

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 ^{CCT Service}	Movement Therapy	Specialized Medical Equipment and Supplies
Enhanced Nursing ^{CCT Service}	Personal Care	Substance Abuse Counseling-Individual CCT Service
Hippo Therapy	Personal Emergency Response System (PERS)	Substance Abuse Counseling-Group ^{CCT Service}
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 ^{CCT} Service	Home Accessible Adaptations-Extended ^{CCT} Service	Vehicle Modifications
Dental	Intensive Case Management ^{CCT Service}	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!

Presented by:

Randi Wilson

randi.wilson@state.co.us

Department of Health Care Policy and Financing

