



KENTUCKY CABINET FOR HEALTH AND FAMILY SERVICES

**1915(c) Home and Community Based Services Waiver Redesign Task Force
Investing in Reimbursement Rates**

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Reimbursement Rates: Notes

- Most services are paid in **units**.
 - For most services, one **unit** equals 15 minutes but the amount of time considered a **unit** can vary based on waiver and/or service.
- Units are **rounded**.
 - If a service paid in 15 minute units is provided for at least 8 minutes, it can be billed for one unit. Conversely, if a service is provided for less than 8 minutes it cannot be billed.
- While a participant can have multiple waiver services on their person-centered service plan, **they cannot receive those services at the same time**.
- Services have **limits**.
 - **Limits** may include a dollar amount they cannot exceed, a number of units they cannot exceed, or a limit on how many services they can receive in combination.
 - **Limits** are necessary to keep the waiver budget neutral, which is required for CMS to approve the waiver.

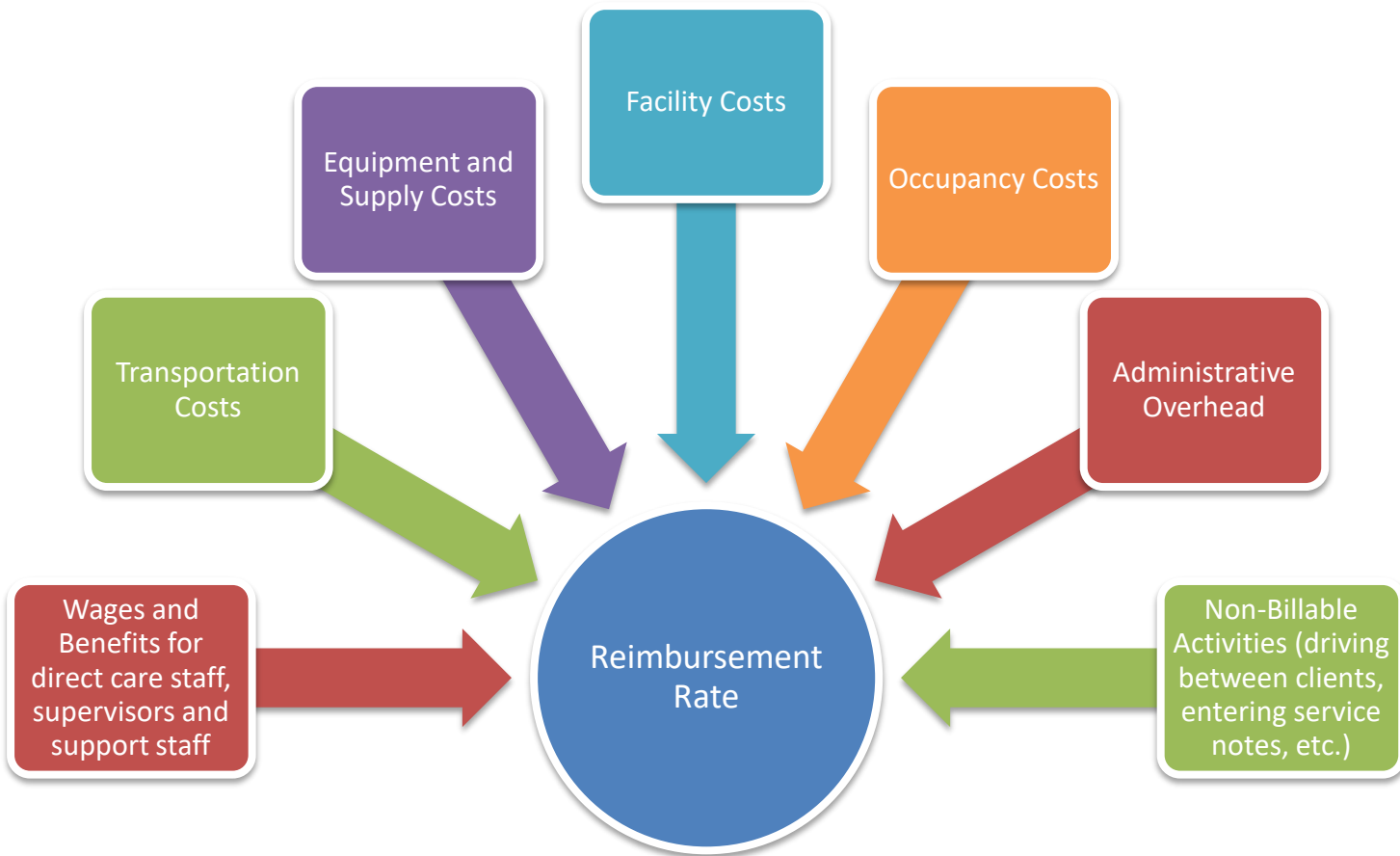
Reimbursement Rates: Notes

Kentucky's 1915(c) Home and Community Based Services (HCBS) Waivers

For individuals with brain injuries	<ul style="list-style-type: none">• Acquired Brain Injury (ABI)• Acquired Brain Injury Long Term Care (ABI LTC)
For individuals with a physical disability who are aged	<ul style="list-style-type: none">• Home and Community Based (HCB)
For ventilator-dependent individuals	<ul style="list-style-type: none">• Model II Waiver (MIIW)
For individuals with intellectual or developmental disability	<ul style="list-style-type: none">• Michelle P. Waiver (MPW)• Supports for Community Living (SCL)

Reimbursement Rates: Notes

Reimbursement rates cover more than just direct care.



Current Reimbursement Rates

Adult Day Health Care (ADHC)			
Waiver	Rate Per Unit	Unit	Rate Per Hour
ABI LTC	\$3.19	15 minutes	\$12.76
HCB*	Level I \$2.38	15 minutes	\$9.52
	Level II \$3.43	15 minutes	\$13.72
MPW	\$2.27	15 minutes	\$9.08
SCL	\$3.30	15 minutes	\$13.20

**The HCB waiver includes two levels of reimbursement for ADHC services. For an ADHC to receive Level II reimbursement for a participant, the individual must meet the Level II high intensity level of care criteria established in the Kentucky Home Assessment Tool (K-HAT). The K-HAT is used for level of care assessments in HCB.*

Current Reimbursement Rates

Day Training			
Waiver	Rate Per Unit	Unit	Hourly Total
