.

Table V-E: below lays out the percentage of units claimed in the provider agency time studies, which reflects the 60.33% figure for billable time.

Table V-E: SPOE Agency Total Units Reported by Service Category

Service Category	Units	% of Total
Evaluation	6,816	9.77%
Service Coordination	8,070	11.57%
Other Billable Administrative Activities	27,193	38.99%
Additional Quality Assurance	1,415	2.03%
Client No Shows	447	0.64%
Staff No Shows	95	0.14%
Prep Time	8,117	11.64%
Report Writing	739	1.06%
Supervisor Related Activities	1,041	1.49%
Team Collaboration	2,451	3.51%
Training	2,886	4.14%
Travel	10,473	15.02%
Total	69,743	100.00%

VI. COST REPORT & PERSONNEL ROSTER ANALYSIS

In order to effectively capture both personnel costs and revenues and expenses for First Steps providers, two separate Excel workbooks were distributed to Indiana’s provider population: a program cost report and a detailed personnel roster. The cost report was requested to be completed for Fiscal Year Ending 2017 (July 1, 2016 to June 30, 2017), while the personnel roster was for active employees or subcontractors working in the program at the time of the rate study. As part of the verification process, provider-supplied supporting documentation for these workbooks was reviewed to validate the data and determine if it could be included in the analysis. Though each of the cost reports and personnel rosters were reviewed for accuracy, completeness, and reasonableness, there still may be discrepancies in data since supporting documentation was not always available. The following table provides an overview of the elements captured in both workbooks:

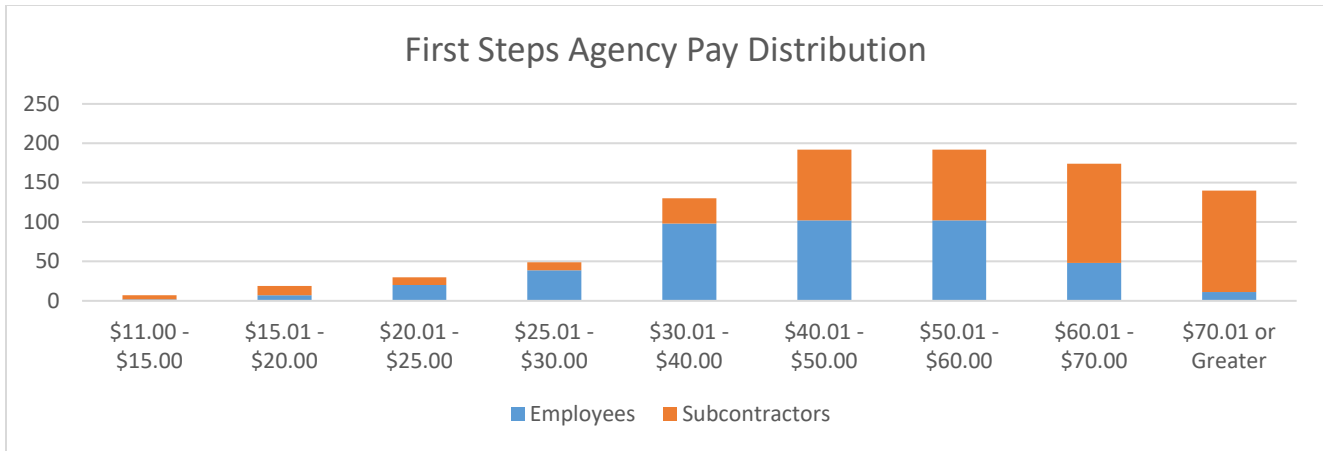
Table VI-A: Data Elements Captured by Cost Report and Personnel Roster

Cost Report*	Personnel Roster
<ul style="list-style-type: none"> • Provider name, tax status and contact general information • Program revenue from Medicaid, the state, and other sources • Aggregate average paid time off allocated for all staff • Total salaries, taxes, and fringe benefits paid for program staff • Comprehensive expenses other than personnel, e.g. mileage, insurance, facilities, other taxes, etc. • An attestation from the provider claiming that the results provided were complete and accurate 	<ul style="list-style-type: none"> • Provider name and tax status • Names, title, profession, and employee/subcontractor status of all personnel • Total hours worked by staff annually and the percentage of that time dedicated to the First Steps program • Total annual salary and fringe benefits paid for each staff member • Determination whether the individual staff member was participating in the time study and reasoning for exclusion if not • Administrative staff data reflecting the above

*Note that the cost report requested both *total* program information in all activities they may conduct as well as *specific* information regarding their First Steps program activities.

