

**Schedule 13**

**Funding Request for the FY 2016-17 Budget Cycle**

Department of Health Care Policy and Financing

Request Title

**BA08- HCBS Settings Final Rule**

Dept. Approval By: Josh Block	<i>JBL</i> 1/4/16		Supplemental FY 2015-16
			Change Request FY 2016-17
			Base Reduction FY 2016-17
OSPB Approval By: <i>Erin K. ...</i> 1/4/16		X	Budget Amendment FY 2016-17

Summary Information	Fund	FY 2015-16		FY 2016-17		FY 2017-18
		Initial Appropriation	Supplemental Request Amount	Base Request	Budget Amendment	Continuation Amount
	<b>Total</b>	\$45,563,379	\$0	\$45,208,090	\$1,179,660	\$715,502
	FTE	388.0	0.0	391.0	0.9	1.0
Total of All Line Items Impacted by Change Request	GF	\$16,102,370	\$0	\$15,715,226	\$589,832	\$357,753
	CF	\$4,885,629	\$0	\$4,995,772	\$0	\$0
	RF	\$1,659,187	\$0	\$1,753,558	\$0	\$0
	FF	\$22,916,193	\$0	\$22,743,534	\$589,828	\$357,749

Line Item Information	Fund	FY 2015-16		FY 2016-17		FY 2017-18
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Amount
	<b>Total</b>	\$28,299,126	\$0	\$28,894,861	\$59,143	\$65,715
	FTE	388.0	0.9	391.0	0.9	1.0
01. Executive Director's Office - Personal Services	GF	\$9,898,385	\$0	\$10,049,433	\$29,572	\$32,858
	CF	\$2,860,502	\$0	\$2,936,203	\$0	\$0
	RF	\$1,501,543	\$0	\$1,564,801	\$0	\$0
	FF	\$14,038,696	\$0	\$14,344,424	\$29,571	\$32,857
	<b>Total</b>	\$3,139,489	\$0	\$3,434,070	\$7,927	\$7,927
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office - Health, Life, and Dental	GF	\$1,137,726	\$0	\$1,230,952	\$3,964	\$3,964
	CF	\$277,707	\$0	\$337,577	\$0	\$0
	RF	\$88,133	\$0	\$104,755	\$0	\$0
	FF	\$1,635,923	\$0	\$1,760,786	\$3,963	\$3,963

	<b>Total</b>	<b>\$61,246</b>	<b>\$0</b>	<b>\$55,072</b>	<b>\$101</b>	<b>\$112</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive	GF	\$22,736	\$0	\$20,569	\$51	\$56
Director's Office -	CF	\$4,746	\$0	\$4,588	\$0	\$0
Short-term Disability	RF	\$1,457	\$0	\$1,393	\$0	\$0
	FF	\$32,307	\$0	\$28,522	\$50	\$56

	<b>Total</b>	<b>\$1,314,119</b>	<b>\$0</b>	<b>\$1,434,489</b>	<b>\$2,544</b>	<b>\$2,826</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive	GF	\$488,354	\$0	\$535,695	\$1,272	\$1,413
Director's Office -	CF	\$101,814	\$0	\$119,586	\$0	\$0
Amortization	RF	\$30,035	\$0	\$36,269	\$0	\$0
Equalization	FF	\$693,916	\$0	\$742,939	\$1,272	\$1,413
Disbursement						

	<b>Total</b>	<b>\$1,269,320</b>	<b>\$0</b>	<b>\$1,419,546</b>	<b>\$2,517</b>	<b>\$2,797</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive	GF	\$472,426	\$0	\$530,115	\$1,259	\$1,399
Director's Office -	CF	\$98,344	\$0	\$118,340	\$0	\$0
Supplemental	RF	\$27,570	\$0	\$35,891	\$0	\$0
Amortization	FF	\$670,980	\$0	\$735,200	\$1,258	\$1,398
Equalization						
Disbursement						

