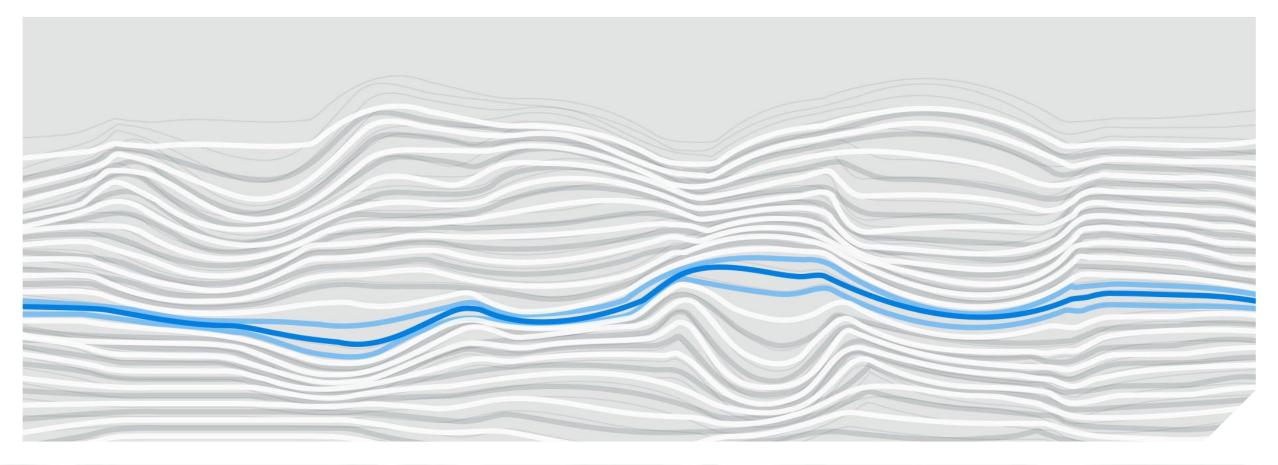


Rate Review of Home and Community-Based Services

Indiana Department of Child Services (DCS)

Milliman

FEBRUARY 1, 2023



Introductions



DCS

- Terry Stigdon, Director
- Eric Miller, Chief of Staff
- Aaron Atwell, Chief Financial Officer
- David Reed, Deputy Director of Child Welfare Services
- Austin Hollabaugh, Assistant Deputy Director of Child Welfare Services

Milliman Team

- Amanda Schipp, Senior Consultant
- Caroline Scott, Associate Actuary
- Libby Foster, Child Welfare Consultant
- Gwyn Volk, Senior Consultant
- Christine Mytelka, Principal and Consulting Actuary
- Amy Rohr, Policy Consultant



Indiana Department of Child Services

About the agency

Mission DCS leads the state's response to allegations of child abuse and neglect and facilitates child support payments

 DCS considers the needs and values of all they service in the efforts to protect children while keeping families together whenever possible

Vision Children will live in safe, healthy and supportive families and communities

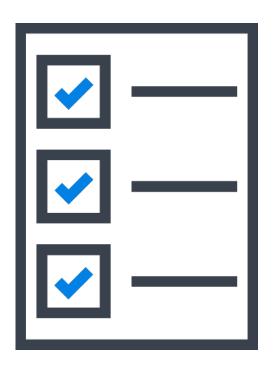
Values DCS empowers their team in collaboration with state and local partners to make decisions in the best interest of every child in their care by embracing

- Respect for all
- Transparency
- Racial justice
- Diversity and inclusion
- Culture of safety
- A commitment to continuous improvement



Agenda

- Goals, scope, and status of rate review
- Overview of approach and key takeaways
- Assumptions common across all services
- Service-specific assumptions
- Examples of detailed rate buildup
- Moving forward
- Questions



Please use the chat feature if you have questions during the presentation. We will address as many questions as possible "live" (based on timing and content of questions) and you will also have opportunities after this presentation to submit questions and provide feedback. The final rate study report will summarize and respond to stakeholder feedback.



