

Appendix G

The Department of Public Welfare will pay qualified providers freely chosen by waiver recipients through the use of limited fiscal agents who function to pay claims for waiver programs administered by the Department's Office of Mental Retardation, as well as other administrative duties as specified on page 10a of this waiver application. The fiscal agents will be the County Mental Health/Mental Retardation (MH/MR) Program Offices of individual counties or joiners of two or more counties. The Department will supervise the work of the fiscal agents and will retain authority to exercise administrative discretion in the application of policies, rules, and regulations issued by the Department.

The Commonwealth will allocate funding for waiver services and administrative activities to each County MH/MR Program. The County MH/MR Program is required to keep its costs for waiver services and administrative activities within the Commonwealth's allocation. Payments to individual providers are based on a cost report that is the provider's billing for MA eligible services.

Payments are based on individually negotiated rates or charges between the provider and the County MH/MR Program in accordance with 55 PA. Code 4300.

The County MH/MR Program is required to ensure that the billings specify the name of the individual receiving services or an alternate unique recipient identifier, the name of each MA eligible service provided during the report period and the approved rate for each service. The County MH/MR Program also ensures that services reported are approved in the individual's service plan, and that the individual is eligible for the waiver program because he or she meets medical level of care as determined by the County MH/MR Program and financial eligibility requirements as determined by the County Assistance Office.

The County MH/MR Program consolidates the service reports, including any adjustments, and completes a Department of Public Welfare quarterly report. This quarterly report is forwarded to the Department. The County ensures that the individual meets eligibility requirements. The County MH/MR Program makes adjustments to its quarterly report to the Department based on its review of provider reports and notification of exceptions by the Department.

Annual reports are submitted by the County MH/MR Program to the Department for waiver services following the close of each fiscal year. These reports reflect actual service costs and utilization reported by providers. Final reconciliation is contingent on receipt of actual provider audited costs. In the following year, any subsequent final adjustments are made to the report for the year in which services are provided. The annual reports are prepared in accordance with instructions and on forms provided by the Department.

Annual audits of County MH/MR Programs and providers of service are in accordance with the Single Audit Act. Additional payment and fiscal safeguards are contained in the County's Supplemental Grant Agreement with the Department.

The provider of service preserves books, documents, and records related to MA eligible services for three years after the MA eligible services are furnished.

STATE: _____

-55-

DATE: _____

APPENDIX G - FINANCIAL DOCUMENTATION

**APPENDIX G-1
COMPOSITE OVERVIEW
COST NEUTRALITY FORMULA**

INSTRUCTIONS: Complete one copy of this Appendix for each level of care in the waiver. If there is more than one level (e.g. hospital and nursing facility), complete a Appendix reflecting the weighted average of each formula value and the total number of unduplicated individuals served.

LEVEL OF CARE: ICF/MR

YEAR	FACTOR D	FACTOR D'	FACTOR G	FACTOR G'
1	<u>\$ 14,592</u>	<u>\$5,646</u>	<u>\$94,614</u>	<u>\$4,024</u>
2	<u>\$14,592</u>	<u>\$5,646</u>	<u>\$94,614</u>	<u>\$4,024</u>
3	<u>\$14,592</u>	<u>\$5,646</u>	<u>\$94,614</u>	<u>\$4,024</u>
4	<u>\$14,592</u>	<u>\$5,646</u>	<u>\$94,614</u>	<u>\$4,024</u>
5	<u>\$14,592</u>	<u>\$5,646</u>	<u>\$94,614</u>	<u>\$4,024</u>

STATE: _____

DATE: _____

APPENDIX G-8

DEMONSTRATION OF COST NEUTRALITY

LOC: ICF/MR

YEAR 1

FACTOR D: <u>\$14,592</u>		FACTOR G: <u>\$94,614</u>
FACTOR D': <u>\$5,646</u>		FACTOR G': <u>\$4,024</u>
TOTAL: <u>\$20,238</u>	≤	TOTAL: <u>\$98,638</u>

YEAR 2

FACTOR D: <u>\$14,592</u>		FACTOR G: <u>\$94,614</u>
FACTOR D': <u>\$5,646</u>		FACTOR G': <u>\$4,024</u>
TOTAL: <u>\$20,238</u>	≤	TOTAL: <u>\$98,638</u>

