

## APPENDIX I – RATE METHODOLOGIES

Provider payment rates are uniform for every provider. DHCF & DDS elicit public comments through DC rule-making process. Information about payment rates is available to participants via publication of proposed & ratified rules & from their service coordinator. DDS is responsible for the rate development with oversight by DHCF. Rate information is available upon request, on DHCF website at <http://dhcf.dc.gov> & DDS website at <http://dds.dc.gov>. Rate structures are based on geographic market analysis in DC & surrounding jurisdictions. All residential services are covered by the DC Living Wage Act of 2006 which is tied to the Consumer Price Index (CPI), which is the source of the trend used for projecting all rates with Direct Support Professional (DSPs) in future waiver years. Additional details on the rate setting method & each rate are available at: <https://dds.dc.gov/page/waiver-amendment-information>. DC requests authority to inflate clinical & wellness services annually by the CPI or the CMS Skilled Nursing Facility Market Basket Index (MBI), whichever is lower. Residential Habilitation (Res Hab) & Supported Living (SL) services rates were established using cost reporting & feedback with the DC provider community re: ICF/IID rates, and match the Administrative Rate (13%), Support Service Wages (e.g. House Manager, QDDP, RN, LPN) & Paid Time Off factor as approved in the State Plan. The Res Hab & SL services exclude capital, room, board, medical & clinical services. The daily rate includes: DSP Living Wage rate + overtime & time off; LPN staffing + overtime & time off to address DC Medication Administration rules; RN oversight for medication administration & health assessments at 1:12 waiver individuals per DC policy; House Manager for DSP supervision at 1:12; QIDP for programming responsibilities at 1:12; 20% fringe benefit rate which reflects actual costs; a general & administrative rate of 13% is applied to the total costs of all services, based on reasonable comparison with other comparable residential care provider categories; & a 95% occupancy rate (based upon 2015 utilization review) applied to the rate to account for hospitalization, LTC, & vacation time that is not billable to the waiver. The Res Hab & Daily SL methodology establish rates based on the intensity of direct support provided for all people living in the setting on a daily basis and shares the costs of direct support services across all people living in the setting. All rates have been inflated since 2015 by the CPI per the approved waiver. The rate methodology will be reviewed after the 2017 ICF/IID rebasing of rates is completed. For Day Habilitation & Employment Readiness the waiver amendment approved in Sept. 2015 based facility costs on the average price per square foot for typical commercial space in the DC area of \$30-35/ sq ft. & provides \$7,000 per 25 participants per month + utilities (\$800), phones/cable/internet (\$600) & maintenance (\$2,000). Small Group day services (no more than 15 persons) reduces the facility expenses to account for the smaller size to \$5,000 for space, \$500 for utilities, \$500 for phones/cable/internet & \$1,500 for maintenance. The daily rate also includes: DSP wage of \$13.09 for 1:4 staff person to waiver participants in large group & 1:3 waiver participants in small group + overtime & time off calculations; RN oversight for medication administration & health assessments per DC policy of 1:25 HCBS individuals for large group & 1:15 for small group; Program Manager for DSP supervision at 1:25 for large group & 1:15 for small group; QIDP for programming responsibilities at 1:25 for large group & 1:15 in small group; 20% fringe benefit rate applied to reflect actual costs in DC; an indirect percentage of 25% for transportation, program supplies & quality assurance responsibilities required by DC policy; a general & administrative percentage of 13% applied based on the total costs of all services, based on reasonable comparison with other provider categories; & an 85% occupancy rate (based upon 2015 utilization review) applied to the rate to account for hospitalization, LTC, & vacation time that is not billable to the waiver program in large group & 80% for small group, based on expectations that the acuity of the waiver participants in that program will have a higher absence rate. The rates have been inflated since 2015 by the CPI. The Day Habilitation Rate Large group shall be reimbursed at \$5.63 per 1/4 hour or \$135.12 per day, & is reasonable as compared to the EPD HCBS waiver rate for ADHP as approved under the 1915(i) State Plan reimbursement rate for acuity 2 at \$125.78 per day. Day Habilitation Small Group shall be reimbursed at \$8.50 per 1/4 hour. Employment readiness service shall be reimbursed at \$4.85 per 1/4 hour and does not include reimbursement for RN oversight. The rates have remained sufficient to maintain an adequate provider network. The methodology is scheduled for