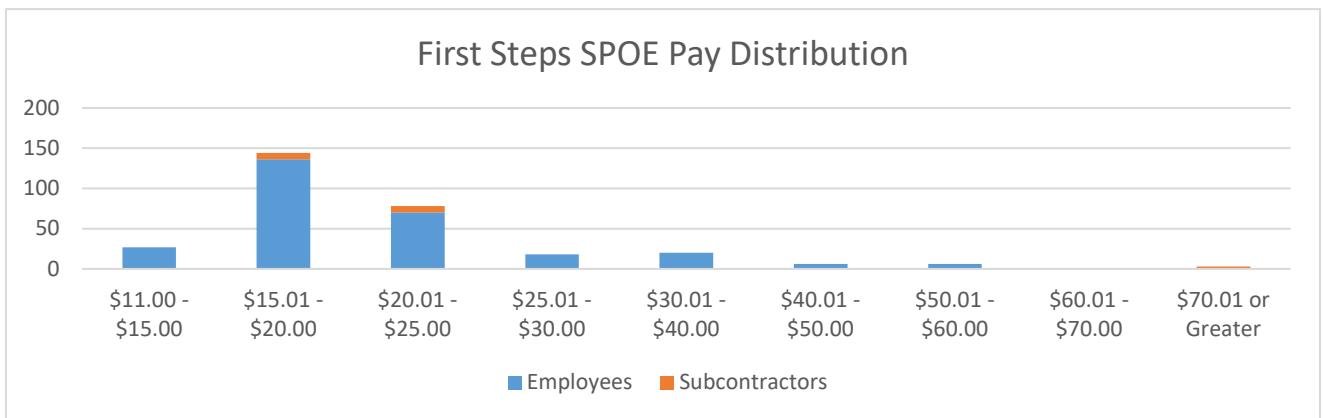
Personnel Analysis

Personnel expenses were assessed for both employees and subcontractors. Due to the variance of total hours worked throughout the year and salaries reported, each provider’s annualized salary was normalized into an hourly rate to allow for better comparison. From there, the salaries were analyzed to determine the distribution, with the greatest number of staff (employees/subcontractors) earning between \$30.00 and \$60.00 per hour statewide. As illustrated in the graph below for First Steps agencies, hourly rates are skewed positively when factoring in subcontractor rates as well, which find their greatest number in a similar range.



The average wage of First Steps agency providers, as reported, is \$45.73 per hour (inclusive of benefits). Subcontractors earn on average \$57.29 per hour. Approximately 15% of employees at agency providers are full time.

In contrast to provider agencies, SPOE staff are most commonly service coordinators, and have the greatest number of staff earning \$15.01 to \$25.00 per hour. Subcontractors count for a negligible amount of these providers. SPOE providers earn on average \$21.70, and subcontractors earn \$27.34 per hour. Approximately 54% of employees at SPOE agencies are full time.



Revenue and Expense Analysis

Using aggregated cost report data, revenues and expenses were analyzed to identify possible data errors and illustrate the financial health of providers. Of the 28 providers who were included in cost report analysis, 14 providers run a deficit in their First Steps programs. For all providers analyzed, the average Indiana First Steps provider runs their program at a 3% deficit.

Provider Category	FS Revenues	FS Expenses	Surplus (Deficit) \$	Surplus (Deficit) %
For-Profit	\$14,864,837.71	\$14,973,494.70	\$(108,656.99)	-1%
Nonprofit	\$8,634,926.80	\$9,832,867.74	\$(1,197,940.94)	-14%
SPOE	\$17,403,243.53	\$17,233,006.16	\$170,237.37	1%
Total	\$40,903,008.04	\$42,039,368.60	\$(1,136,360.56)	-3%

VII. RATE CALCULATIONS

Using the data from the market salary analysis, cost report, time study, and personnel rosters, recommended payment rates were calculated for the following services:

- Evaluation
- Service Coordination
- Audiology
- Speech Therapy
- Developmental Therapy
- Psychology
- Nutrition
- Social Work
- Interpreter
- Physical Therapy
- Physical Therapy Assistant
- Occupational Therapy
- Occupational Therapy Assistant

All rates were calculated using a similar methodology with different inputs. The methodology for calculating each rate is described in the following sections. Please see Appendix B for all rate calculation tables.

Rate Methodology

The calculations are designed to capture all the expenses involved in service delivery. The average hourly employee expense for an average First Steps service delivery professional is calculated first. Personnel roster data was used to weight the market salary data. Tax and fringe benefits were then added to the average salary. An average First Steps subcontractor rate was then added proportionally to the employee salary and benefits sum. From there other administrative expenses (except mileage) were added based on the cost report proportion of direct personnel and subcontractor costs to other expenses. A billable percentage was then factored into the calculations to ensure that the billable rate also accounts for non-billable time and expenses associated with service delivery. Mileage was then added based on travel time assumptions. The hourly mileage rate was applied to the offsite, evaluation and service coordination rates. Table VII-A below shows the inputs of the methodology and the steps are included below.

Table VII-A: Methodological Inputs- Speech Therapy Example

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$35.88		\$35.88	
Benefits/Hour	\$4.64	12.92%	\$4.64	12.92%
Employee Salary Plus Benefits	\$40.52	59.17%	\$40.52	59.17%
Contractor Cost/Hour	\$58.89	40.83%	\$58.89	40.83%
Portion for Employee Costs	\$23.98		\$23.98	
Portion for Contractor Costs	\$24.04		\$24.04	
Personnel Costs	\$48.02	82.19%	\$48.02	82.19%
Admin & Support Costs	\$10.40	17.81%	\$10.40	17.81%
Total Costs/Hour	\$58.42		\$58.42	
Reported Mileage to Remove	\$ 1.06	1.82%	\$ 1.06	1.82%
Total Costs/Hour Less Reported Mileage	\$ 57.36		\$ 57.36	
Total Costs/Hour with Billable Factor	\$ 95.60	60.00%	\$ 114.72	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 95.60		\$117.59	
Calculated 15 min Rate	\$ 23.88		\$ 29.38	

The following steps calculate the early intervention rates:

- Calculate Hourly Personnel Costs (Steps 1-7)
- Calculate Hourly Administrative Costs (Step 8)
- Markup Rate to Account for Non-Billable Time in Billable Unit (Step 9)
- Calculate Mileage (Step 10)
- Add Mileage to Hourly Rate (Step 11)
- Calculate Early Intervention Rates (Step 12)

Table VII-B below illustrates the early intervention calculations. A narrative explanation for each step is then presented after the grid.