Goals, Scope, and Status of Rate Review

DCS Rate Review Goals

| Goal | Description of Rate Approach |
|---------------------------------|--|
| Adequacy | Consider recent wage inflation and necessary costs to provide services |
| Sustainability / Predictability | Provide a periodic rate review schedule (e.g., every three to five years), with annual percentage increases |
| Framework | Support consistent relationships among service rates (e.g., wage assumptions are consistent across services that use similar types of staff) via standardized rate framework |
| Alignment | Align with rates where possible for comparable services (e.g., Medicaid) |
| Transparency | Support stakeholder understanding of payment rate development |
| Prioritize prevention | Nurture services that reduce out of home placements |
| Workforce | Support workforce training and growth: access, quality, and equity |
| Quality and Equity | Improve child safety and quality of life for all Hoosiers |



Scope of Rate Review



This rate review only focuses on home and community-based rates and does <u>not</u> include residential treatment service rates beyond Medicaid alignment.



In Scope

All Home and Community-Based Rates

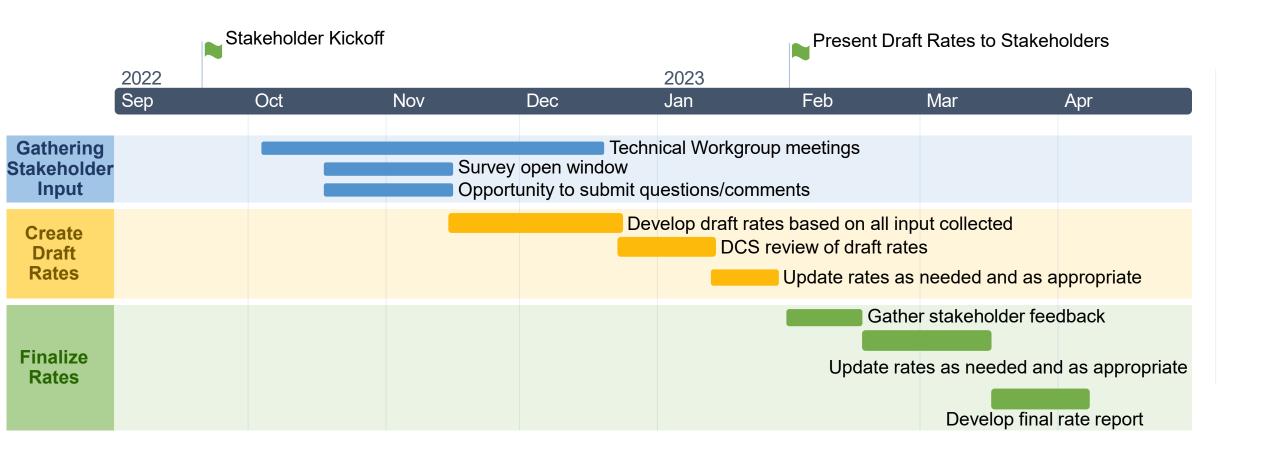
- Home-based family therapy
- Supervised visitation
- Home-based casework
- Father engagement programs
- And other services



Outside of Scope

- Did not review residential treatment service rates beyond alignment with Medicaid
- Did not restructure service array
- Did not change service definitions
- Did not rate actual cost services, negotiated rate services, or services with no utilization in the past two years

Rate Development Timeline





Provider Survey

Capturing Provider Voice, Informing Key Assumptions

PURPOSE

Support an understanding of provider costs and inform payment rates assumptions.

PARTICIPANTS

Agencies delivering in-scope services in the last year

TIMING AND METHODS

Survey was conducted online in October/November; providers had 30 days to complete.

Qualitative Results The survey gathered qualitative data on top priorities of providers, main concerns, and positive feedback.



The survey gathered quantitative data on services provided in SFY 2022, including service delivery costs, staffing, benefits, direct time, indirect time, training time, and transportation.



Survey Participation

| Provider Participation by Count | | |
|-------------------------------------|----|------------------------|
| Fully Completed Partially Completed | | Did Not Participate |
| 109 | 51 | 85 |

| Provider Participation by SFY 2022 Spend | | |
|--|-----|------------------------|
| Fully Completed Partially Completed | | Did Not Participate |
| 62% | 12% | 26% |

Thank you to all participating providers for your time and thoughtful contributions.