	<b>Total</b>	<b>\$2,128,109</b>	<b>\$0</b>	<b>\$2,004,697</b>	<b>\$5,558</b>	<b>\$950</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive	GF	\$965,356	\$0	\$917,251	\$2,779	\$475
Director's Office -	CF	\$78,907	\$0	\$65,869	\$0	\$0
Operating Expenses	RF	\$10,449	\$0	\$10,449	\$0	\$0
	FF	\$1,073,397	\$0	\$1,011,128	\$2,779	\$475

	<b>Total</b>	<b>\$9,351,970</b>	<b>\$0</b>	<b>\$7,965,355</b>	<b>\$1,101,870</b>	<b>\$635,175</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive	GF	\$3,117,387	\$0	\$2,431,211	\$550,935	\$317,588
Director's Office -	CF	\$1,463,609	\$0	\$1,413,609	\$0	\$0
General	RF	\$0	\$0	\$0	\$0	\$0
Professional	FF	\$4,770,974	\$0	\$4,120,535	\$550,935	\$317,587
Services and						
Special Projects						

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number: FF: Title XIX (1000)				
Reappropriated Funds Source, by Department and Line Item Name: N/A				
Approval by OIT?	Yes	No	Not Required:	X
Schedule 13s from Affected Departments:	N/A			
Other Information:	N/A			



#### ***Cost and FTE***

- FY 2016-17: \$1,179,660 total funds, including \$589,832 General Fund, to implement the Department's federally required Statewide Transition Plan required under the federal Home and Community Based Services (HCBS) final settings rule. \$350,000 would be continuation funding from HB 15-1318, while the remaining amount would be for the increased number of surveys needed to comply with federal requirements and to hire 1.0 FTE to manage the implementation of the Statewide Transition Plan and all the activities related to HCBS final settings rule compliance.
- FY 2017-18 and ongoing: \$715,502 total funds, including \$357,753 General Fund, to continue implementing the Statewide Transition Plan, including 1.0 FTE.

#### ***Current Program***

- HCBS waivers allow the Department to provide long-term services and supports to Medicaid clients. The services authorized by the waivers afford clients the opportunity to live in their own home and community rather than in institutions such as Skilled Nursing Facilities or Intermediate Care Facilities for Individuals with Intellectual Disabilities.

#### ***Problem or Opportunity***

- The Centers for Medicare and Medicaid Services' (CMS) final rule governing the settings in which HCBS may be provided became effective March 17, 2014.
- In order for the Department to continue to provide HCBS and receive federal financial participation, the Department must come into compliance with the HCBS final settings rule on or before March 17, 2019. This requires the Department to update its regulations and waivers, and conduct on-site visits of providers.
- In October 2015, the Department received updated CMS guidance which increased the number of on-site visits the Department is required to conduct.
- The Department does not have the resources or capacity to implement the Statewide Transition Plan and comply with CMS requirements under its current appropriation.

#### ***Consequences of Problem***

- It is anticipated that the federal government would provide approximately \$444 million of an estimated \$875 million that Colorado expects to spend in FY 2015-16 on HCBS services. The State risks loss of some or all of this federal funding in the future if HCBS service settings do not comply with the CMS HCBS final settings rule.

#### ***Proposed Solution***

- The Department requests funding to hire contractors to assist with the implementation of the HCBS final settings rule Statewide Transition Plan, including conducting site visits and tracking ongoing compliance.
- The Department requests the General Assembly add a footnote to the Long Bill allowing for roll-forward authority of FY 2015-16 funding that has been appropriated for this purpose.



# COLORADO

Department of Health Care  
Policy & Financing

FY 2015-16 and FY 2016-17 Funding Request | January 4, 2016

John W. Hickenlooper  
Governor

Susan E. Birch  
Executive Director

**Department Priority:** BA-8

**Request Detail:** Home and Community Based Services Waiver Settings Rule Implementation

Summary of Incremental Funding Change for FY 2016-17	Total Funds	General Fund
Home and Community Based Services Waiver Settings Rule Implementation	\$1,179,660	\$589,832

### **Problem or Opportunity:**

The Centers for Medicare & Medicaid Services’ (CMS) Home and Community Based Services (HCBS) final settings rule creates a new federal mandate governing the settings in which HCBS services are provided. Currently, the Department does not have the resources necessary to come into compliance with the rule. If the Department does not come into compliance with the rule, CMS could defer or disallow federal financial participation (FFP) in all waiver services covered by the HCBS Settings Final Rule. CMS might also defer or disallow FFP in payments to particular providers, such as those that it believes should have been subject to in-person site visits but were not.