YEAR 3

FACTOR D: <u>\$14,592</u>		FACTOR G: <u>\$94,614</u>
FACTOR D': <u>\$5,646</u>		FACTOR G': <u>\$4,024</u>
TOTAL: <u>\$20,238</u>	≤	TOTAL: <u>\$98,638</u>

STATE: _____

DATE: _____

DEMONSTRATION OF COST NEUTRALITY

LOC: ICF/MR

YEAR 4

FACTOR D: <u>\$14,592</u>		FACTOR G: <u>\$94,614</u>
FACTOR D': <u>\$5,646</u>		FACTOR G': <u>\$4,024</u>
TOTAL: <u>\$20,238</u>	≤	TOTAL: <u>\$98,638</u>

YEAR 5

FACTOR D: <u>\$14,592</u>		FACTOR G: <u>\$94,614</u>
FACTOR D': <u>\$5,646</u>		FACTOR G': <u>\$4,024</u>
TOTAL: <u>\$20,238</u>	≤	TOTAL: <u>\$98,638</u>

STATE: _____

-58-

DATE: _____

VERSION 06-95

FACTOR C: NUMBER OF UNDUPLICATED INDIVIDUALS SERVED

YEAR UNDUPLICATED INDIVIDUALS

1 7,361

2 7,361

3 7,361

4 7,361

5 7,361

EXPLANATION OF FACTOR C:

Check one:

The State will make waiver services available to individuals in the target group up to the number indicated as factor C for the waiver year.

The State will make waiver services available to individuals in the target group up to the lesser of the number of individuals indicated as factor C for the waiver year, or the number authorized by the State legislature for that time period.

The State will inform CMS in writing of any limit which is less than factor C for that waiver year.

STATE: _____

DATE: _____

**APPENDIX G-2
METHODOLOGY FOR DERIVATION OF FORMULA VALUES**

FACTOR D

LOC:

The July 25, 1994 final regulation defines Factor D as:

"The estimated annual average per capita Medicaid cost for home and community-based services for individuals in the waiver program."

The demonstration of Factor D estimates is on the following pages.

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 X 2___ 3___ 4___ 5

Waiver Service Column A	#Unduplicate d Recipients (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
1. Habilitation	6,508	531 hrs.	\$23.58	\$81,415,263
2. Respite	1,284	270 hrs.	\$23.58	\$8,163,008
3. Environmental Accessibility Adaptations	82	1unit	\$9,562*	\$784,078
4. Physical Therapy	38	69 Quarter Hours.	\$16.47/Qtr. hr.	\$42,963
5. Occupational Therapy	152	154 Quarter Hours.	\$16.47/Qtr. hr.	\$386,669
6. Behavioral Therapy	106	148 Quarter Hours.	\$16.47/Qtr. hr.	\$257,779
7. Visiting Nurse	63	176 Quarter Hours.	\$16.47/Qtr. hr.	\$182,594
8. Visual/Mobility Therapy	9	145 Quarter Hours.	\$16.47/Qtr. hr.	\$21,482
9. Speech/Language Therapy	570	436 Quarter Hours.	\$16.47/Qtr. hr.	\$4,092,245
10. Transportation	1,887	307 Hours	\$10.65	\$6,175,960

*Rounded
AVERAGE LENGTH OF STAY: 339 days

STATE: _____

DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 X 2 3 4 5

Waiver Service Column A	#Unduplicated Recipients (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
11. Homemaker/Chore	52	105 hours	\$23.58/hr.	\$128,890
12. Personal Support	515	203 hours	\$23.58/hr.	\$2,459,643
13. Adaptive Appliances & Equipment	544	1 unit	\$6,061/yr.	\$3,297,426
GRAND TOTAL (sum of Column E):				\$107,408,000
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				7,361
FACTOR D (Divide total by number of recipients):				\$14,592

AVERAGE LENGTH OF STAY: 339 days

STATE: _____

DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 2 X 3 4 5

Waiver Service Column A	#Unduplicated Recipients (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
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AVERAGE LENGTH OF STAY: 339 days

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DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 2 X 3 4 5