ABI & ABI LTC	\$4.03	15 minutes	\$16.12
MPW	\$2.75	15 minutes	\$11.00
SCL	\$2.42	15 minutes	\$9.68

Current Reimbursement Rates

Non-Specialized Respite

Waiver	Rate Per Unit	Unit	Hourly Total
ABI LTC	\$4.00	15 minutes	\$16
HCB	\$2.75	15 minutes	\$11
MPW & SCL	\$3.05	15 minutes	\$12.20

Current Reimbursement Rates

Home-Based Services

ABI

Service	Rate Per Unit	Unit	Hourly Total
Companion	\$5.56	15 minutes	\$22.24
Personal Care	\$5.56	15 minutes	\$22.24

ABI LTC

Community Living Supports	\$5.56	15 minutes	\$22.24
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HCB

Attendant Care	\$6.00	15 minutes	\$24
Home and Community Supports*	\$2.88	15 minutes	\$11.52

**Home and Community Supports is for Participant Directed Services (PDS) only. This means waiver participants who use this service cannot pay their PDS employee more than \$11.52 an hour for providing this service. They can choose to pay less. The PDS rate for the same services in the other waivers does not differ from the traditional rate.*

Current Reimbursement Rates

Home-Based Services - Continued			
MPW			
Service	Rate Per Unit	Unit	Hourly Rate
Community Living Supports	\$5.54	15 minutes	\$22.16
Homemaker	\$6.50	15 minutes	\$26
Personal Care	\$7.50	15 minutes	\$30
SCL			
Personal Assistance	\$6.09	15 minutes	\$24.36

A Note about Home-Based Services

The home-based services category demonstrates the need for consistency when a certain service type is offered across most waivers.

Right now, each waiver has a different structure for services designed to serve the same purpose: to assist individuals with activities of daily living and instrumental activities of daily living.

Making these services consistent across all waivers will assure equal access for all waiver participants who need this support. It will also reduce confusion and administrative burden for providers who deliver services in multiple waivers.

Exceptional Supports

- In the SCL waiver, providers can receive a higher rate for participants who need more intense support. This is called **exceptional supports**.
- Exceptional supports can be paid for the following services:
 - Community access
 - Day training (when not provided at an ADHC)
 - Personal assistance
 - Respite
 - Residential support level I and II
- The rate is based on the actual cost of providing the service and can be up to twice the regular rate.
- Exceptional supports must be requested by the provider and approved by the Department for Behavioral Health, Developmental and Intellectual Disabilities.