Table VII-B Early Intervention Calculations

Step	Line Item	Rate Calculation Modifier	Rate Calculation Details	Onsite	Offsite
1	Salary/Hour	N/A	Hourly salary for employees based on BLS research.	\$35.88	\$35.88
2	Fringe/Hour	12.92%	Apply fringe rate based on cost report. • $\$35.88 * 0.1292 = \4.64	\$4.64	\$4.64
3	Employee Salary Plus Benefits	N/A	Add salary to fringe from steps 1 and 2. • $\$35.88 + \$4.64 = \$40.52$	\$40.52	\$40.52
4	Contractor Cost/Hour	N/A	Average hourly rate for contractors based on reported roster salaries.	\$58.89	\$58.89
5	Portion for Employee Costs	59.17%	Calculate portion of personnel costs attributed to employees based on steps 1-3 and cost report. • $\$40.52 * .5917 = \23.98	\$23.98	\$23.98
6	Portion for Contractor Costs	40.83%	Calculate portion of personnel costs attributed to contractors based on step 4 and cost report. • $\$58.89 * .4083 = \24.04	\$24.04	\$24.04
7	Personnel Costs		Add steps 5 and 6 for hourly personnel costs. • $\$23.98 + \$24.04 = \$48.02$	\$48.02	\$48.02
8	Administrative Costs (Less Mileage)	15.99%	Calculate non-personnel factor based on cost report. • $(\$48.02 / (1 - 0.1599)) - \$48.02 = \$9.34$	\$9.34	\$9.34
9	Total Costs/Hour with Billable Factor	50.00% Offsite 60% Onsite	Divide the hourly rate by the billable factor. • $\$48.02 + \$9.34 = \$57.36$ • $\$57.36 / 0.50 = \114.72 • $\$57.36 / 0.60 = \95.60	\$ 95.60	\$114.72

Step	Line Item	Rate Calculation Modifier	Rate Calculation Details	Onsite	Offsite
10	Mileage	Mileage Calculations	Include Offsite-based mileage <ul style="list-style-type: none"> \$2.87 (offsite) 	NA	\$2.87
11	Calculated Total with Mileage	N/A	Add onsite and offsite-based mileage <ul style="list-style-type: none"> \$114.72 + \$2.87 = \$117.59 (offsite) 	\$ 95.60	\$117.59
12	Calculated Individual Rate		Convert to 15-minute rate (rounded). <ul style="list-style-type: none"> \$117.59 / 4 = \$29.38(onsite) \$95.60 / 4 = \$23.88 (offsite) 	\$ 23.88	\$ 29.38

Steps 1- 7: Calculate Hourly Personnel Costs

The rate development steps first calculate an average hourly personnel cost that accounts for service delivery from both employees and subcontractors. Step 1 shows that the average employee salary was \$35.88 based on the market rates described earlier. The rosters were used to weight the market salaries based on the total amount paid to each profession for rates that include more than one discipline. Step 2 then applies a fringe rate to the employee pay rate based on the average fringe rate of 12.92 percent that was reported on the cost reports for First Steps personnel. Step 3 then adds the \$35.88 and \$4.64 figures to arrive an employee salary plus benefits rate of \$40.52. Step 4 presents the average subcontractor pay rate of \$58.89 that was reported on the rosters. Steps 5 and 6 then distribute the employee and subcontractor pay rates proportionally based on the cost report distribution of employee expenses and subcontractors. In our example, of all speech therapist personnel costs, 59.17 percent were employee related (salaries and benefits) while the remaining 40.83 percent were from subcontractors. In applying these percentages to each hourly cost, you arrive at \$23.98 and \$24.04 for employee and subcontractor costs, respectively. Adding these figures together represents the total hourly personnel cost displayed in Step 7.

Step 8: Calculate Hourly Administrative Costs

The 16.05 percent figure in Step 8 represents all the administrative First Steps expenses incurred by providers. This figure comes from the cost report and includes all administrative salaries, related taxes and benefits, and all other operating expenses other than mileage. It does not include direct service salaries, related taxes and benefits, and subcontractor expenses (which are all represented in the \$48.02 hourly rate listed in Step 7). The total cost per hour should then equal \$57.36 because the personnel total is \$48.02 per hour with the 15.99 percent for administrative costs included (\$9.34).

Step 9: Markup Rate to Account for Non-Billable Time in Billable Unit

This step ensures that providers are compensated for necessary administrative time that is not included in the billable unit. A billable percentage of 50 percent was applied to the offsite rate and a billable percentage of 60 percent to the onsite rate. The difference accounts for the travel time and other unbillable time associated with working in the community. This means that the combined hourly rate of \$57.36 represents 50 percent of the offsite rate making the offsite total rate \$117.59 and 60 percent of the onsite rate making the onsite total rate \$ 95.60.

Step 10: Calculate Mileage

Mileage was the only expense not included in the previous steps because it is applied discretely to the onsite rates based on the time study results. Although travel time was included for onsite based activities, the assumption is that the services are occurring at the center and thus, travel time is not required. Time study participants conducting home/community activities reported 22.13 percent. This means that on average, home/community personnel spend 106 minutes or 62 miles, respectively, at 35 miles per hour. With an Indiana reimbursement rate for mileage of \$0.37 cents the cost per hour of \$2.87 for the home/community is calculated. Table VII-C below illustrates how these calculations formulate the mileage cost per hour.

Table VII-C: Mileage Cost Per Hour Calculations

Mileage Calculations	\$	%	Element Type
Average Travel Time from the Time Survey	106	22.13%	Minutes
Percentage of Hour	177.04%		Percent
Average MPH	35		MPH
Miles Traveled	62.0		Miles
Reimbursement Rate	\$0.37		Rate
Cost Per Trip	\$22.93		Mileage Cost per Visit
Cost Per Hour	\$2.87		Mileage Cost per Hour

Step 11: Add Mileage to Hourly Rate

The hourly mileage costs calculated in Step 10 are added to the hourly rates from Step 9 to arrive at the calculated total rate per hour. The offsite rate increases from \$114.72 to \$117.59 with \$2.87 in mileage costs added.

Steps 12 -13: Calculate Base Early Intervention Rates

The hourly rates must then be converted to 15-minute units. This is done by dividing each rate by four, resulting in a \$ 23.88 unit rate for onsite services and \$ 29.38 for offsite services.

