

# 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

Day Habilitation	Support Level	Proc Code	Tiered Rate	Unit
Specialized Habilitation	Level 1	T2021	\$ 2.18	15 Minutes
Specialized Habilitation	Level 2	T2021	\$ 2.39	15 Minutes
Specialized Habilitation	Level 3	T2021	\$ 2.66	15 Minutes
Specialized Habilitation	Level 4	T2021	\$ 3.13	15 Minutes
Specialized Habilitation	Level 5	T2021	\$ 3.88	15 Minutes
Specialized Habilitation	Level 6	T2021	\$ 5.58	15 Minutes
Specialized Habilitation	Level 7	T2021	\$ 8.78	15 Minutes

➤ 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

Supported Employment	Support Level	Proc Code	Tiered Rate	Unit
Supported Employment Group	Level 1	T2019	\$ 2.92	15 Minutes
Supported Employment Group	Level 2	T2019	\$ 3.19	15 Minutes
Supported Employment Group	Level 3	T2019	\$ 3.56	15 Minutes
Supported Employment Group	Level 4	T2019	\$ 4.11	15 Minutes
Supported Employment Group	Level 5	T2019	\$ 4.91	15 Minutes
Supported Employment Group	Level 6	T2019	\$ 6.40	15 Minutes





# 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

Support Intensity Level	HCBS SLS SPAL Amount
Level 1	\$12,193.00
Level 2	\$13,367.00
Level 3	\$15,038.00
Level 4	\$17,296.00
Level 5	\$20,818.00
Level 6	\$27,366.00



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



# Services excluded from SPAL

HCBS SLS services excluded from SPAL		
Community Transition Services <sup>CCT</sup> Service	Home Accessible Adaptations-Extended <sup>CCT</sup> Service	Vehicle Modifications
Dental	Intensive Case Management <sup>CCT Service</sup>	Vision
Home Accessible Adaptations	Non-Medical Transportation	

➤ 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!

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