Rate Disparities

Case Management - Traditional	
Waiver	Monthly Rate
ABI	\$434
ABI LTC	\$375
HCB	\$100
MPW	\$200
SCL	\$352

Rate Disparities

Case Management - PDS		
Waiver	Service Name	Monthly Rate
ABI	Support Broker	\$375
ABI LTC	Support Broker	\$375
HCB	PDS Coordination	\$162.50
MPW	Support Broker	\$265
SCL	Case Management	\$352

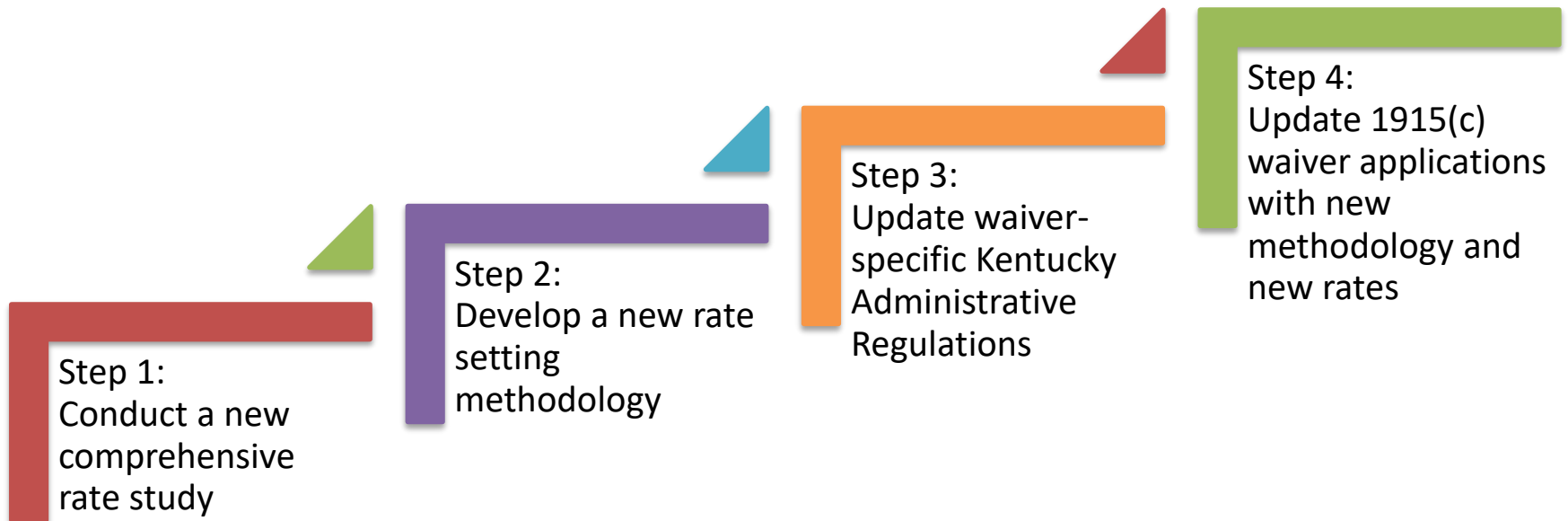
Rate Disparities

Nursing Services			
Service	Waiver	Rate/Unit	Hourly Rate
Nursing Supports	ABI LTC	\$25 per every 15 minutes	\$100
Skilled Services by a Licensed Practical Nurse	Model II	\$29.10 per hour	\$29.10
Skilled Services by a Registered Nurse	Model II	\$31.98 per hour	\$31.98
Skilled Services by a Respiratory Therapist	Model II	\$27.42 per hour	\$27.42

Rate Disparities

Supported Employment			
Waiver	Rate Per Unit	Unit	Hourly Rate
ABI ABI LTC	\$7.98	15 minutes	\$31.92
MPW	\$5.54	15 minutes	\$22.16
SCL	\$11.28	15 minutes	\$45.12

Setting New Rates



Federal Rules and Guidance on Rate Setting

Rate setting requirements are found in the Social Security Act and the Code of Federal Regulations. CMS also provides additional details in its technical guide for states on applying for an HCBS waiver.