The same methodology was used to calculate onsite and offsite rates for Evaluation, Audiology, Speech Therapy, Developmental Therapy, Physical Therapy, Physical Therapy Assistant, Occupational Therapy, Occupational Therapy Assistant, Nutrition, Psychology, Social Work, Service Coordination, and Interpreter services. The difference in these rates is determined by the BLS base salary for personnel who provide these services determined by the time study, the subcontractor cost for personnel who provide these services determined by the roster and time study, and the percent of personnel who are employees versus subcontractors. The billable, fringe, and administration percentages and mileage all remained consistent across these rates.

EVALUATION

The evaluation rate was calculated as an event-based rate. This is a departure from the current 15 minute unit rate. The calculation used the same methodology as the rates described above. The 15 minute unit rate is then converted to an event based rate based on the average length of an evaluation. Evaluations are performed by SPOE agencies. Therefore, employee and subcontractor salaries for employees that conduct evaluations from the SPOE agency rosters were used in the salary, contractor cost, and contractor percentage. The fringe percentage and admin percentage were calculated using SPOE agency cost reports. The mileage calculation was based on time study results from SPOE personnel who conduct evaluations and came to 25.10 percent of time. Using stakeholder input it was determined that on average, an evaluation took 95 minutes to complete. This produced an event-based rate of \$140.46. Table VII-D summarizes these calculations.

Table VII-D: Evaluation Rate

Line Item	Evaluation	
	\$	%
Salary/Hour	\$ 32.26	
Benefits/Hour	\$ 5.58	17.29%
Employee Salary Plus Benefits	\$ 37.84	91.12%
Contractor Cost/Hour	\$ 50.18	8.88%
Portion for Employee Costs	\$ 34.48	
Portion for Contractor Costs	\$ 4.45	
Personnel Costs	\$ 38.93	83.45%
Admin & Support Costs	\$ 7.55	16.24%
Total Costs/Hour	\$ 46.49	
Reported Mileage to Remove	\$ 1.75	3.77%
Total Costs/Hour Less Reported Mileage	\$ 44.73	
Total Costs/Hour with Billable Factor	\$ 85.46	52.34%
Mileage	\$ 3.25	
Calculated Total	\$ 88.71	
Calculated Rate	\$ 22.13	

Table VIII-E: Event-Based Evaluation Rate

Evaluation Line Item	\$
Evaluation Calculated Hourly Rate	\$ 88.71
Total Hours Assumed	1.58
Calculated Evaluation Rate	\$ 140.46

SERVICE COORDINATION

The service coordination rate was calculated using the same methodology as the rates described above. Service coordination is performed by service coordinators at SPOE agencies. Therefore, service coordinator salaries from the SPOE agency rosters were used in the salary, contractor cost, contractor percentage. The fringe percentage and admin percentage were calculated using SPOE agency cost reports. The mileage calculation was based on time study results from SPOE service coordinators and came to 12.71 percent of time.

Table VII-F: Service Coordination Rate

Line Item	Service Coordination	
	\$	%
Salary/Hour	\$21.35	
Benefits/Hour	\$3.69	17.29%
Employee Salary Plus Benefits	\$25.04	100.00%
Contractor Cost/Hour	\$-	0.00%
Portion for Employee Costs	\$25.04	
Portion for Contractor Costs	\$-	
Personnel Costs	\$25.04	83.76%
Admin & Support Costs	\$4.86	16.24%
Total Costs/Hour	\$29.90	
Reported Mileage to Remove	\$1.13	3.77%
Total Costs/Hour Less Reported Mileage	\$28.77	\$24.10
Total Costs/Hour with Billable Factor	\$47.66	60.37%
Mileage	\$1.65	
Calculated Total	\$49.30	
Calculated Rate	\$12.38	

VIII. RECOMMENDATIONS

First Steps Rate Recommendations

Based on the methodology and data inputs, PCG has identified the following service rate options summarized below and described in the preceding sections. These service rate options are intended to be used as guidance for consideration subject to programmatic decisions and fiscal limitations.

Table VIII-A: PCG Rate Recommendations

Service	Rate Type	Recommended Offsite Rate	Recommended Onsite Rate
Evaluation	Event	\$ 140.46	N/A
Service Coordination	15 Minute	\$ 12.38	N/A
Audiology	15 Minute	\$ 23.75	\$ 19.13
Speech Therapy	15 Minute	\$ 29.38	\$ 23.88
Developmental Therapy	15 Minute	\$ 21.38	\$ 17.25
Psychology	15 Minute	\$ 28.38	\$ 23.00
Nutrition	15 Minute	\$ 18.25	\$ 14.63
Social Work	15 Minute	\$ 17.00	\$ 13.63
Interpreter	15 Minute	\$ 14.25	\$ 11.25
Physical Therapy	15 Minute	\$ 35.00	\$ 28.50
Physical Therapy Assistant	15 Minute	\$ 25.75	\$ 20.88
Occupational Therapy	15 Minute	\$ 33.13	\$ 27.00
Certified Occupational Therapy Assistant	15 Minute	\$ 26.63	\$ 21.63

Impact Analysis

The rate calculations were tested based on an analysis of payments made in SFY2017. Table IX-B shows the estimated additional cost to First Steps when the new proposed reimbursement rates are applied to the number of units of service that were provided in State Fiscal Year (SFY) 2017. The total estimated fiscal impact, which also addresses service coordination, is included after the table.

Table VIII-B: Fiscal Analysis Based on SFY17 Utilization

Service	# Units SFY17	Total Paid SFY17 (Actual Units * Current Rates)	Estimated Fiscal (Actual Units * Proposed Rates)	Variance \$	Variance %
Early intervention services	2,173,869	\$39.3 million	\$61.1 million	\$21.9 million	55.5%

The variance column in table VIII-B represents the estimated fiscal increase of the proposed rates. When the increased need regarding service coordination—an entitlement service under IDEA Part C that must be provided to each family referred to First Steps—is considered, there is an additional estimated increase of at least four (4) million dollars, resulting in a total estimated fiscal impact of \$25.9 million. This fiscal impact is reflective of the total estimated cost funded through multiple sources. FSSA will leverage all funding sources available to help reduce the additional funding needed to support the program with the understanding that additional state appropriations may not be fully available.