Milliman, DCS, and provider organizations worked collaboratively to encourage **high** levels of provider participation.

65% of DCS providers participated in the survey.

106 providers participated in the live question-and-answer session held on October 31st.



Technical Workgroup Sessions

Workgroup Participants and Schedule

- 10 participants represented the range of provider types and services included in the rate study.
- Met virtually five times between October and December

Discussion Topics

- Recruitment and retention for direct support/clinical staff
- Training
- Indirect time

- Alignment with Medicaid
- Travel
- Service-specific questions

- No show loads
- On call wages



Overall Stakeholder Feedback Themes

TOP PRIORITIES IDENTIFIED

Competitive Wages

for direct service and clinical staff that align with similarly skilled professionals outside of DCS

Appropriate Compensation

that reflects direct service time, indirect time (e.g., training, planning), and no shows

Recruitment & Retention

for direct service and clinical staff supported in rates

ADVANTAGES AND CHALLENGES

Travel

Concerns regarding unbillable time and no shows, and urban and rural travel differences

Family Preservation

- Appreciation of outcomes, per diem model and flexibility of service
- Concerns about referrals

Relationships

- Positive working dynamic with DCS, other providers and Family Case Managers (FCM)
- Concerns for FCM turnover and communication

Staffing

Concerns regarding recruiting and retaining quality staff

Overall Commitment

- Appreciation for the vision and goals of DCS
- Concerns regarding client acuity and diminishing community resources



Overview of Approach and Key Takeaways

Key Takeaways from the Development of Draft Rates

Reflects Competitive Wages and Benefits

- Wages are aligned with similarly skilled professionals, inflated to the current period, and further increased for specific clinical positions
- Benefits include state and national payroll taxes, workers compensation, health insurance, and retirement
- Labor market adjustments to wages for specific services (e.g., services often performed in the evenings and on weekends)

Includes Appropriate Compensation for Time Worked

Rates account for:

- Scheduling
- Service planning
- Travel time and mileage
- DCS required training
- Reporting and documentation
- No-shows
- Late cancellations

Maintains or Increases Rates for Preventive and Home-Based Services

- Family Preservation payment rate was not changed as the draft rate buildup approximated the current payment rate
- Draft rates reflect increases for home-based services, with the highest increases for therapeutic tiers
- Draft rates are higher for many preventive services (e.g., father engagement services, domestic violence intervention and victim support services)

Aligns Payment with Medicaid Rates

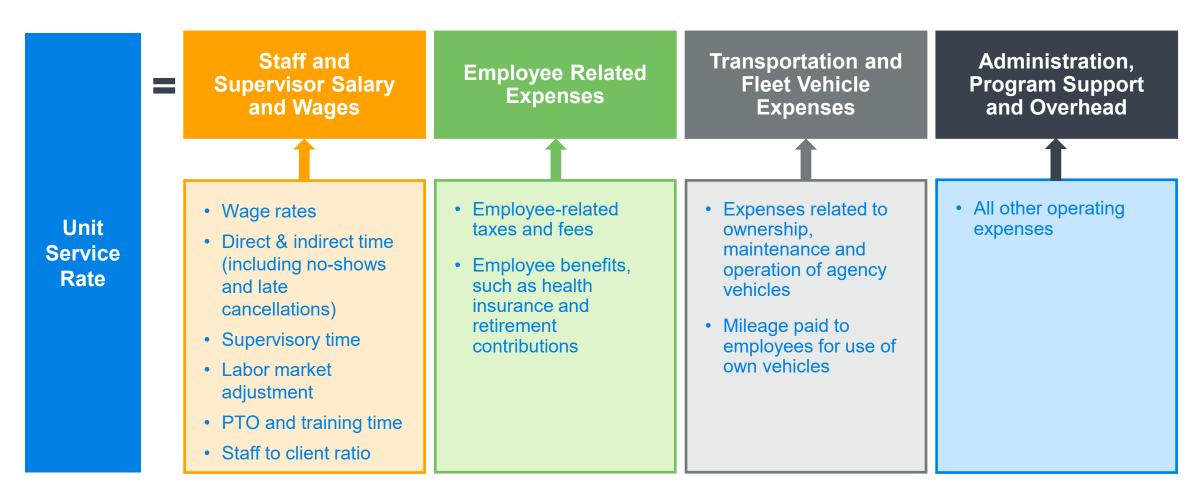
- Current DCS payment rates for Medicaid-billable services were updated based on projected CY 2024 Medicaid rates, resulting in overall increases for these services
- Medicaid billable services paid by DCS at 95% of projected Medicaid rate