Effective March 17, 2014, CMS, the federal agency that authorizes and shares the financial responsibility for the Department’s waiver programs, implemented final regulations for settings in which HCBS may be provided. The new regulations are meant to ensure that participants in HCBS programs have access to the benefits of community living, that the services are true alternatives to what is provided in an institutional setting, that the services are delivered in the most integrated setting possible and the provision of services is person centered. In the new rule, CMS set out a new methodology for categorizing settings, focusing on the nature, quality, and outcomes of the participating individuals’ experience. Previously, HCBS settings were defined by the location, geography, and physical characteristics of the service.

The final rule requires that all HCBS settings meet specific criteria including:

- Be integrated in and support full access to the greater community,
- Be selected by the participant from among settings options,
- Ensure individual rights of privacy, dignity and respect, and freedom from coercion and restraint,
- Optimize autonomy and independence in making life choices, and
- Facilitate choice regarding services and who provides them.

Additionally, there are specific requirements for provider-owned/controlled HCBS residential settings, including regional centers. These are settings that have institution-like qualities but are not institutions. The new rules require that the individual resident:

- Has a lease or other legally enforceable agreement providing similar protections,
- Has privacy in their unit including lockable doors, choice of roommates, and freedom to furnish or decorate the unit,
- Controls his/her own schedule including access to food at any time,
- Can have visitors at any time, and
- Is in a setting that is physically accessible.<sup>1</sup>

In order to continue as eligible providers of HCBS waiver services, many providers will need to design and implement major changes to their policies and procedures which requires oversight and technical support from the Department.

The impact of the HCBS rule on states is considerable, as CMS recognized by giving states five years to come into full compliance with the rule. The Department has already invested substantial time and resources in drafting its Statewide Transition Plan (STP), which is a CMS-required document that sets out the actions necessary to bring HCBS settings within a given state into compliance. The Department submitted its original STP to CMS in mid-November 2014 and received initial feedback from CMS on the STP on July 30, 2015, with further guidance coming on October 14, 2015. In response to these comments and guidance, the Department has developed a revised STP which was submitted to CMS in mid-November 2015.

In its recent guidance, CMS increased the total number of site visits the Department is required to conduct. In the original submission of the STP the Department had planned to focus its site visits on providers whose self-assessments indicated probable noncompliance with the HCBS rule to maximize funding and outcomes. Previously, the Department had planned to conduct a statistically representative sample that yielded a 90% confidence level of compliance that ranged from the lowest to the highest levels of compliance, which resulted in approximately 200 site visits. However, CMS indicated through guidance released on October 14, 2015 that it would not accept the Department's originally planned approach. CMS is now requiring that verification visits be conducted on a statistically representative sample of all providers, stratified by 13 provider setting types, that yields a 95% confidence level within provider strata which means the Department has to increase the number of site visits by about 300% to 854.

While the Department received funding in FY 2015-16 to begin the process of coming into compliance with the final rule and to draft the STP through its S-9/BA-9 "CLAG Recommendations and HCBS Final Rule Review" funding request, ongoing and additional funding is necessary to complete the increased number of site visits and additional requirements under the revised STP in order to ensure timely compliance with the HCBS final settings rules. The late guidance received from CMS, which increased the scope of work and caused delays in procurement of contractors, has delayed the necessary work under the STP. Because of the

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<sup>1</sup> "Fact Sheet: Summary of Key Provisions of the Home and Community-Based Services (HCBS) Settings Final Rule". <http://www.medicaid.gov/medicaid-chip-program-information/by-topics/long-term-services-and-supports/home-and-community-based-services/downloads/hcbs-setting-fact-sheet.pdf>. January 10, 2014.

aforementioned delays, the Department anticipates that funding appropriated for HCBS final rules compliance activities in FY 2015-16 will not be able to be fully utilized and will need to be continued into FY 2016-17.