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FACTOR D (Divide total by number of recipients):				\$14,592

AVERAGE LENGTH OF STAY: 339 days

STATE: _____

-62a-

DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 2 3 X 4 5

Waiver Service Column A	#Unduplicated Recipients (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
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10. Speech/Language Therapy	570	436 Quarter Hours.	\$16.47/Qtr. hr.	\$4,092,245
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*Rounded
AVERAGE LENGTH OF STAY: 339 days

STATE: _____

DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 2 3 X 4 5

Waiver Service Column A	#Unduplicated Recipients (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
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AVERAGE LENGTH OF STAY: 339 days

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DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 2 3 4 X 5

Waiver Service Column A	#Unduplicated Recipients (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
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6. Behavioral Therapy	106	148 Quarter Hours.	\$16.47/Qtr. hr.	\$257,779
7. Visiting Nurse	63	176 Quarter Hours.	\$16.47/Qtr. hr.	\$182,594
8. Visual/Mobility Therapy	9	145 Quarter Hours.	\$16.47/Qtr. hr.	\$21,482
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10. Transportation	1,887	307 Hours	\$10.65	\$6,175,960

*Rounded

AVERAGE LENGTH OF STAY: 339 days

STATE: _____

DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 2 3 4 X 5

Waiver Service Column A	#Unduplicated Recipients (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
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12. Personal Support	515	203 hours	\$23.58/hr.	\$2,459,643
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GRAND TOTAL (sum of Column E):				\$107,408,000
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				7,361
FACTOR D (Divide total by number of recipients):				\$14,592

AVERAGE LENGTH OF STAY: 339 days

STATE: _____

DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1 2 3 4 5 X

Waiver Service Column A	#Unduplicated . Recipients. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
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2. Respite	1,284	270 hrs.	\$23.58	\$8,163,008
3. Environmental Accessibility Adaptations	82	1unit	\$9,562*	\$784,078
4. Physical Therapy	38	69 Quarter Hours.	\$16.47/Qtr. hr.	\$42,963
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7. Visiting Nurse	63	176 Quarter Hours.	\$16.47/Qtr. hr.	\$182,594
8. Visual/Mobility Therapy	9	145 Quarter Hours.	\$16.47/Qtr. hr.	\$21,482
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10. Transportation	1,887	307 Hours	\$10.65	\$6,175,960

*Rounded

AVERAGE LENGTH OF STAY: 339 days

STATE: _____

DATE: _____

APPENDIX G-2

FACTOR D

LOC: ICF/MR

Demonstration of Factor D estimates:

Waiver Year 1__ 2__ 3__ 4__ 5 X

Waiver Service Column A	#Unduplicated Recipients (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
11. Homemaker/Chore	52	105 hours	\$23.58/hr.	\$128,890
12. Personal Support	515	203 hours	\$23.58/hr.	\$2,459,643
13. Adaptive Appliances/ Equipment	544	1 unit	\$6,061/yr.	\$3,297,426
GRAND TOTAL (sum of Column E):				\$107,408,000
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				7,361
FACTOR D (Divide total by number of recipients):				\$14,592

AVERAGE LENGTH OF STAY: 339 days

STATE: _____

DATE: _____

**APPENDIX G-3
METHODS USED TO EXCLUDE PAYMENTS FOR ROOM AND BOARD**

The purpose of this Appendix is to demonstrate that Medicaid does not pay the cost of room and board furnished to an individual under the waiver.

- A. The following service(s), other than respite care*, are furnished in residential settings other than the natural home of the individual (e.g., foster homes, group homes, domiciliary care certified homes, supervised living arrangements, assisted living facilities, personal care homes, or other types of congregate living arrangements). (Specify):

Person/family directed support, transportation, therapy and visiting nurse and physical adaptations.

*NOTE: FFP may be claimed for the cost of room and board when provided as part of respite care in a Medicaid certified NF or ICF/MR, or when it is provided in a foster home or community residential facility that meets State standards specified in this waiver.)

- B. The following service(s) are furnished in the home of a paid caregiver. (Specify):

Person/family directed support, therapy and visiting nurse, respite and physical adaptations .

The following is an explanation of the method used by the State to exclude Medicaid payment for room and board.

