

FSSA/OMPP Applied Behavior Analysis (ABA) Therapy Medicaid Reimbursement Rate Review Reveals Significant Flaws in Analysis

October 11, 2023

Shortcomings That Cannot Be Ignored

Ignoring the Data

According to OMPP's own cost survey adjusted for inflation, **the cost for providers to deliver ABA therapy is \$76 per hour.**

OMPP's latest rate proposal of \$68.24 per hour is 10% below providers' operating costs and will create an unsustainable environment for providers and lead to closures.

Improper Comparisons To Home And Community-Based Services

A foundational assumption of OMPP's rate development methodology is a flawed comparison to Home and Community Based Services (HCBS).

In fact, the significant majority of ABA therapy services for children in Indiana are delivered through center-based providers, which provides demonstrably superior therapy benefits and patient outcomes

Equating ABA therapy to Home and Community Based Services is not a valid comparison.

Administrative Program Cost Percentages Incorrect

OMPP's Program Cost Percentage needs to be increased from 20% to 30%.

OMPP's own survey data showed Program Costs represented 41% of total costs when including the other Direct Care Expenses that are not included in their rate methodology.

Utilizing 30% still recognizes the need to transition to a more efficient cost structure but comes closer to providers current program administrative costs.

This aligns with Indiana's Division of Aging HCBS Adult Day Services costs for Administration, Program Support, and Overhead recently set at 30%.

Cherry-Picked Data

FSSA/OMPP compared Indiana to states with outdated rates.

Of the **18** states OMPP used for comparison with rates below \$68.24, **1/3** of the states haven't changed their Medicaid rates in the last **3-4** years and more than half haven't been changed in over 18 months. These outdated rates are pushing down the comparison rate/median utilized by FSSA and giving a misleading picture.

The use of outdated data undermines the goals of keeping centers open and delivering high quality ABA therapy to children and families.

Indiana is currently a national leader in access to quality ABA therapy, the state shouldn't work to undermine that distinction.

State	97153 Medicaid Rate / hr.	Effective Date	Year
Michigan*	\$50.00	1/1/2019	2019
North Carolina	\$72.36	1/1/2019	2019
Vermont	\$60.00	1/1/2019	2019
New Mexico	\$64.76	10/1/2019	2019
Kentucky*	\$45.00	1/1/2020	2020
Washington	\$44.00	7/1/2020	2020
Ohio*	\$50.76	4/1/2021	2021
Illinois*	\$52.00	1/26/2022	2022
Oregon	\$55.00	2/1/2022	2022
Texas	\$45.00	3/1/2022	2022

* Orange highlights represent states which FSSA specifically references as comparable on FSSA website update as of Sept 20

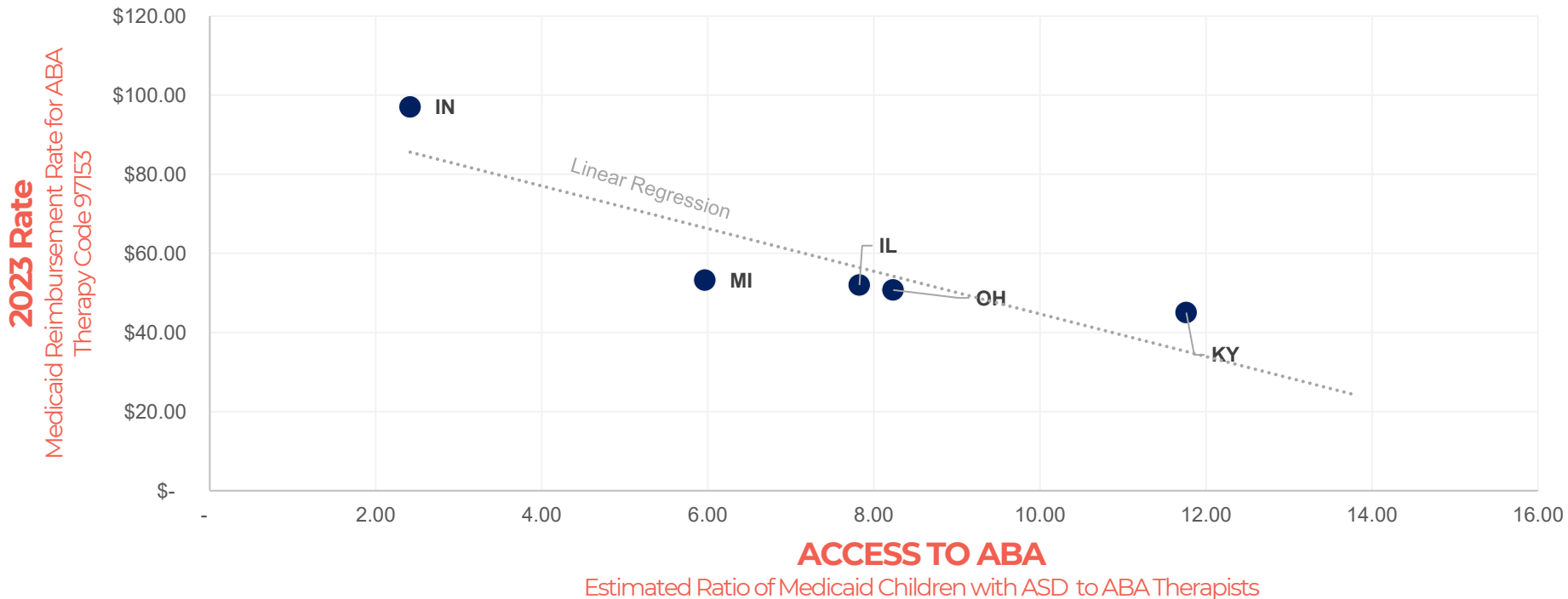
Denying Access; Becoming Illinois

In Indiana, the availability of clinicians per estimated Medicaid children with ASD is 70% higher than the states FSSA highlighted as comparable model states (MI, KY, OH, IL).

Bottom Line: Cutting rates below FSSA/OMPPs own cost survey would succeed in making Indiana more like Illinois and fail Hoosier children by shutting down ABA centers and creating therapy deserts for children covered by Medicaid

Correlation of Reduced Rate to Reduced Access in OMPP Comparison States

Based on Rates from 2023



A Rate of \$76 Achieves Goal to Cut Spending

- If OMPP/FSSA adjusts their proposal to providers costs , \$76, it will keep centers open while significantly lowering costs for the state.
- **Cutting the rate from the current average reimbursement rate of \$101 to \$76 will succeed in saving the state roughly \$27.5 Million each year (in addition to federal funding savings).**
- The state's current proposal of \$68.24 is below provider costs and will cause shutdowns. **To raise the rate just \$8 to a sustainable reimbursement level of \$76, it would cost the state roughly \$9 Million per year** – a very small price to pay to protect access to services for children with autism.
- In fact, \$9 Million a year is 0.3% of Indiana's \$2.9 Billion budget surplus at the close of FY23.

Let's Be Clear

- 1 Ignores the Results of Their Own Cost Story
- 2 Improperly Compares ABA to Home And Community-Based Services
- 3 Includes Incorrect Program Cost Percentages
- 4 Compares Indiana to States with Outdated Rates
- 5 Models Indiana After Illinois; Threatening Access