Medicaid Reimbursement Methodologies

Home and Community Based Services Waivers

February 2013
**Our Mission:**

Improving health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.
Reimbursement Methodologies

- Long Term Services and Supports (LTSS) Home and Community Based Services (HCBS) Medicaid waiver services use four reimbursement methodologies:
  1. Bundled Payments
  2. Fee-for-Service
  3. Negotiated Market Price
  4. Tiered Rates
Bundled Payments

- Provider receives a fixed, pre-determined rate for a pre-determined amount of time that includes the delivery of multiple services

- Most commonly used for Alternative Care Facilities, Group Homes, and Transitional Living environments
Bundled Payment Example

• The Supported Living Program offered on the HCBS waiver for person with Brain Injury is reimbursed using a bundled payment methodology.

  ➢ The payment includes Independent Living Skills Training (ILST), Non-Medical Transportation, Personal Care, Homemaker, and other services.
Fee-for-Service

• Provider receives a fixed, pre-determined rate for a single service for a designated unit of time

  ➢ Most waiver services are reimbursed under the fee-for-service methodology

  ➢ The rate will not vary by client, acuity, or provider
Fee-for-Service Methodology

• The Department developed a Fee-for-Service rate setting process in 2011

• The Department considers:
  ➢ Salary Expectations
  ➢ Direct and Indirect Care Hours
  ➢ Full time equivalency required for delivery of services
  ➢ Other costs
  ➢ Alignment with other payers in the market

• Once rate is set, the Department compares with other state Medicaid rates and private pay rates.
Fee-for-Service Example

- Personal care services offered in certain adult waivers have a fee-for-service rate of $3.47/15 minutes
  - HCBS waivers for persons who are Elderly, Blind, or Disabled (EBD)
  - HCBS Community Mental Health Supports (CMHS) waiver
  - HCBS waiver for Persons Living with AIDS (PLWA)
- A client requires 4 hours of personal care services per day
  - For four hour of personal care service per day, a provider bills 16 units at a rate of $3.47
Negotiated Market Price

• Provider receives the market price of the service. There is an expectation that some negotiation will take place to reach an agreed upon market price.

➤ The market cost methodology is used when there are multiple subcategories of a service such as Assistive Technology, Home Modifications, and Personal Emergency Response Systems (PERS).
Negotiated Market Price Examples

- Home Modifications can entail the remodel of a bathroom or installing a ramp
- Each subcategory of service has its own resource and labor costs, thus there is a unique price for each client and each service
- If a client needed a bathroom remodel the provider would bill 1 unit for the remodel at the negotiated market price
Tiered Rates

• Provider receives payment for one service in which the rate varies by an identified characteristic of the client, the provider, or some combination of both.

  ➢ Rates for Supported Living Program offered in the HCBS waiver for Persons with Brain Injury are tiered by client acuity for each particular provider.

    ➢ Rate is specific to the provider and based on the acuity of that provider’s clients
Tiered Rates and Acuity

- The HCBS Supported Living Services waiver and the HCBS waiver for persons with a Developmental Disability have several rates that are tiered by using the Supports Intensity Scale (SIS).

- The **Supports Intensity Scale** is an assessment tool that evaluates practical support requirements of a person with an intellectual disability.
  - Consists of an 8 page interview and profile form that tests support needs in 87 areas.
  - The information provided translates into a support level for each client.
Tiered Rates and SIS

- The HCBS waiver for persons with a Developmental Disability (DD) has several services with rates tiered by support level.
- This waiver uses seven support levels.
- Services using this methodology include:
  - Day Habilitation Services (Specialized Habilitation and Supported Community Connections)
  - Pre-Vocational Services
  - Supported Employment (Supported Employment, Job Development, and Job Placement)
  - Residential Services (Group Home, Host Home, Personal Care Alternative)
Example of Tiered HCBS DD Tiered Rates

<table>
<thead>
<tr>
<th>Day Habilitation</th>
<th>Support Level</th>
<th>Proc Code</th>
<th>Tiered Rate</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialized Habilitation</td>
<td>Level 1</td>
<td>T2021</td>
<td>$2.18</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Specialized Habilitation</td>
<td>Level 2</td>
<td>T2021</td>
<td>$2.39</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Specialized Habilitation</td>
<td>Level 3</td>
<td>T2021</td>
<td>$2.66</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Specialized Habilitation</td>
<td>Level 4</td>
<td>T2021</td>
<td>$3.13</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Specialized Habilitation</td>
<td>Level 5</td>
<td>T2021</td>
<td>$3.88</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Specialized Habilitation</td>
<td>Level 6</td>
<td>T2021</td>
<td>$5.58</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Specialized Habilitation</td>
<td>Level 7</td>
<td>T2021</td>
<td>$8.78</td>
<td>15 Minutes</td>
</tr>
</tbody>
</table>

As the support level increases the rate increases
Tiered Rates and SIS

• The HCBS Supported Living Services (SLS) waiver also has several services with rates tiered by support level.

• This waiver uses six support levels.