The large undertaking required by the HCBS rule and the STP is going to require the state to invest resources in the near term in order to avoid the potential loss of future federal funds.

***Proposed Solution:***

The Department requests \$1,179,660 total funds in FY 2016-17, including \$589,832 General Fund, and \$715,502 total funds in FY 2017-18 and ongoing through FY 2018-19, including \$357,753 General Fund, in order to continue working with and/or to hire contractors to assist with the implementation of the HCBS final settings rule STP, provide continual compliance monitoring, and 1.0 FTE to manage the implementation of the STP and all activities related to HCBS final rule compliance. In addition, the Department requests the General Assembly add a footnote to the Long Bill allowing for roll-forward authority of FY 2015-16 funding that has been appropriated for this purpose.

The work of the contractors and FTE are required to be completed by FY 2018-19 and include:

- Conducting 854 on-site visits in FY 2016-17 to assess whether providers are complying with the new requirements and to develop remedial strategies including Provider Transition Plans (PTPs) for providers who do not meet requirements of the HCBS rule. Provider compliance assessments need to be completed by January 1, 2017, while initial PTP development needs to be completed by May 1, 2017.
- Conducting 695 on-site visits in FY 2017-18 to monitor provider compliance with the rule requirements and PTPs.
- Providing multiple trainings on new requirements to case managers, providers, and staff of various state agencies. The Department and its contractor(s) will need to conduct trainings through November 1, 2018.
- Analyzing all relevant state statutes, regulations, waivers, and other authorities for consistency with HCBS rule, drafting proposed changes, and implementing such changes through public notice and comment procedures as applicable. This work would need to be completed by March 15, 2019.
- Facilitating 10 stakeholder workgroups to gather feedback on STP compliance issues and successes, and identification of new areas of training and technical assistance. Two of the stakeholder workgroups will be in person, while the remaining eight would be done virtually. The contractor(s) would then be required to provide summary reports from the stakeholder workgroups in order to implement stakeholder feedback into the STP. This work would need to be completed prior to March 15, 2019.

Because this rule applies to all providers of home and community based services, including state-operated facilities such as the Regional Centers, there may be additional costs of compliance that are not included in this request. Further appropriations may be needed to achieve full compliance for state facilities; if so, the executive branch may request additional funding through the regular budget process.

The Department was appropriated \$612,475 in FY 2015-16 through the FY 2014-15 S-9/BA-9 “CLAG Recommendations and HCBS Final Rule Review” budget request for planning, developing the STP, conducting and analyzing initial individual/family surveys, and conducting initial site visits at provider settings with known compliance issues. The Department assumes it will utilize all of the funding, but because of the late guidance from CMS, which increased the number of required site visits and delayed the federal approval of the STP, the Department has not been able to procure contractor assistance timely. Because of the delay, the Department anticipates that the entirety of current FY 2015-16 spending authority allocated to HCBS settings and person-centered planning compliance would not be spent and requests roll-forward authority for any unspent money. While the Department has begun the work of procuring the necessary contracts in FY 2015-16, it is likely that the contractors will not be able to finish the entirety of their work within the fiscal year. To ensure that the contracted work can be properly completed without delay, the Department requests the flexibility to roll-forward up to \$612,475, including \$306,238 General Fund, from FY 2015-16 into FY 2016-17.

Activities the Department has scheduled to finish in FY 2015-16 that will extend into FY 2016-17 include:

- Finalizing the survey to collect continual input from thousands of individuals that receive HCBS services and their families regarding settings in which such services are provided.
- Analyzing survey data in order to inform the Department’s categorization and handling of the 1,167 HCBS providers in Colorado to ensure and maintain compliance with the CMS final setting rule.