Program Growth Considerations

The rate calculations were based on data collected primarily from 2017. It is recommended that Indiana consider the growth of the program based upon historical increases in the total number of children served as well as the numbers of children born with a substance exposure diagnosis needing early intervention services. A 7% increase in the number of children served was applied to derive the estimated fiscal impact for SFY 2020 and SFY 2021 as illustrated in Table VIII-C.

Table VIII-C: Estimated Fiscal Impact Based On Estimated Program Growth

Year	Estimated Program Growth	Estimated State Funding Impact	Estimated Medicaid, Private Insurance, and Family Fees Funding ⁴ Impact	Total Estimated Fiscal Impact
2020	7%	\$22.2 million	\$8.2 million	\$30.4 million
2021	7%	\$25.6 million	\$9.5 million	\$35.1 million

Table VIII-C represents the Federal and State dollars for the projected program growth and revised rates detailed in this report. The available state portion of this funding will be determined during the upcoming 2019 legislative session.

⁴ This rate recommendations report is one of three reports published on the First Steps fiscal analysis project. The second report provides more information on current First Steps funding sources and recommendations around funding source utilization. To read this report, please visit the First Steps website at <https://www.in.gov/fssa/ddrs/4655.htm>.

IX. ACKNOWLEDGMENTS

The Indiana Family and Social Services Administration and its Division of Disability and Rehabilitative Services would like to thank the many individuals and agencies that contributed to this report. Indiana greatly appreciates the time and effort that First Steps program stakeholders invested towards this project.

APPENDIX A – BLS DISCIPLINES

Discipline	BLS Discipline Description	IN Regulation Discipline Description
Audiologist	<p>Audiologist: Assess and treat persons with hearing and related disorders. May fit hearing aids and provide auditory training. May perform research related to hearing problems.</p>	<p>Audiologist: Master's and/or Doctorate degree and licensed through the Indiana Speech-Language Pathology and Audiology board as set forth in IC 25-35.6 and further defined in 880 IC 1-1; or those in the Clinical Fellowship Year (CFY) working toward current licensure under the supervision of a licensed Audiologist. Those in their CFY must submit the name, address and copy of the license of their supervisor at time of enrollment.</p>
Developmental Specialist/Therapists *	<p>Special Education Teachers, Preschool: Teach preschool school subjects to educationally and physically handicapped students. Includes teachers who specialize and work with audibly and visually handicapped students and those who teach basic academic and life processes skills to the mentally impaired.</p> <p>Therapists, All Other All therapists not listed separately.</p>	<p>Developmental Therapy: Bachelor's, Master's and/or Doctorate degree in early childhood or special education (with an early childhood focus) is required. Those with related degrees in child development including certified Child Life Specialists, early intervention or nursing (MSN with a pediatric major) and who have completed thirty (30) hours of academic child development coursework may also be considered. All developmental therapy enrollees are enrolled at the associate level and must work for 12 months (with a child caseload) under the direct supervision of an enrolled, credentialed developmental therapy specialist and submit name, address and credential letter of their supervisor at time of enrollment. After completion of one year of supervised practice, the Developmental Therapist may request specialist status. Please note that effective October 1, 2010 the following changes were made: 1) First Steps no longer accepts a bachelor's, master's or doctorate degree in elementary or secondary education as an acceptable entry level qualification for Developmental Therapy; 2) Nurses enrolling as Developmental Therapist are required to have a master's degree with a pediatric major.</p>
Interpreter	<p>Interpreters and Translators: Interpret oral or sign language, or translate written text from one language into another.</p>	<p>Interpreter: Non-certified individual who is fluent in a foreign language, including ASL and is able to translate on behalf of a provider, service coordinator and/or family. Credentialing is not required.</p>
Licensed Clinical Social Worker*	<p>Healthcare Social Workers: Provide individuals, families, and groups with the psychosocial support needed to cope with chronic, acute, or terminal illnesses. Services include advising family care givers, providing patient education and counseling, and making referrals for other services. May also provide care and case management or interventions designed to promote health, prevent disease, and address barriers to access to healthcare.</p> <p>Child, Family, and School Social Workers: Provide social services and assistance B5to improve the social and psychological functioning of children and their families and to maximize the family well-being and the academic functioning of children. May assist parents, arrange adoptions, and find foster homes for abandoned or abused children. In schools, they address such problems as teenage pregnancy, misbehavior, and truancy. May also advise teachers.</p> <p>Social Workers, All Other: All social workers not listed separately.</p>	<p>Social Worker: Master's and/or doctorate degree in Social Work and licensed as a clinical social worker (LCSW) under IC 25-23.6, or an MSW level social worker working toward current licensure who must submit the name, address and copy of license of supervisor at time of enrollment.</p>
Occupational Therapist	<p>Occupational Therapists: Assess, plan, organize, and participate in rehabilitative programs that help build or restore vocational, homemaking, and daily living skills, as well as general independence, to persons with disabilities or developmental delays</p>	<p>Occupational Therapist: Bachelor's, Master's and/or Doctorate degree in Occupational Therapy and licensed in Indiana as an Occupational Therapist by the Occupational Therapy Committee of the Indiana Professional Licensing Agency; or those with a temporary license working under the supervision of a licensed Occupational Therapist who must submit the name, address and copy of license of supervisor at time of enrollment.</p>