Draft rates were developed to recognize the reasonable and appropriate costs of service delivery.



Independent Rate Model Framework Used for Rate Development

Draft rates reflect the sum of independently determined rate inputs and components, identified using national and state data sources, DCS provider survey data, and other stakeholder feedback





Draft Rates Account for Time Related to "No Shows"

(not billed separately)



- What is the rationale for incorporating time related to no shows into payment rates?
 - Reduces administrative complexity/burden (e.g., need for provider to document a no show for audit purposes)
 - Supports client engagement
 - Creates shared accountability between providers and DCS
- How is time related to no shows reflected in the rates?
 - Milliman identified time related to no shows via the provider survey responses and workgroup feedback
 - Time is included via explicit line-item adjustments within the Independent Rate Model buildup

A similar approach was used to reflect travel time, reporting time, and other indirect time and costs.

Specific rate assumption examples will be provided in a future slide.



Data Sources Informing the Rate Buildup

Stakeholder Feedback

- Technical subject matter expert workgroup insights
- Survey data
- Other feedback received

Bureau of Labor Statistics (BLS) from May 2021

- Wage amounts specific to Indiana, by occupational code
- Retirement
- Health, dental, vision and life insurance rates

Internal Revenue Service

FICA percentages and limits and FUTA tax information

Rules and Regulations

Published policies and guidance by the State of Indiana

Additional Data Sources, as Identified

- US Census
- IDOT traffic studies
- CMS CBSA Wage Index
- State mileage rates



Assumptions Common Across All Services

Wages

- Job title groupings ("provider group") and related mix of BLS occupational codes. Job title groupings reflected similar responsibilities, education and licensure.
- Wages trended 15% from May 2021 to 2024 based on Milliman's review of BLS wage data

Employee Related Expenses (ERE)

- Annual hours worked by full-time employees
- National and state payroll taxes:
 - FICA limit and percentage
 - FUTA tax amount
 - SUI fixed amount
 - Worker compensation
- Health and dental insurance costs
- Retirement costs
- ERE % by job title and wage percentile

Indirect time, PTO and Training

- PTO
- Annual training requirements for all employees (specific to each job title grouping, and including conference time)
- Training and onboarding time for new employees
- Employee turnover

Other Assumptions

- Administrative load (15%)
- Indiana mileage reimbursement rate
- Time and mileage for a specific service location type
- Fuel cost trend based on Milliman's review of Consumer Price Index (CPI) data



Wages for Clinical Staff

| Wage Assumptions Used in Rate Development | | |
|---|--|-----------------------------|
| Provider Group | Hourly Wage | BLS Percentile |
| Doctors: MD/DO | \$166.48 | BLS mean* |
| Psychologists: MA, PhD | \$ 41.58 | 50 th Percentile |
| Medical/Prescriber Staff | \$ 46.20 | 50 th Percentile |
| | \$28.64 (Temporary Permit Only) | 40 th Percentile |
| Community and Social Service Professionals - Master's | \$ 29.82 (Non-Clinical Worker or BA Supervisor) | 50 th Percentile |
| Level or Specialized Credential | \$32.65 (Clinical Direct Worker or Non-Clinical MA Supervisor) | 60 th Percentile |
| | \$35.48 (Clinical Supervisor) | 70 th Percentile |

^{*}Physician wages were approximated using the mean due to salary truncation within BLS.



