

# Using Cost Analysis Data to Support Title X Project Management



This job aid describes three ways in which cost analysis data can support Title X grantees to manage their projects: 1) reviewing and/or revisiting funding formula allocations; 2) reviewing sliding fee discount schedule (SFDS) for compliance; and 3) determining network composition.

## 1. Review and/or revisit funding formula allocations

Cost analysis data can help inform how Title X funds are allocated to a network. When developing an allocation methodology, Title X grantees consider many factors such as the need for contraception, payer mix, and number of clients at or below 100% federal poverty level (FPL). Cost analysis data can provide additional insight to this process.

A Title X grantee can review each subrecipient or a sites' cost/relative value units (RVU), their costs in relation to Medicaid and private insurance (PI) rates, and utilization by services. This information can help the grantee to determine if a subrecipient or site is losing money or is revenue neutral/positive; it can also help inform a grantee on how best to allocate their Title X funds to network participants. As a general guideline, higher Cost/RVU combined with higher utilization results in a greater need for funding. Grantees can also use the same time period, cost analysis tool, and corresponding allocated dollars to determine if their current allocation methodology should be adjusted.

The example below shows sample data. This information can also be found in the *Abbreviated Cost Analysis* workbook on the Utilization tab.

	Cost/RVU	Cost comparison to highest PI Rates	Utilization
Site 1	\$98.40	Costs significantly higher than Medicaid and highest PI reimbursement rate	3000 services
Site 2	\$41.20	Costs at or below Medicaid and/or highest PI reimbursement rate	1000 services
Network average	\$52.50		

Site 1 has a Cost/RVU that is significantly higher than both Site 2 and the network average; and Site 1's costs are higher than the highest PI rates. Site 2 has a lower than network average Cost/RVU, and costs are at or below the highest PI rates. Additionally, with Site 2's utilization lower than Site 1's, Site 2 would most likely have less need for Title X funding than Site 1. If a grantee is providing more funding to Site 2, it may want to adjust or reconsider funding amounts. Since cost analysis data reflect a site's costs and utilization only, considering other factors for funding is advised.

## 2. Review sliding fee discount schedule for compliance

By reviewing a subrecipient's current charges and then applying its SFDS to each discount grouping, a Title X grantee can assess if the discount is adequate. It is helpful to compare subrecipients' fees for a few specific services in each discount category to understand the range of charges in the network and identify any outliers. While these data can be collected independently from the *Abbreviated Cost Analysis* workbook, the information is available in the workbook and can allow for an efficient comparison and analysis.

In the following example, a Title X grantee is using the same SFDS for all subrecipients, indicating that all FPL breaks are the same and the corresponding discount percentage is the same. However, as all subrecipients determine their own full fee for each service, the resulting discounted dollar amount varies significantly. This table illustrates one Current Procedural Terminology (CPT) code, the corresponding full fee, and a slid fee for one of the SFDS categories.

11982 (Nexplanon Removal)	Full Fee	20% Fee (80% slide for 101-150% FPL)
Subrecipient 1	\$115	\$23.00
Subrecipient 2	\$97	\$19.40
Subrecipient 3	\$253	\$50.60
Subrecipient 4	\$200	\$40.00

In this example, an uninsured client with an income between 101-150% FPL would have a fee that varied from \$19.40 to \$50.60, depending on the subrecipient that provided the service. This is a significant variation, even considering different types of facilities and/or different markets in the grantee network. While Subrecipients 1 and 2 might need to increase their fees (i.e., do their full fees cover the highest contracted PI reimbursement rate, and if not, the site should raise their full fee), it is more likely that Subrecipients 3 and 4 need to take action. The Title X grantee could recommend that Subrecipients 3 and 4:

- Implement a different SFDS with larger discounts; or
- Review their full fee schedule and decrease full fees. Subrecipients should assess how much higher full fees are than their highest TPP reimbursement rate.

### 3. Determining network composition

A grantee must determine how best to distribute Title X funds. Subrecipients who cannot provide services in a sustainable manner should be examined. Cost analysis data can help grantees to determine if certain subrecipients are viable. Considerations include a Cost/ RVU that is significantly higher than other subrecipients' or sites' costs and/or very low client volumes. Other relevant information needs to be considered, such as the availability of services for women in need within the geographic area where the site is located.