review in late 2017 following submission of provider costs reports & will be reevaluated at that time. In-home Support; Periodic Supported Living & Periodic Supported Living with transportation; Hourly Respite; Supported Employment; Group Supported Employment; Individualized Day services: For these hourly based rates, the following methodology has been used to update the rates following CMS guidance & methodologies employed by other states for fee-for-service rates. Rates include DSP wages, productivity factors, employment related taxes, benefits, indirect or program related support, & administrative overhead expenses. Indirect expenses are calculated based on each service definition & DDA quality requirements. Details for productivity factors, indirect & each rate methodology can be found at <https://dds.dc.gov/page/waiver-amendment-information>. Each hourly rate follows the same methodology with variances in the base wage based on the qualification requirements of the DSP, aligned with the 2015 BLS data for Washington DC metropolitan area if appropriate, productivity assumptions & indirect requirements of the service. As an example, In-home Support reimbursement methodology is calculated using the living wage of \$13.95 as the base, productivity factor of 1.10 for a billable hour of \$15.35, an addition of 20% for employee related taxes & benefits for a total staff cost of \$18.41. An addition of 17% for indirect & 13% administrative overhead is added to the staff cost. The rate will be inflated annually by the CPI for these hourly rates beginning with FY18. Clinical Services/ Physical Therapy, Speech Therapy & Occupational Therapy: The waiver program has adopted rates for these clinical services similar to those in use for the DC EPSDT program, which uses the same qualifications for professional personnel to deliver these services & the same method of service delivery. The rates were aligned to expand the number of qualified providers & increase access to this service under the waiver amendment # DC.0307.R03.02 at \$100.00 per hour for all services in this category & has since been inflated per the approved cost of living adjustments to \$101.04 in FY17, inflated to \$103.68 in FY18. Future inflation increases are tied to the CPI or Skilled Nursing Facility MBI whichever is lower beginning in FY18. Family Training is currently \$61.44 hourly, inflated to \$63.04 for FY18 and is compared to State Plan clinical therapies & counseling services. This renewal application adds a new option for Family Training to be delivered by a peer as a method to increase access to the service. A new service, Parenting Support, is introduced to provide support to people with I/DD who are raising children and will be delivered by Parenting Support professionals, or, a qualified peer. The Family Training Professional & Parenting Support Professional services are delivered by similarly trained staff, e.g. teachers, counselors & therapists. As such, the rate for Parenting Support Professional has been set at the same rate in use for Family Training. The Peer rate for both services is calculated using the base wage of \$18.40 (BLS 2015 Social & Human Service Assistants median) + productivity factor of 1.3% + employee benefits factor of 22% for a total staff cost of \$27.97. Program support & administrative overhead percentage of 23% is added for a final rate of \$34.40. Behavior Support services methodology have not changed in this renewal. The rates have been reviewed relative to the DC State Plan, DC Behavioral Health system, DC Early Intervention Program & MD DD waiver program & remain appropriate. Access to services is also sufficient. Wellness Services/ Fitness; Nutrition; Bereavement Counseling & Massage Therapy were reviewed & adjusted as part of the Sept. 2015 waiver amendment & compared to a variety of competitive DC sources to ensure geographic market equity. The Host Home rate methodology was revised for FY15 & reviewed by CMS in the Sept. 2015 amendment of this waiver. Host Home services rates are based on the waiver participant's level of need as determined by the DC Level of Need & Risk Assessment Tool. The Host Home rates have been inflated for associated cost of living increases aligned with the DC living wage, & a review of the methodology indicates that all assumptions remain the same for this renewal. The rates include host home recruitment, direct support & supervision costs, employee benefits, respite & program & administrative overhead consistent with factors used throughout the DDA HCBS program. The Daily Respite rate methodology was revised for FY15 & reviewed by CMS in the Sept. 2015 amendment of this waiver. The Daily Respite rate has been inflated for associated by the CPI to a FY17 rate of \$404.10, & a review of the methodology indicates that all assumptions remain the same for this renewal. The rate will be inflated by the CPI to \$414.61 per day for FY18. Assistive Technology is capped at \$10,000 for the 5 year waiver period based upon a review of other state waivers who offer this service. Costs for Assistive Technology purchases & maintenance will be comparable with costs in

the DC Vocational Rehabilitation program, as well as past experience with services like Personal Emergency Response Systems. One Time Transitional Services rate for this service is set as up to \$5000 to match Community Transition, the DC EPD HCBS waiver equivalent service and the rate through the Money Follows the Person Demonstration project. Skilled Nursing & Personal Care are extended State Plan & match the State Plan rates. Companion services match the State Plan rate for Personal Care. Meals were added to the waiver in the Sept. 2015 amendment for people who live independently or with families & attend Day Habilitation or Individualized Day Services. The rate was built at the time of the amendment based upon actual cost of services from local vendors & have been inflated using the CPI to a rate of \$5.99 per meal for FY18. The rates for Creative Arts Therapies were adjusted at the time of the Sept. 2015 waiver amendment, based upon market research that compared the IDD waiver rates with state plan rates for seniors, rates for therapies offered by the DC Department of Behavioral Health & private rates. They have since been adjusted by the CPI to a rate of \$77.74 for FY18. The research completed in 2015, which forms the basis for these rates is available upon request. Dental rates are established by DHCF based on an average of all procedure codes. The Dental rate is an enhancement to the State Plan rate that was developed through a collaborative process that involved DHCF, DDS, providers, & other stakeholders, with any inflation guided by the State Plan.