Wages for Non-Clinical Staff

| Wage Assumptions Used in Rate Development | | |
|---|-----------------------------------|-----------------------------|
| Provider Group | Hourly Wage | BLS Percentile |
| Community and Social Service Professionals - Bachelor's Level | \$25.47 | 50 th Percentile |
| Community and Social Service Staff - Associate's Level, HS or G.E.D | \$20.12 | 50 th Percentile |
| Teachers and Administrators | \$17.18 (Tutors) | 25 th Percentile |
| reachers and Administrators | \$22.04 (Tutoring Supervisors) | 50 th Percentile |



Employee Related Expenses—Clinical Staff

| Annual Expense |
|---|
| \$35,250 |
| \$18,410 |
| \$ 19,598 |
| \$15,087 (Temporary Permit Only) \$15,389 (Non-Clinical Worker or BA Supervisor) \$16,116 (Clinical Direct Worker or Non-Clinical MA Supervisor) \$16,843 |
| |

^{*}Employee Related Expenses (ERE) includes FICA, FUTA, workers compensation, insurance, and retirement



Employee Related Expenses—Non-Clinical Staff

| Employee Related Annual Expense* Assumptions | | |
|---|------------------------------------|--|
| Provider Group | Annual Expense | |
| Community and Social Service Professionals - Bachelor's Level | \$14,271 | |
| Community and Social Service Staff - Associate's Level, HS or G.E.D | \$12,897 | |
| To solve and Administrators | \$12,143 (Tutors) | |
| Teachers and Administrators | \$13,390 (Tutoring Supervisors) | |

^{*}Employee Related Expenses (ERE) includes FICA, FUTA, workers compensation, insurance, and retirement



Paid Time Off, Training, and Turnover

| PTO, | Training, and | Turnover As | sumptions | | | |
|---|--|---|---|--|------------------------|---------------------------------------|
| Provider Group | Total Hours Worked per Year, Before Adjustments | Paid Holidays and PTO Hours Per Year | On-going Training / Conference Hours Per Year | Training Hours / Inefficient Time Per New Hire | Turnover Percentage | PTO/Training Adjustment Factor* |
| Doctors: MD/DO | 2,080 | 120 | 25 | 80 | 35% | 9.1% |
| Psychologists: MA, PhD | 2,080 | 120 | 25 | 80 | 35% | 9.1% |
| Medical/Prescriber Staff | 2,080 | 120 | 25 | 80 | 35% | 9.1% |
| Community and Social Service Professionals - Master's Level or Specialized Credential | 2,080 | 120 | 25 | 80 | 35% | 9.1% |
| Community and Social Service Professionals - Bachelor's Level | 2,080 | 80 | 25 | 80 | 35% | 6.8% |
| Community and Social Service Staff - Associate's Level, HS or G.E.D | 2,080 | 80 | 25 | 80 | 35% | 6.8% |
| Teachers and Administrators | 2,080 | 40 | 10 | 20 | 35% | 2.8% |

^{*}PTO/Training Adjustment Factor is calculated by Total Hours (2080) divided by productive hours (2080-(Holidays + Training + Onboarding *Turnover))-1



No Shows and Late Cancellations

| No Show and Late Cancellation Assumptions | | |
|---|--|--|
| Service Type | Assumed Increase to Indirect and Transportation Time | |
| Reporting, Child and Family Team Meetings (CFTM), and Group Father Engagement Services | 0.0% | |
| All Other Group Services, Court, Home-Based Casework, and Individual Father Engagement Services | 18.5% | |
| All Other Services | 12.5% | |

Additional Information:

- No shows and late cancellations are accounted for as an explicit increase to the provider's indirect and transportation time
- Building this assumption into the service rate as an explicit adjustment:
 - Reduces administrative burden associated with no-shows and late cancellations
 - Rewards provider efficiency; the no-show load is paid every time direct service occurs



Travel

| One-Way Travel Time and Mileage Assumptions | | |
|---|--------------------------------|---------------------------|
| Service Location | Assumed Travel Time in Minutes | Assumed Distance in Miles |
| Home Setting (parental home, kinship home, foster home) | 30.0 | 19.5 |
| Other Office/Clinic, Travel Required | 30.0 | 15.0 |
| Court | 20.0 | 14.0 |
| Residential Setting | 30.0 | 22.5 |
| Correctional Facilities | 60.0 | 30.0 |
| Community Setting: Other | 30.0 | 15.0 |
| Own Agency/Office/Clinic or Virtual | 0.0 | 0.0 |