Discipline	BLS Discipline Description	IN Regulation Discipline Description
Occupational Therapy Assistant	<p>Occupational Therapy Assistants: Assist occupational therapists in providing occupational therapy treatments and procedures. May, in accordance with State laws, assist in development of treatment plans, carry out routine functions, direct activity programs, and document the progress of treatments. Generally requires formal training.</p>	<p>Occupational Therapy Assistant: Associate's or Bachelor's degree in Occupational Therapy and certified as an Occupational Therapy Assistant (COTA) by the Indiana Occupational Therapy Committee of the Indiana Professional Licensing Agency. Must work under the supervision of an enrolled, Licensed Occupational Therapist as referenced in IC 25-23.5-2-5 and 844 IAC 10-5.5, and submit the name, address, and a copy of the license of their supervisor at the time of enrollment and annually.</p>
Other Professional	<p>Community and Social Service Specialists: All community and social service specialists not listed separately. Excludes "Health Educators", "Probation Officers", "Social and Human Services Assistants", and "Community Health Workers".</p>	<p>N/A</p>
Physical Therapist	<p>Physical Therapists: Assess, plan, organize, and participate in rehabilitative programs that improve mobility, relieve pain, increase strength, and improve or correct disabling conditions resulting from disease or injury.</p>	<p>Physical Therapist: Bachelor's, Master's and/or Doctorate degree in Physical Therapy and licensed by the Physical Therapy Committee of the Indiana Professional Licensing Agency as a physical therapist; or those possessing a temporary license working under the supervision of a licensed Physical Therapist who must submit the name, address and copy of license of supervisor at time of enrollment.</p>
Physical Therapist Assistant	<p>Physical Therapist Assistants: Assist physical therapists in providing physical therapy treatments and procedures. May, in accordance with State laws, assist in the development of treatment plans, carry out routine functions, document the progress of treatment, and modify specific treatments in accordance with patient status and within the scope of treatment plans established by a physical therapist. Generally requires formal training.</p>	<p>Physical Therapy Assistant: Associate's or bachelor's degree in Physical Therapy and certified by the Physical Therapy Committee of the Indiana Professional Licensing Agency as a Physical Therapy Assistant. Must work under the direct supervision of an enrolled licensed Physical Therapist as referenced in IC 25-27-1 and 844 IAC 6 and submit the name, address, and a copy of the license of their supervisor at the time of enrollment and annually.</p>
Psychologist	<p>Psychologist, All Other: All psychologists not listed separately.</p>	<p>Psychologist: Doctorate degree in psychology and licensed by the State Psychology Board of the Indiana Professional Licensing Agency as a Health Services Provider in Psychology (HSPP) or as a Psychologist, without the HSPP endorsement, who is currently practicing under the supervision of a n HSPP for the purpose of qualifying for the endorsement, or a psychologist who holds a limited license issued under IC 25-33-1-18 and practices within the scope of the psychologist's limited license.</p>
Registered Dietitian	<p>Dietitians and Nutritionists: Plan and conduct food service or nutritional programs to assist in the promotion of health and control of disease. May supervise activities of a department providing quantity food services, counsel individuals, or conduct nutritional research</p>	<p>Nutritionist: Bachelor's, Master's and/or Doctorate degree and certified as a Registered Dietitian by the Indiana Professional Licensing Agency, Dietitians Board.</p>
Service Coordinator*	<p>Healthcare Social Workers: Provide individuals, families, and groups with the psychosocial support needed to cope with chronic, acute, or terminal illnesses. Services include advising family care givers, providing patient education and counseling, and making referrals for other services. May also provide care and case management or interventions designed to promote health, prevent disease, and address barriers to access to healthcare.</p> <p>Community and Social Service Specialists: All community and social service specialists not listed separately.</p>	<p>Service Coordinator: Recommended entry level is a bachelor's degree in a related field of study. Service/Intake Coordinators are employed directly by the SPOE and the SPOE's fiscal agent is responsible for screening and hiring its staff. Service/Intake Coordinators must work under the direct supervision of an experienced Service Coordinator and the SPOE Director. Once hired, all Service Coordinators must complete the required Service Coordination training (SC101, SC102 and SC103) and must credential at the specialist level within two years of hire. All Service Coordinators must be enrolled through a First Steps System Point of Entry office.</p>

Discipline	BLS Discipline Description	IN Regulation Discipline Description
Speech Pathologist	<p>Speech-Language Pathologists: Assess and treat persons with speech, language, voice, and fluency disorders. May select alternative communication systems and teach their use. May perform research related to speech and language problems.</p>	<p>Speech Language Pathologist: Masters and/or doctorate degree in Speech Language Pathology and licensed as a Speech Language Pathologist by the Indiana Speech Language Pathology and Audiology Board; or those who have registered with the State of Indiana for the Clinical Fellowship Year (CFY) working toward current licensure under the supervision of a licensed Speech Language Pathologist who must submit the name, address and copy of license of supervisor at time of enrollment.</p>
<p>*No direct BLS discipline match.</p>		
<p><i>BLS discipline descriptions from May 2017 State Occupational Employment and Wage Estimates published by the Bureau of Labor Statistics</i></p>		
<p><i>IN regulation discipline descriptions from Indiana First Steps Early Intervention Personnel Guide (https://www.in.gov/fssa/files/First_Steps_Personnel_GuideRevised_8-2012.pdf)</i></p>		