The Department was appropriated \$100,000 in FY 2015-16 and on-going for ad hoc work related to HCBS settings and person-centered planning compliance; however, the \$100,000 is enough only for the work related to person-centered planning compliance and not for HCBS final settings rule implementation and compliance. Further guidance from CMS revealed that the Department needed to redevelop the work that needs to be accomplished to be in compliance for both person-centered planning and HCBS final settings rule compliance. Activities, and associated costs, that the Department will conduct in FY 2015-16 related to person-centered planning are: \$25,000 for person-centered planning process development with stakeholders, \$50,000 to conduct compliance review of current contracts, waiver applications and rules and develop a compliance plan, and, lastly, \$25,000 to begin a pilot for the person-centered planning process with clients and case managers. A pilot is required to ensure that the person-centered planning process is working correctly following guidelines and training developed with stakeholders and approved by CMS. In FY 2016-17, \$75,000 will be allocated to finish the pilot for the person-centered planning process and \$25,000 to develop trainings. In FY 2017-18, the ongoing cost of training on the person center planning process is estimated to cost \$100,000. Hiring contractors with expertise in HCBS settings and CMS definitions of HCBS settings to manage and assist with the workload would be necessary to successfully implement and monitor the Department’s settings STP.

The Department is examining other states’ procedures for compliance with the HCBS final settings rule to inform planning and expects that multiple contractors or other partners may be needed for final rule implementation and compliance monitoring. Most states are relying upon case management agencies and/or other state survey agencies to complete some of the necessary work. For example, the Department could have multiple contracts and interagency-agency agreements (IAs) with other state agencies in order to fully

implement the rules. Currently, the Department is working on a scope of work with the Colorado Department of Public Health and Environment (CDPHE) to conduct surveys on the behalf of the Department, funding for which is included in this request.

The Department's request for staffing resources is the result of the magnitude of tasks that must be accomplished. Without an FTE, the Department would not be able to absorb the necessary workload. The Department would not be able to conduct the CMS required 854 site visits in FY 2016-17 or 695 site visits in FY 2017-18 without requesting further staffing and the assistance of a contractor. Further, the Department would not be able to gather and analyze all of the information and assist providers with their Provider Transition Plans (PTPs) within its current staffing and without the assistance from contractors. This position would manage all contracts and activities related to HCBS final settings rule compliance and STP implementation including:

- Management of contractors who would be assisting the Department with implementation of the STP.
- Conducting on-site visits across the state with contractor assistance.
- Convening three different Benefits Collaborative covering the following topics: Residential Settings, Non-Residential Settings (day services) and person centered planning.
- Managing the STP.
- Conducting provider trainings covering topics such as; residential settings, rights suspensions, leases and community integration.
- Tracking provider compliance with rule and their individual transition plans.
- Implementing any waiver changes that are necessary.
- Providing on-going support and technical assistance to providers.

Implementation of the STP and continual provider setting monitoring and analysis would bring the Department into compliance with the HCBS final settings rule per recent requirements by CMS. The Department anticipates funding would be on-going for at least the duration of the 5-year transition plan, through FY 2018-19, as the Department will need to need to manage and update the STP, conduct site-visits, analyze results and update PTPs, track compliance and provide on-going training, support, and technical assistance for providers annually, per CMS requirements, during the 5-year transition. While the bulk of the necessary work will be accomplished in FY 2016-17, as mentioned above, funding through FY 2018-19 would be necessary for on-going compliance monitoring and tracking. The Department would request adjustments through the normal budget process if future funding was needed.

***Anticipated Outcomes:***

The requested funding would allow the Department to achieve compliance with federal regulations, which would mitigate the risk of losing federal financial participation. Additionally, compliance with the HCBS final settings rule would ensure that participants in Colorado's HCBS programs would have access to services in the community that are delivered in the most integrated setting possible.

Successfully implementing the HCBS final settings rule would also contribute to the goals of the Department's person-centered initiative. Redefining HCBS settings by the nature and quality of the participating individuals' experience rather than by the location, geography, and physical characteristics of

the setting means that the service is more tailored to the client and the clients' individual needs. Furthermore, defining, designing and implementing HCBS settings by the nature and quality of the participating individuals' experience represents a more outcome-oriented definition of HCBS settings, which aligns with the Department's Performance Plan goals of improving health outcomes and the client experience through more integrated service settings.