**1902(a)(30) of the
Social Security Act**

42 CFR §447.200-205

**CMS Application for a
§1915(c) Home and
Community-Based
Waiver: Instructions,
Technical Guide and
Review Criteria**

Federal Rules and Guidance on Rate Setting

In the technical guide, CMS highlights the following from 1902(a)(30) of the Social Security Act:

“...payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers...”

Federal Rules and Guidance on Rate Setting

Rate methodologies can...

Incorporate “difficulty of care” factors

Vary by geographic location

Differ based on service delivery method or provider type

States must clearly explain any rate methodology variations and the reason for the variation.

Federal Rules and Guidance on Rate Setting

States must...

Describe the policy/methods used to set rates for each service.

Document payment rates and make them available to CMS upon request.

Assure appropriate audit of records.

Have a monitoring plan to assure effectiveness of rates.

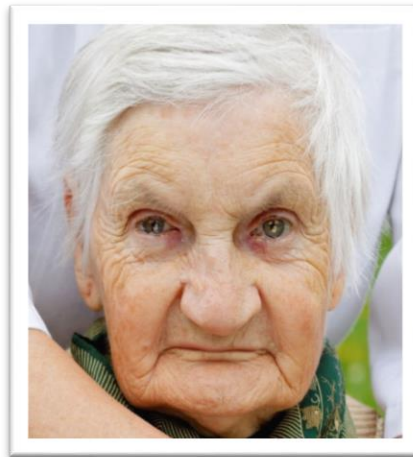
Review rate setting methodologies every 5 years.

Notify the public of any rate changes.

DMS Rate Recommendations

First, remember the people we serve.

Service definitions are technical, stating the participant receives help with activities of daily living. It can be easy to forget what that means.



Paid caregivers see waiver participants in their **most vulnerable moments** and play an **intimate role in their lives**. They do everything from helping someone bathe and dress to helping them eat. These caregivers are also tasked with helping these individuals reach their goals and dreams.

Paid caregivers are **more than employees**: they become supporters, family, and friends. **Each person served is unique** and deserves a well-trained, well-paid, quality caregiver to help them live the life they choose.

DMS Rate Recommendations

Update rate setting methodology and reimbursement rates

- Revisit 2018-2019 rate study and consider additional factors: need for better wages, benefits and training to strengthen HCBS workforce

Review Kentucky's full 1915(c) HCBS service menu

- Make service definitions consistent where appropriate and maximize flexibility where possible

Education

- Provide training and resources to case managers, providers, and participants about state Medicaid plan services available for additional support

Tiered Payment Methodologies

- Consider paying providers based on the education of its workforce or the acuity of the participant

Extra Support for Providers

- Reward positive outcomes and provide technical assistance to those who need help

1915(c) HCBS Waiver Redesign Task Force

HCBS – AMERICAN RESCUE PLAN ACT ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE UPDATE