Room and board is paid in accordance with 55 Pa. Code, Chapter 6200, titled: Room and Board Charges. (See enclosed)

**APPENDIX G-4
METHODS USED TO MAKE PAYMENT FOR RENT AND FOOD EXPENSES OF AN
UNRELATED LIVE-IN CAREGIVER**

Check one:

- The State will not reimburse for the rent and food expenses of an unrelated live-in personal caregiver who lives with the individual(s) served on the waiver.

- The State will reimburse for the additional costs of rent and food attributable to an unrelated live-in personal caregiver who lives in the home or residence of the individual served on the waiver. The service cost of the live-in personal caregiver and the costs attributable to rent and food are reflected separately in the computation of factor D (cost of waiver services) in Appendix G-2 of this waiver request.

Attached is an explanation of the method used by the State to apportion the additional costs of rent and food attributable to the unrelated live-in personal caregiver that are incurred by the individual served on the waiver.

See Attachment: Room and board is paid in accordance with 55 Pa. Code, Chapter 6200, titled: Room and Board Charges.

STATE: _____

-70-

DATE: _____

APPENDIX G-5

FACTOR D'

LOC: ICF/MR

NOTICE: On July 25, 1994, CMS published regulations which changed the definition of factor D'. The new definition is:

"The estimated annual average per capita Medicaid cost for all other services provided to individuals in the waiver program."

Include in Factor D' the following:

The cost of all State plan services (including home health, personal care and adult day health care) furnished in addition to waiver services **WHILE THE INDIVIDUAL WAS ON THE WAIVER.**

The cost of short-term institutionalization (hospitalization, NF, or ICF/MR) which began **AFTER** the person's first day of waiver services and ended **BEFORE** the end of the waiver year **IF** the person returned to the waiver.

Do NOT include the following in the calculation of Factor D':

If the person did NOT return to the waiver following institutionalization, do NOT include the costs of institutional care.

Do NOT include institutional costs incurred **BEFORE** the person is first served under the waiver in this waiver year.

If institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor D'.

STATE: _____

DATE: _____

APPENDIX G-5

FACTOR D' (cont.)

LOC: ICF/MR

Factor D' is computed as follows (check one):

Based on CMS Form 2082 (relevant pages attached).

Based on CMS Form 372 for years 1999/2000 of waiver # 0147.90, which serves a similar target population.

Based on a statistically valid sample of plans of care for individuals with the disease or condition specified in item 3 of this request.

Other (specify):

STATE: _____

DATE: _____

APPENDIX G-6

FACTOR G

LOC: ICF/MR

The July 25, 1994 final regulation defines Factor G as:

"The estimated annual average per capita Medicaid cost for hospital, NF, or ICF/MR care that would be incurred for individuals served in the waiver, were the waiver not granted."

Provide data ONLY for the level(s) of care indicated in item 2 of this waiver request.

Factor G is computed as follows:

- Based on institutional cost trends shown by CMS Form 2082 (relevant pages attached). Attached is an explanation of any adjustments made to these numbers.
- Based on trends shown by CMS Form 372 for years 1999-2000 of waiver #0354, which reflect costs for an institutionalized population at this LOC. Attached is an explanation of any adjustments made to these numbers.
- Based on actual case histories of individuals institutionalized with this disease or condition at this LOC. Documentation attached (see prior page attachment for 11 ICF/MR recipients).
- Based on State DRGs for the disease(s) or condition(s) indicated in item 3 of this request, plus outlier days. Descriptions, computations, and an explanation of any adjustments are attached to this Appendix.
- Other (specify):

STATE: _____

DATE: _____

If institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor G.

APPENDIX G-7

FACTOR G'

LOC: ICF/MR

The July 25, 1994 final regulation defines Factor G' as:

"The estimated annual average per capita Medicaid costs for all services other than those included in Factor G for individuals served in the waiver, were the waiver not granted.

Include in Factor G' the following:

The cost of all State plan services furnished WHILE THE INDIVIDUAL WAS INSTITUTIONALIZED.

The cost of short-term hospitalization (furnished with the expectation that the person would return to the institution) which began AFTER the person's first day of institutional services.

If institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor G'.