APPENDIX B – RATE CALCULATION TABLES

Audiology-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 34.13		\$ 34.13	
Benefits/Hour	\$ 4.41	12.92%	\$ 4.41	12.92%
Employee Salary Plus Benefits	\$ 38.54	100.00%	\$ 38.54	100.00%
Contractor Cost/Hour	\$ -	0.00%	\$ -	0.00%
Portion for Employee Costs	\$ 38.54		\$ 38.54	
Portion for Contractor Costs	\$ -		\$ -	
Personnel Costs	\$ 38.54	82.19%	\$ 38.54	82.19%
Admin & Support Costs	\$ 8.35	17.81%	\$ 8.35	17.81%
Total Costs/Hour	\$ 46.90		\$ 46.90	
Reported Mileage to Remove	\$ 0.85	1.82%	\$ 0.85	1.82%
Total Costs/Hour Less Reported Mileage	\$ 46.04		\$ 46.04	
Total Costs/Hour with Billable Factor	\$ 76.74	60.00%	\$ 92.09	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 76.74		\$ 94.96	
Calculated 15 Minute Rate	\$ 19.13		\$ 23.75	

Speech Therapy-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 35.88		\$ 35.88	
Benefits/Hour	\$ 4.64	12.92%	\$ 4.64	12.92%
Employee Salary Plus Benefits	\$ 40.52	59.17%	\$ 40.52	59.17%
Contractor Cost/Hour	\$ 58.89	40.83%	\$ 58.89	40.83%
Portion for Employee Costs	\$ 23.98		\$ 23.98	
Portion for Contractor Costs	\$ 24.04		\$ 24.04	
Personnel Costs	\$ 48.02	82.19%	\$ 48.02	82.19%
Admin & Support Costs	\$ 10.40	17.81%	\$ 10.40	17.81%
Total Costs/Hour	\$ 58.42		\$ 58.42	
Reported Mileage to Remove	\$ 1.06	1.82%	\$ 1.06	1.82%
Total Costs/Hour Less Reported Mileage	\$ 57.36		\$ 57.36	
Total Costs/Hour with Billable Factor	\$ 95.60	60.00%	\$ 114.72	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 95.60		\$ 117.59	
Calculated 15 Minute Rate	\$ 23.88		\$ 29.38	

Developmental Therapy-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 22.41		\$ 22.41	
Benefits/Hour	\$ 2.90	12.92%	\$ 2.90	12.92%
Employee Salary Plus Benefits	\$ 25.31	45.96%	\$ 25.31	45.96%
Contractor Cost/Hour	\$ 42.44	54.04%	\$ 42.44	54.04%
Portion for Employee Costs	\$ 11.63		\$ 11.63	
Portion for Contractor Costs	\$ 22.94		\$ 22.94	
Personnel Costs	\$ 34.57	82.19%	\$ 34.57	82.19%
Admin & Support Costs	\$ 7.49	17.81%	\$ 7.49	17.81%
Total Costs/Hour	\$ 42.06		\$ 42.06	
Reported Mileage to Remove	\$ 0.76	1.82%	\$ 0.76	1.82%
Total Costs/Hour Less Reported Mileage	\$ 41.29		\$ 41.29	
Total Costs/Hour with Billable Factor	\$ 68.82	60.00%	\$ 82.59	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 68.82		\$ 85.46	
Calculated 15 Minute Rate	\$ 17.25		\$ 21.38	

Psychology-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 40.98		\$ 40.98	
Benefits/Hour	\$ 5.29	12.92%	\$ 5.29	12.92%
Employee Salary Plus Benefits	\$ 46.27	100.00%	\$ 46.27	100.00%
Contractor Cost/Hour				
Portion for Employee Costs	\$ 46.27		\$ 46.27	
Portion for Contractor Costs	\$ -		\$ -	
Personnel Costs	\$ 46.27	82.19%	\$ 46.27	17.81%
Admin & Support Costs	\$ 10.02	17.81%	\$ 10.02	17.81%
Total Costs/Hour	\$ 56.29		\$ 56.29	
Reported Mileage to Remove	\$ 1.02	1.82%	\$ 1.02	1.82%
Total Costs/Hour Less Reported Mileage	\$ 55.27		\$ 55.27	
Total Costs/Hour with Billable Factor	\$ 92.12	60.00%	\$ 110.54	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 92.12		\$ 113.41	
Calculated 15 Minute Rate	\$ 23.00		\$ 28.38	

Nutrition-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 26.05		\$ 26.05	
Benefits/Hour	\$ 3.37	12.92%	\$ 3.37	12.92%
Employee Salary Plus Benefits	\$ 29.42	100.00%	\$ 29.42	100.00%
Contractor Cost/Hour				
Portion for Employee Costs	\$ 29.42		\$ 29.42	
Portion for Contractor Costs	\$ -		\$ -	
Personnel Costs	\$ 29.42	82.19%	\$ 29.42	82.19%
Admin & Support Costs	\$ 6.37	17.81%	\$ 6.37	17.81%
Total Costs/Hour	\$ 35.79		\$ 35.79	
Reported Mileage to Remove	\$ 0.65	1.82%	\$ 0.65	1.82%
Total Costs/Hour Less Reported Mileage	\$ 35.14		\$ 35.14	
Total Costs/Hour with Billable Factor	\$ 58.57	60.00%	\$ 70.28	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 58.57		\$ 73.15	
Calculated 15 Minute Rate	\$ 14.63		\$ 18.25	

Social Work-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 24.21		\$ 24.21	
Benefits/Hour	\$ 3.13	12.92%	\$ 3.13	12.92%
Employee Salary Plus Benefits	\$ 27.34	100.00%	\$ 27.34	100.00%
Contractor Cost/Hour				
Portion for Employee Costs	\$ 27.34		\$ 27.34	
Portion for Contractor Costs	\$ -		\$ -	
Personnel Costs	\$ 27.34	82.19%	\$ 27.34	82.19%
Admin & Support Costs	\$ 5.92	17.81%	\$ 5.92	17.81%
Total Costs/Hour	\$ 33.27		\$ 33.27	
Reported Mileage to Remove	\$ 0.60	1.82%	\$ 0.60	1.82%
Total Costs/Hour Less Reported Mileage	\$ 32.66		\$ 32.66	
Total Costs/Hour with Billable Factor	\$ 54.44	60.00%	\$ 65.32	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 54.44		\$ 68.19	
Calculated 15 Minute Rate	\$ 13.63		\$ 17.00	