***Assumptions and Calculations:***

The Department estimates that during FY 2016-17, per CMS requirements, that an estimated 8,162 contractor hours would be needed to continue to implement the STP including: the ongoing collection and analysis of individual/family surveys, which would provide participant sentiment on provider settings, is estimated to take 800 hours based on contracts with similar activities; conducting and performing analysis of initial provider on-site verification visits would take 6,832 hours (845 site visits, requiring an average of eight hours per visit); the provision of training and technical assistance would take 200 hours based on current vendor estimates; stakeholder communication and workshops would take 30 hours based on similar projects; and the analysis and updates to waiver rules would take 300 hours based on current vendor estimates. The Department plans on completing an Interagency Agreement (IA) with the Colorado Department of Public Health and Environment (CDPHE) to conduct the individual/family surveys.

In FY 2017-18 and FY 2018-19 the Department estimates 4,705 hours would be required to continue to implement the STP. The Department assumes the contractor would be spending the bulk of their time conducting site visits and working on Provider Transition Plans (PTPs) for at least 695 providers that are currently estimated to be not in compliance. The Department estimates that, on average, PTP development will take five hours per provider. Accounting for all providers, including the currently non-responsive providers, the Department estimates that the PTPs would take 3,475 hours. Other than initial site visits, all activities described above, are required annually to be in compliance with the HCBS final settings rule and hour estimates are based on contractor feedback and contracts of similar scope.

The Department estimates that the average hourly rate would be \$135 per hour, based on contracts with similar scopes of work, for a total estimated cost of \$1,101,870 for FY 2016-17 and \$635,175 in FY 2017-18 and FY 2018-19. For further detail on the breakdown of contractor hours, please see Table 2.2 in the appendix.

***Supplemental, 1331 Supplemental or Budget Amendment Criteria:***

The Department received new guidance from CMS on October 14, 2015, increasing the amount of oversight necessary to come into compliance with federal HCBS rule, resulting in substantive changes in funding needs as a result of the unforeseen required workload increase.

BA-8 HCBS Waiver Settings Rule Implementation  
Appendix A: Calculations and Assumptions

<b>Table 1.1 - FY 2016-17 Request Components by Line Item</b>									
Row	Item	Total Funds	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	Source
<b>A</b>	<b>Total Request</b>	<b>\$1,179,660</b>	<b>1.0</b>	<b>\$589,832</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$589,828</b>	<b>Row B</b>
<b>B</b>	<b>(1) Executive Director's Office; (A) General Administration</b>	<b>\$1,179,660</b>	<b>1.0</b>	<b>\$589,832</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$589,828</b>	<b>Sum(Row C:Row I)</b>
C	(1) Executive Director's Office; (A) General Administration, Personal Services	\$59,143	0.9	\$29,572	\$0	\$0	\$0	\$29,571	FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$5,558	0.0	\$2,779	\$0	\$0	\$0	\$2,779	FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$7,927	0.0	\$3,964	\$0	\$0	\$0	\$3,963	FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$101	0.0	\$51	\$0	\$0	\$0	\$50	FTE Calculations
G	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$2,544	0.0	\$1,272	\$0	\$0	\$0	\$1,272	FTE Calculations
H	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$2,517	0.0	\$1,259	\$0	\$0	\$0	\$1,258	FTE Calculations
I	(1) Executive Director's Office; (A) General Administration, General Professional Services	\$1,101,870	0.0	\$550,935	\$0	\$0	\$0	\$550,935	Table 2.1 Row C

<b>Table 1.2 - FY 2017-18 Request Components by Line Item</b>									
Row	Item	Total Funds	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	Source
<b>A</b>	<b>Total Request</b>	<b>\$715,502</b>	<b>1.0</b>	<b>\$357,753</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$357,749</b>	<b>Row B</b>
<b>B</b>	<b>(1) Executive Director's Office; (A) General Administration</b>	<b>\$715,502</b>	<b>1.0</b>	<b>\$357,753</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$357,749</b>	<b>Sum(Row C:Row I)</b>
C	(1) Executive Director's Office; (A) General Administration, Personal Services	\$65,715	1.0	\$32,858	\$0	\$0	\$0	\$32,857	FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$950	0.0	\$475	\$0	\$0	\$0	\$475	FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$7,927	0.0	\$3,964	\$0	\$0	\$0	\$3,963	FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$112	0.0	\$56	\$0	\$0	\$0	\$56	FTE Calculations
G	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$2,826	0.0	\$1,413	\$0	\$0	\$0	\$1,413	FTE Calculations
H	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$2,797	0.0	\$1,399	\$0	\$0	\$0	\$1,398	FTE Calculations
I	(1) Executive Director's Office; (A) General Administration, General Professional Services	\$635,175	0.0	\$317,588	\$0	\$0	\$0	\$317,587	Table 2.1 Row C