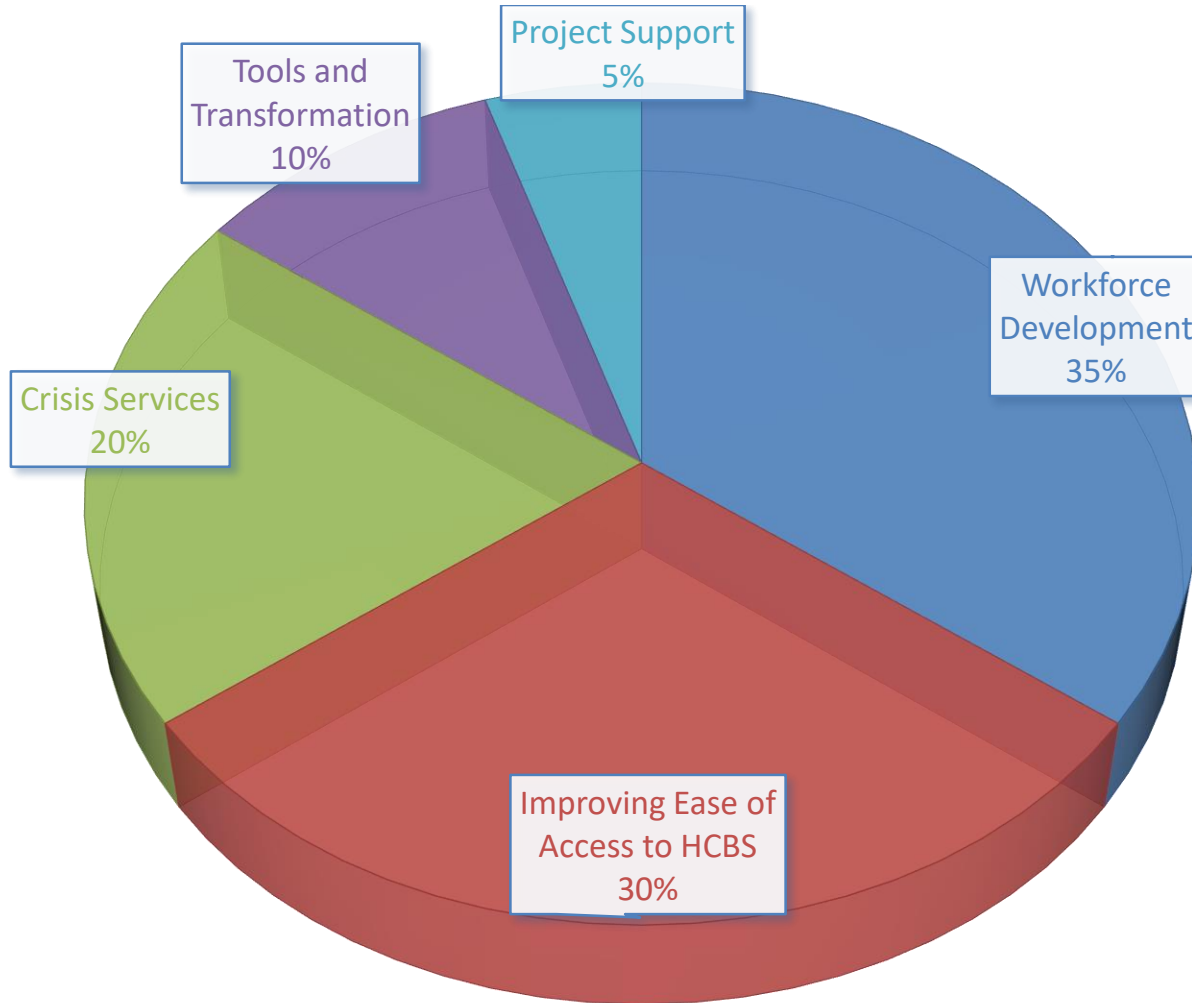
What is the Federal Medical Assistance Percentage?

What is it?	Each state receives federal funding for 1915(c) HCBS programs. This is known as the federal medical assistance percentage (FMAP).
How much does a state receive?	Per federal regulations, states receive anywhere from 50% to 83% in FMAP. In Federal fiscal year 2019, Kentucky received 71.67% in federal funding
How is it calculated?	FMAP is based on each state's capita income. The lower a state's per capita income, the higher its FMAP.
What is the enhanced FMAP?	The American Rescue Plan Act includes a temporary FMAP increase of 10% based on HCB expenses. This is called the enhanced FMAP. This is an addition to the 6.2% increase received through the Families First Coronavirus Response Act which began in January 2020 until the Public Health Emergency Ends.
What are the Enhanced FMAP Requirements?	States must submit a spending plan for this enhanced FMAP to the Centers for Medicare and Medicaid Services (CMS). The enhanced FMAP must be used by March 31, 2024

Enhanced FMAP

- CMS granted partial approval to Kentucky's spending plan on **September 30**. CMS **did not approve** the following initiatives:
 - Services to help transition individuals with disabilities to the community after involvement with the criminal justice system.
 - A one-time payment to participants for a service or item that improves their ability to live in the community.
 - An improved application process for the HCBS waivers.
 - A review of the current HCBS service menu and update of rates.
 - The implementation of a Program of All-Inclusive Care for the Elderly (PACE).
- CMS is asking for more information before approving these initiatives. DMS is working to answer these questions.

Enhanced FMAP Allocation



Enhanced FMAP Timeline

DMS must respond to the CMS request for more information.

CMS will need to review DMS' response then it will either approve the full spending plan or ask more questions.

There is no deadline for DMS or CMS to respond, however, both have committed to doing their part as **quickly as possible**.

Work is beginning on approved initiatives, however, no specific dates have been set.

Enhanced FMAP Feedback

- Stakeholder engagement sessions are being planned.
- Stakeholders who wish to share feedback can contact DMS:
 - By email at MedicaidPublicComment@ky.gov.
 - By phone at (844) 784-5614
 - By filling out a feedback form at bit.ly/kyFMAPfeedback