Travel

General Process for Calculating Travel Assumptions:

- Determine one-way time and mileage assumptions for each unique service location. This element is common to all services.
- Create a blended average assumption for each service type using each service type's estimated location mix. This element varies between services.
- Multiply the blended average assumptions for time and mileage by the standard trip adjustment factors (shown below) to account for the final return trip at the end of each service day.

| Trip Adjustment Factors Used in Rate Development | | |
|--|------------------------|--|
| Assumed Total Length of Service (Direct Time) | Trip Adjustment Factor | |
| Less than 2 hours | 1.25 | |
| 2-4 hours | 1.50 | |
| 4 or more hours | 2.00 | |



Service-Specific Assumptions

Service Specific Assumptions

Informed by survey and technical workgroup

Labor Market Adjustments (standard is 100% of BLS)

- 150% adjustment for crisis response services
- 105% adjustment for home-based services and those occurring outside of normal business hours
- 90% adjustment for virtual, intermittent supervision, and Medicaid-billable reporting services

Indirect Time, Reporting, and Supervisory Time

 Assumptions differed according to assumed duration, location, reporting requirements, and complexity of the service

Provider Waiting Time Per No-Show

- Generally assumed to be 15 minutes per occurrence
- Court appearance and crisis response services assume 30 minutes per occurrence
- Supervised parenting time transportation services assume 20 minutes per occurrence
- Tutoring services assume 10 minutes per occurrence

Group Size

- Generally assumed to be 3 participants per group service
- Assumed to be 7.5
 participants per group for Day Reporting services



Assumptions for Specific Services (Examples Only)

Informed by survey and technical workgroup

| Assumption | Example |
|--------------|--|
| No-Show Load | The following assumptions were made for no-show and late cancellations: Home-based casework, individual father engagement, and all group services (excluding group father engagement): 18.5% All other individual services: 12.5% Medicaid-billable service reporting, CFTM, and group father engagement services: 0% |
| Direct Time | All Court Appearance services were assumed to require 75 minutes of direct time. For hourly or fifteen-minute services, direct time is assumed to be the same as the reporting unit. |



Assumptions for Specific Services (Examples Only, Cont.)

Informed by survey and technical workgroup

| Assumption | Example | | | | | | | |
|---------------------------|--|--|--|--|--|--|--|--|
| Indirect Time | All Court Appearance services were assumed to require: 60 minutes of provider preparation/reporting time 30 minutes of supervisory time 25 minutes of travel time | | | | | | | |
| Units Per Date of Service | Traditional Supervised Visitation services were assumed to be: 2 units per date of service for in-person visitation (standard or enhanced supervision) 1 unit per date of service for virtual visitation 3 units per date of service for intermittent supervision | | | | | | | |
| Service Location Mix | Group Counseling service locations were assumed as follows: Own office/agency/clinic (standard commute or no travel required): 75% Virtual: 20% Other community setting: 5% | | | | | | | |



Examples of DetailedRate Buildup

Example Rate Buildup: Home-Based Casework

Hourly Service Model

State of Indiana, Family and Social Services Administration
Department of Child Services
Home and Community-Based Services Rate Review

Service Information

Service Code: 10521-331 (Home-Based Family Centered Casework Services: Face-to-Face Service)

Service Description: 10521-Home-Based Family Centered Casework Services

Reporting Description: 10521-Home-Based Family Centered Casework Services: 331-Face to Face-Home-Based Family Centered Casework Services