Interpreter-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 20.09		\$ 20.09	
Benefits/Hour	\$ 2.60	12.92%	\$ 2.60	12.92%
Employee Salary Plus Benefits	\$ 22.68	100.00%	\$ 22.68	100.00%
Contractor Cost/Hour				
Portion for Employee Costs	\$ 22.68		\$ 22.68	
Portion for Contractor Costs	\$ -		\$ -	
Personnel Costs	\$ 22.68	82.19%	\$ 22.68	82.19%
Admin & Support Costs	\$ 4.91	17.81%	\$ 4.91	17.81%
Total Costs/Hour	\$ 27.60		\$ 27.60	
Reported Mileage to Remove	\$ 0.50	1.82%	\$ 0.50	1.82%
Total Costs/Hour Less Reported Mileage	\$ 27.09		\$ 27.09	
Total Costs/Hour with Billable Factor	\$ 45.16	60.00%	\$ 54.19	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 45.16		\$ 57.05	
Calculated 15 Minute Rate	\$ 11.25		\$ 14.25	

Physical Therapy-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 39.51		\$ 39.51	
Benefits/Hour	\$ 5.10	12.92%	\$ 5.10	12.92%
Employee Salary Plus Benefits	\$ 44.62	46.86%	\$ 44.62	46.86%
Contractor Cost/Hour	\$ 68.61	53.14%	\$ 68.61	53.14%
Portion for Employee Costs	\$ 20.91		\$ 20.91	
Portion for Contractor Costs	\$ 36.46		\$ 36.46	
Personnel Costs	\$ 57.37	82.19%	\$ 57.37	82.19%
Admin & Support Costs	\$ 12.43	17.81%	\$ 12.43	17.81%
Total Costs/Hour	\$ 69.80		\$ 69.80	
Reported Mileage to Remove	\$ 1.27	1.82%	\$ 1.27	1.82%
Total Costs/Hour Less Reported Mileage	\$ 68.53		\$ 68.53	
Total Costs/Hour with Billable Factor	\$ 114.22	60.00%	\$ 137.06	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 114.22		\$ 139.93	
Calculated 15 Minute Rate	\$ 28.50		\$ 35.00	

Physical Therapy Assistant-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 26.83		\$ 26.83	
Benefits/Hour	\$ 3.47	12.92%	\$ 3.47	12.92%
Employee Salary Plus Benefits	\$ 30.29	69.52%	\$ 30.29	69.52%
Contractor Cost/Hour	\$ 68.61	30.48%	\$ 68.61	30.48%
Portion for Employee Costs	\$ 21.06		\$ 21.06	
Portion for Contractor Costs	\$ 20.92		\$ 20.92	
Personnel Costs	\$ 41.97	82.19%	\$ 41.97	82.19%
Admin & Support Costs	\$ 9.09	17.81%	\$ 9.09	17.81%
Total Costs/Hour	\$ 51.07		\$ 51.07	
Reported Mileage to Remove	\$ 0.93	1.82%	\$ 0.93	1.82%
Total Costs/Hour Less Reported Mileage	\$ 50.14		\$ 50.14	
Total Costs/Hour with Billable Factor	\$ 83.57	60.00%	\$ 100.28	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 83.57		\$ 103.15	
Calculated 15 Minute Rate	\$ 20.88		\$ 25.75	

Occupational Therapy-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 38.22		\$ 38.22	
Benefits/Hour	\$ 4.94	12.92%	\$ 4.94	12.92%
Employee Salary Plus Benefits	\$ 43.15	56.15%	\$ 43.15	56.15%
Contractor Cost/Hour	\$ 68.61	43.85%	\$ 68.61	43.85%
Portion for Employee Costs	\$ 24.23		\$ 24.23	
Portion for Contractor Costs	\$ 30.09		\$ 30.09	
Personnel Costs	\$ 54.32	82.19%	\$ 54.32	82.19%
Admin & Support Costs	\$ 11.77	17.81%	\$ 11.77	17.81%
Total Costs/Hour	\$ 66.09		\$ 66.09	
Reported Mileage to Remove	\$ 1.20	1.82%	\$ 1.20	1.82%
Total Costs/Hour Less Reported Mileage	\$ 64.88		\$ 64.88	
Total Costs/Hour with Billable Factor	\$ 108.14	60.00%	\$ 129.77	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 108.14		\$ 132.63	
Calculated 15 Minute Rate	\$ 27.00		\$ 33.13	

Occupational Therapy Assistant-BLS

Line Item	Onsite		Offsite	
	\$	%	\$	%
Salary/Hour	\$ 28.80		\$ 28.80	
Benefits/Hour	\$ 3.72	12.92%	\$ 3.72	12.92%
Employee Salary Plus Benefits	\$ 32.52	69.92%	\$ 32.52	69.92%
Contractor Cost/Hour	\$ 68.61	30.08%	\$ 68.61	30.08%
Portion for Employee Costs	\$ 22.74		\$ 22.74	
Portion for Contractor Costs	\$ 20.64		\$ 20.64	
Personnel Costs	\$ 43.38	82.19%	\$ 43.38	82.19%
Admin & Support Costs	\$ 9.40	17.81%	\$ 9.40	17.81%
Total Costs/Hour	\$ 52.78		\$ 52.78	
Reported Mileage to Remove	\$ 0.96	1.82%	\$ 0.96	1.82%
Total Costs/Hour Less Reported Mileage	\$ 51.82		\$ 51.82	
Total Costs/Hour with Billable Factor	\$ 86.36	60.00%	\$ 103.64	50.00%
Mileage			\$ 2.87	
Calculated Hourly Total	\$ 86.36		\$ 106.50	
Calculated 15 Minute Rate	\$ 21.63		\$ 26.63	



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