HOW CASE RATE MIGHT WORK

A case rate is a statistically determined cost of providing services for a cluster of individuals with the same disability or disabilities and similar levels of functionality.

Step 1. Establish case rates.
Assume we have released an RFP. Hired a consultant, they have analyzed the data, and we now have 25 rate cells. The rate cells represent a quarterly dollar amount required to serve the average client in that rate cell.
Rate Cell A = $1,000
Rate Cell H = $4,000
Rate Cell L = $2,500

Step 2. County X sends a current case count for each rate cell.
Rate Cell A = 15
Rate Cell H = 24
Rate Cell L = 17

Step 3. Calculate total dollars needed.
Rate Cell A: 15 X $1,000 = $15,000
Rate Cell H: 24 X $4,000 = $96,000
Rate Cell L: 17 X $2,500 = $42,500
                                        $153,500

Step 4. Calculate quarterly allocation to County X.
(Total Dollars Needed) – (One-Fourth of the Minimum County Levy for Fund 10) = County X Allocation
$153,500 – ($285,420 X ¼) = $82,145

The final determination of a county's allocation will likely have to include some consideration of each county's fund balance. An operational definition will need to be established for what is a maximum fund balance (maybe the 10% that is used in the withholding calculation now) before it is used in the calculation of a county allocation. This definition should take into account if a county levies more than the minimum (maybe a proportional calculation) or maybe there was some plan (strategic) about levying extra funds to accomplish a specific task. Any of these could be incorporated in the case rate calculation and the fund balance component.

Prepared by: Jim Overland, Chief, Bureau of Community Services.

SAMPLE ONLY - CASE RATE MATRIX DEMONSTRATION for County X - SAMPLE ONLY

	Mentally Ill	Chronically Mentally Ill	Mentally Retarded	Developmentally Disabled	Other Disabilities
Level I	$1,000 A	$1,333 F	$1,250 K	$500 P	$100 U
Level II	$2,000 B	$2,666 G	$2,500 L	$1,000 Q	$200 V
Level III	$3,000 C	$4,000 H	$3,750 M	$1,500 R	$300 W
Level IV	$4,000 D	$5,333 I	$5,000 N	$2,000 S	$400 X
Level V	$5,000 E	$6,666 J	$6,250 O	$2,500 T	$500 Y

Establish case rates:
Quarterly case rate might be determined upon age, gender, disability, geographical location, services provided, functional assessment score, and other factors of the client.

After actuarial determination, funding is appropriated and number of clients per cell are estimated, rate cells are established each year.

Number of clients per county per cell would be determined.

Funding per County X initial determination:

		County X Annual Minimum Levy	
If 15 of Cell A	$15,000		$285,420
If 24 of Cell H	$96,000	One-fourth of Minimum Levy	
If 17 of Cell L	$42,500		$71,355
Total for County Quarter	$153,500		

Initial allocation to County X
Would be the $153,500 less the one fourth (because funding based upon quarters) of the County Minimum Levy (if minimum and maximum levy rate proposal is enacted)

	$153,500
	$71,355
	$82,145

County X may receive from State for Quarter 1
This process would be repeated for each quarter.