BA-8 HCBS Waiver Settings Rule Implementation  
Appendix A: Calculations and Assumptions

<b>Table 1.3 - FY 2018-19 Request Components by Line Item</b>									
<b>Row</b>	<b>Item</b>	<b>Total Funds</b>	<b>FTE</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Source</b>
<b>A</b>	<b>Total Request</b>	<b>\$715,502</b>	<b>1.0</b>	<b>\$357,753</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$357,749</b>	<b>Row B</b>
<b>B</b>	<b>(1) Executive Director's Office; (A) General Administration</b>	<b>\$715,502</b>	<b>1.0</b>	<b>\$357,753</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$357,749</b>	<b>Sum(Row C:Row I)</b>
C	(1) Executive Director's Office; (A) General Administration, Personal Services	\$65,715	1.0	\$32,858	\$0	\$0	\$0	\$32,857	FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$950	0.0	\$475	\$0	\$0	\$0	\$475	FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$7,927	0.0	\$3,964	\$0	\$0	\$0	\$3,963	FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$112	0.0	\$56	\$0	\$0	\$0	\$56	FTE Calculations
G	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$2,826	0.0	\$1,413	\$0	\$0	\$0	\$1,413	FTE Calculations
H	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$2,797	0.0	\$1,399	\$0	\$0	\$0	\$1,398	FTE Calculations
I	(1) Executive Director's Office; (A) General Administration, General Professional Services	\$635,175	0.0	\$317,588	\$0	\$0	\$0	\$317,587	Table 2.1 Row C

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Appendix A: Calculations and Assumptions

<b>Table 2.1 - Total Estimated Contractor Cost for Home and Community Based Services (HCBS) Final Settings Rule Implementation and Compliance</b>					
Row	Item	FY 2016-17	FY 2017-18	FY 2018-19	Notes/Calculation
A	Total Estimated Hours	8,162	4,705	4,705	Table 2.2 Row F
B	Hourly Rate	\$135.00	\$135.00	\$135.00	Estimate based on contracts with similar scopes of work
C	<b>Total Estimated Cost</b>	<b>\$1,101,870</b>	<b>\$635,175</b>	<b>\$635,175</b>	<b>Row A * Row B</b>

<b>Table 2.2 - Total Estimated Hours Contractor Hours Needed for HCBS Final Settings Rule Implementation and Compliance</b>					
Row	Item	FY 2016-17	FY 2017-18	FY 2018-19	Notes/Calculation
A	Survey Analysis & Monitoring	800	800	800	See Narrative
B	Regulatory Analysis and Waiver Rule Updates	300	200	200	See Narrative
C	Provider Training and Technical Assistance	200	200	200	See Narrative
D	Stakeholder Communication and Workshops	30	30	30	10 Two Hour Meetings with Travel Time
E	On-Site Surveys and Development of Remedial Action Plans	6,832	3,475	3,475	Table 2.3 Row C
F	<b>Total Hours</b>	<b>8,162</b>	<b>4,705</b>	<b>4,705</b>	<b>Sum of Row A through Row E</b>

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<b>Table 2.3 - Total Number of Hours for On-Site Surveys and Development of Remedial Action Plans</b>				
<b>Row</b>	<b>Item</b>	<b>FY 2016-17 Amount</b>	<b>FY 2017-18 Amount</b>	<b>Notes</b>
A	Required On-Site Surveys	854	695	Table 2.4 Row N; FY 2017-18 Estimated Providers not in Compliance; see narrative for further information
B	Estimated Hours per Site for Surveying and Remedial Action Plan Development	8	5	Contractor Estimate - for Both the Average Site Visit/Survey and Development of the Remedial Action Plan
<b>C</b>	<b>Total Hours</b>	<b>6,832</b>	<b>3,475</b>	<b>Row A * Row B</b>