• Services using this methodology include:
  - Day Habilitation (Specialized Habilitation, Supported Community Connections)
  - Prevocational Services
  - Supported Employment (Supported Employment, Job Placement, Job Development)
Example of HCBS SLS Tiered Rates

<table>
<thead>
<tr>
<th>Supported Employment</th>
<th>Support Level</th>
<th>Proc Code</th>
<th>Tiered Rate</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supported Employment Group</td>
<td>Level 1</td>
<td>T2019</td>
<td>$2.92</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Supported Employment Group</td>
<td>Level 2</td>
<td>T2019</td>
<td>$3.19</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Supported Employment Group</td>
<td>Level 3</td>
<td>T2019</td>
<td>$3.56</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Supported Employment Group</td>
<td>Level 4</td>
<td>T2019</td>
<td>$4.11</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Supported Employment Group</td>
<td>Level 5</td>
<td>T2019</td>
<td>$4.91</td>
<td>15 Minutes</td>
</tr>
<tr>
<td>Supported Employment Group</td>
<td>Level 6</td>
<td>T2019</td>
<td>$6.40</td>
<td>15 Minutes</td>
</tr>
</tbody>
</table>
Hybrid Rate Methodologies

- Rate methodologies can be combined to create a hybrid rate methodology
  - The Supported Living Program offered on the HCBS waiver for Persons with Brain injury is a bundled payment that is tiered by client acuity within each facility.

  - Bundled: several services offered include:
    - Supported Living Program including independent living skills training, non-medical transportation, personal care, thus the rate is bundled.

  - Tiered: aggregate client acuity determines tiered rate
Service Plan Authorization Limit (SPAL)

• An annual upper payment limit of total funds available to purchase services to meet the client’s ongoing needs
  ➢ The annual dollar limit is dependent on support level

• The HCBS SLS waiver is the only waiver that uses the SPAL methodology
SPALs

- Each support level has a designated annual dollar limit

<table>
<thead>
<tr>
<th>Support Intensity Level</th>
<th>HCBS SLS SPAL Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>$12,193.00</td>
</tr>
<tr>
<td>Level 2</td>
<td>$13,367.00</td>
</tr>
<tr>
<td>Level 3</td>
<td>$15,038.00</td>
</tr>
<tr>
<td>Level 4</td>
<td>$17,296.00</td>
</tr>
<tr>
<td>Level 5</td>
<td>$20,818.00</td>
</tr>
<tr>
<td>Level 6</td>
<td>$27,366.00</td>
</tr>
</tbody>
</table>
SPALs

- All SPAL services must be provided within the annual dollar limit.

- Each SPAL service has its own rate methodology.

- Not all waiver services are included in the SPAL
  - Some service expenditures are excluded from the amounts counted toward the limit.
## SPAL Services

### HCBS SLS services included in SPAL

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Service Details</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral Consultation</td>
<td>Job Development</td>
<td>Respite-Group</td>
</tr>
<tr>
<td>Behavioral Counseling-Individual</td>
<td>Job Placement-Group</td>
<td>Respite-Individual (15 minutes)</td>
</tr>
<tr>
<td>Behavioral Counseling-Group</td>
<td>Massage Therapy</td>
<td>Respite-Individual</td>
</tr>
<tr>
<td>Behavioral Health Plan Assessment</td>
<td>Mentorship</td>
<td>Specialized Day Rehabilitation</td>
</tr>
<tr>
<td>Caregiver Services CCT Service</td>
<td>Movement Therapy</td>
<td>Specialized Medical Equipment and Supplies</td>
</tr>
<tr>
<td>Enhanced Nursing CCT Service</td>
<td>Personal Care</td>
<td>Substance Abuse Counseling-Individual CCT Service</td>
</tr>
<tr>
<td>Hippo Therapy</td>
<td>Personal Emergency Response System (PERS)</td>
<td>Substance Abuse Counseling-Group CCT Service</td>
</tr>
<tr>
<td>Homemaker-Basic</td>
<td>Pre-Vocational Services</td>
<td>Supported Community Connections</td>
</tr>
<tr>
<td>Homemaker-Enhanced</td>
<td>Recreational Pass (to access professional services)</td>
<td>Supported Employment-Group</td>
</tr>
</tbody>
</table>
Services excluded from SPAL

<table>
<thead>
<tr>
<th>HCBS SLS services excluded from SPAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Transition Services CCT Service</td>
</tr>
<tr>
<td>Dental</td>
</tr>
<tr>
<td>Home Accessible Adaptations</td>
</tr>
</tbody>
</table>

➢ The above service expenditures are not included in the Service Plan Authorization Limit
Medicaid Reimbursement Handouts

- Home and Community Services Waiver Rates Comparison
- Division of Developmental Disabilities Waiver Rates Comparison
- Colorado Choice Transitions (CCT) Demonstration Services Rate Schedule
- Universal HCBS and CCT Rate Schedules
Thank You!

Presented by:
Randi Wilson
randi.wilson@state.co.us

Department of Health Care Policy and Financing