Reporting Units: Per Hour

| Ref. | Description | BA Level Caseworker | MA Level Supervisor | Total | Notes | | |
|------|--|------------------------|------------------------|----------|--|--|--|
| Α | Average Minutes of Direct Time Per Unit | 60.0 | | | | | |
| В | Average Minutes of Indirect Time Per Unit | 20.0 | | | Assuming 1.5 units of service are delivered per date of service, with 30 minutes of indirect time in total | | |
| C | Average Minutes of Transportation Time Per Unit | 25.0 | | | Assuming 1.5 units of service are delivered per date of service, with 37.5 minutes of transportation time in total | | |
| D | Total Minutes Per Unit | 105.0 | | | D = A + B + C | | |
| E | No-Show Load | 18.5% | | | Assuming 18.5% increase to indirect & transportation time due to no shows | | |
| F | Estimated Wait Time Per No Show | 15.0 | | | Assuming 15 minutes of waiting before leaving in the event of a no show | | |
| G | Staffing Ratio | 1 | | | Each direct care worker is assumed to manage 1 client | | |
| H | Supervisor Minutes Per Unit | | 10.0 | | Assumes that 15 minutes of supervisory time is associated with 1.5 units | | |
| - 1 | PTO / Training / Conference Time Adjustment Factor | 6.8% | 9.1% | | Based on separate PTO build | | |
| J | Adjusted Total Minutes Per Unit | 124.0 | 10.9 | | J = [D + (B + C + F) * E] / G * (1 + I) | | |
| K | Hourly Wage | \$ 25.47 | \$ 29.82 | | Based on separate wage build | | |
| L | Labor Market Factor | 105% | 105% | | | | |
| M | Total Wages Expense Per Unit | \$ 55.28 | \$ 5.69 | \$ 60.97 | 7M = J * K * L / 60 | | |
| N | Employee Related Expense (ERE) Percentage | 26.9% | 24.8% | | Based on separate ERE build | | |
| 0 | Total ERE Expense Per Unit | \$ 14.89 | \$ 1.41 | \$ 16.30 | OO = M * N | | |
| Р | Estimated Miles Driven Per Unit | | | | Assuming an average speed of 38 MPH and 1.5 unit(s) of service per trip | | |
| Q | Indiana Reimbursement Rate | | | \$ 0.49 | Assuming current Indiana reimbursement rate of \$0.49 per mile, with 0% trend | | |
| R | Transportation Costs Per Unit | | | \$ 7.69 | R=P*Q | | |
| S | Administration / Program Support / Overhead | | | 15.0% | Portion of total rate | | |
| Т | Administration Expenses | | | | \$ 14.99 T = S * (M + O + R) / (1 - S) | | |
| | Draft Per Hour Rate | | | | U = M + O + R + T | | |
| V | Current Per Hour Rate | | | \$84.00 | The new rate represents an increase of 19% from the current rate | | |



Example Rate Buildup: Comprehensive Home-Based Services

Per Diem Service Model

State of Indiana, Family and Social Services Administration Department of Child Services Home and Community Based Services Rate Review

Service Information

Service Code: 10942-11923 (Comprehensive Home-Based Services: MI-Tier 3)