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<b>Table 2.4 - On-Site Surveys Required by Provider Type</b>				
<b>Row</b>	<b>Provider Type</b>	<b>Population</b>	<b>Required Sample Size<sup>(1)</sup></b>	<b>Notes</b>
A	Adult Day Treatment	6	6	Historic Provider Data
B	Adult Day Treatment - Basic	45	40	Historic Provider Data
C	Adult Day Treatment - Specialized	59	51	Historic Provider Data
D	Alternative Care Facility	313	173	Historic Provider Data
E	Day Habilitation - Specialized Habilitation	126	95	Historic Provider Data
F	Day Habilitation - Supported Community Connections	170	118	Historic Provider Data
G	Residential Habilitation - Group	55	48	Historic Provider Data
H	Residential Habilitation - Individual	104	82	Historic Provider Data
I	Residential Habilitation - Host Home	101	80	Historic Provider Data
J	Supported Living Program	6	6	Historic Provider Data
K	Prevocational Services	32	30	Historic Provider Data
L	Supported Employment - Group	66	56	Historic Provider Data
M	Supported Employment - Individual	84	69	Historic Provider Data
<b>N</b>	<b>Total Providers</b>	<b>1,167</b>	<b>854</b>	<b>Sum of Row A through Row M</b>

(1) Sample Size Criteria: 95% Confidence Interval with +/- 5% Margin of Error  
<http://www.calculator.net/sample-size-calculator.html>

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<b>Table 2.5 - FY 2014-15 S-9/BA-9 “CLAG Recommendations and HCBS Final Rule Review” FY 2015-16 Roll-Forward</b>			
<b>Row</b>	<b>Item</b>	<b>Approved Funding</b>	<b>Calculation/ Notes</b>
A	FY 2015-16 Appropriated Funds for planning, Statewide Transition Plan Development, and Initial Surveys and Site-Visits	\$612,475	FY 2014-15 S-9/BA-9 “CLAG Recommendations and HCBS Final Rule Review”
B	FY 2015-16 Contracted Amounts <sup>1</sup>	\$273,150	FY 2014-15 S-9/BA-9 “CLAG Recommendations and HCBS Final Rule Review”
<b>C</b>	<b>FY 2015-16 Remaining Appropriation</b>	<b>\$339,325</b>	<b>Row A - Row B</b>
(1) While the Department has contracts for \$273,150; it is possible that the contracts will not be spent in their entirety			

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<b>Table 2.6 - Person-Centered Planning Costs - FY 2015-16 through FY 2017-18</b>			
<b>Row</b>	<b>Item</b>	<b>Amount</b>	<b>Notes</b>
<i>Fiscal Year 2015-16</i>			
A	Person-Centered Planning Process Development with Stakeholders	\$25,000	Based on projects with similar scopes of work
B	Conduct Compliance Review of Current Contracts, Waiver Applications and Rules and Develop Compliance Plan	\$50,000	Based on projects with similar scopes of work
C	Person-Centered Planning Process Pilot	\$25,000	Contractor Estimate
<b>D</b>	<b>FY 2015-16 Total Planned Work</b>	<b>\$100,000</b>	<b>Row A + Row B + Row C</b>
<i>Fiscal Year 2016-17</i>			
E	Continuation of Person-Centered Planning Process Pilot	\$75,000	Contractor Estimate
F	Develop Training	\$25,000	Contractor Estimate
<b>G</b>	<b>FY 2016-17 Total Planned Work</b>	<b>\$100,000</b>	<b>Row E + Row F</b>
<i>Fiscal Year 2017-18</i>			
H	Ongoing Cost of Ongoing Training	\$100,000	Contractor Estimate
<b>I</b>	<b>FY 2017-18 Total Planned Work</b>	<b>\$100,000</b>	<b>Row H</b>