Service Description: 10942-Comprehensive Home-Based Services

Reporting Description: 10942-Comprehensive Home-Based Services: 11923-MI-Tier 3

Reporting Units: Per Diem

| Ref. | Description | Case Manager - Primary | MA Level Supervisor | Support Staff | Total | Notes | |
|------|---|---------------------------|------------------------|------------------------|--------------|--|--|
| Α | Hourly Wage | \$ 25.47 | \$ 29.82 | \$ 20.12 | | Based on separate wage build | |
| В | Holidays Worked | 10 | 6 | 3 | | Informed by survey, technical workgroup, and review of DCS service standards | |
| C | Number of Employees, in FTE | 6.00 | 1.50 | 3.00 | | Informed by survey, technical workgroup, and review of DCS service standards | |
| D | Labor Market Factor | 105% | 105% | 105% | | | |
| E | Leap Year Cost Adjustment | 1.0027 | 1.0027 | 1.0027 | | Adjusting total wage costs to account for 366 days in CY 2024 | |
| F | Total Wages Expense Per Month | \$ 29,495 | \$ 8,445 | \$ 11,204 | \$ 49,143 | 3 F = [(2,080 + (B * 8 * 1.5)) * A * C * D * E] / 12 | |
| G | Employee Related Expense (ERE) Percentage | 26.9% | 24.8% | 30.8% | | Based on separate ERE build | |
| Н | Total ERE Expense Per Month | \$ 7,946 | \$ 2,095 | \$ 3,453 | \$ 13,495.30 | | |
| 1 | Estimated Miles Driven Per Month, Per FTE | 2,000 | 2,000 | 500 | | Informed by survey, technical workgroup, and review of DCS service standards | |
| J | Leap Year Cost Adjustment | 1.0027 | 1.0027 | 1.0027 | | Adjusting total mileage to account for 366 days in CY 2024 | |
| K | Total Mileage | 12,033 | 3,008 | 1,504 | | 5K = C * I * J | |
| L | Indiana Reimbursement Rate | | | | \$ 0.49 | 9Assuming current Indiana reimbursement rate of \$0.49 per mile, with 0% trend | |
| M | Transportation Fleet Costs Per Month | | | | \$ 8,107 | 7M = K * L | |
| N | Unadjusted Concrete Supports Provided Per Month | | | | \$ (| ONo concrete supports are assumed for this service | |
| 0 | Leap Year Cost Adjustment | | | | 1.0027 | 7 Adjusting total costs to account for 366 days in CY 2024 | |
| Р | Total Concrete Support Costs Per Month | | | | · · | O P = N * O | |
| Q | Administration / Program Support / Overhead | | | | | 6 Portion of monthly costs | |
| R | Monthly Administrative Expenses | | | | • | 5R = Q*(F+H+M+P)/(1-Q) | |
| S | Total Monthly Costs | | | | • | 0 S = F + H + M + P + R | |
| T | Number Of Clients Per Team | | | | | OAssuming caseload of 5 per Case Manager - Primary | |
| U | Average Units Per Month, Per Beneficiary | | | | | 30.50 Assuming rate is paid every day of the month | |
| | Draft Per Diem Rate | | | \$ 90.96 V = S / T / U | | | |
| W | Current Per Diem Rate | | | | \$ 89.77 | The new rate represents an increase of 1.3% from the current rate | |



Moving Forward

Future Rate Adjustments

Periodic Rate Reviews

- DCS plans to perform a full rate review approximately every three to five years
- Feedback on the process is welcome (provider survey, communications, timeline)

Between Rate Reviews

- Annual percentage increases
- Predictability supports business planning for annual wage increases



Next Steps

- Providers will receive an email and link when the stakeholder presentation and draft rate details are posted to the DCS website – target date of Friday, February 3rd
 - DCS Home and Community-Based Service Rate Review (milliman.com)
- Providers should submit questions and comments by February 15th to the DCS mailbox @ DCS Community Rate Review@milliman.com.
- Milliman will update the rates, if necessary, based on feedback received
- Final rate report is anticipated to be released in Spring 2023 and will include a summary of stakeholder feedback received.
- DCS anticipates implementing any approved rate changes in July 2023.



Questions?



Thank you

DCS_Community_Rate_Review@milliman.com

Limitations

The services provided for this project were performed under the signed Consulting Services Agreement between Milliman and DCS approved August 4, 2022.

The information contained in this correspondence, including any enclosures, has been prepared solely for the internal business use of the Indiana Department of Child Services, related Divisions, and their advisors. The exhibits may not be distributed to any other party without the prior consent of Milliman. To the extent that the information contained in this correspondence is provided to any approved third parties, the correspondence 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 information presented.

This presentation is intended to facilitate external stakeholder discussions regarding home-based payment rate development and is not considered complete without oral comment. The contents of this document 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 correspondence to third parties. Likewise, third parties are instructed that they are to place no reliance upon this correspondence prepared for the Indiana Department of Child Services 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 document. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models rely on data and information as input to the models. We have relied upon certain data and information provided by Indiana Department of Child Services and stakeholders, and national data sources. We have not audited or verified this data and other information. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this document may likewise be inaccurate or incomplete. The models, including all input, calculations, and output may not be appropriate for any other purpose. These draft rates may be further refined based on additional DCS and stakeholder feedback.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Christine Mytelka is a member of the American Academy of Actuaries, and meets the qualification standards for performing the analyses in this correspondence.

