

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>11-12-09</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100219</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>[Signature]</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-14-09</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

*cc: Ms. Forlner
Closed 11/19/09, letter attached.*

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer)	COMMENT
1.			
2.			
3.			
4.			

Eugene A. Laurent, Ph.D.
State Director
David A. Goodell
Associate State Director
Operations
Kathi K. Lacy, Ph.D.
Associate State Director
Policy



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November 6, 2009

Ms. Emma Forkner
Director
Department of Health and Human Services
P. O. Box 8206
Columbia, SC 29203-8206

Dear Ms. Forkner:

I am requesting a technical amendment to the Home and Community Based Waiver, titled Community Support Waiver (HCBW #SC 0676). This technical amendment is needed in order to better serve the consumers transferring into this waiver from rehabilitation support services.

As you know, CMS has stated that rehabilitation support services are no longer a Medicaid reimbursable service for the developmentally disabled population. Thus, DHHS and DDSN staff worked on developing the Community Support Waiver (CSW) as a Medicaid alternative for this population group. The CSW included a service under habilitation called community services that we believed would meet the needs of those transferring from the rehabilitation program. However, this service was established only as a group service and we desire to include an individual component as well. Thus, DDSN is requesting a technical amendment to include an individual service component within community service.

Attached is the revised Appendix J which reflects the changes associated with adding this individual service into the waiver. The revised Appendix J demonstrates that the waiver still meets the required cost neutrality to ICF/MR level of care. Since DDSN is discontinuing the rehabilitation support service program for developmentally disabled consumers January 1, 2010, I am requesting that this technical amendment be approved prior to January 1.

Additionally, we want to clarify the cap outlined in Appendix B-2.1 of \$10,986, which is the total amount available to each waiver participant. The \$10,986 represents the cost of the direct service component and does not include overhead costs, such as quality assurance reviews, licensing inspections and policy development that DDSN includes in its reimbursement and subsequent cost settlements in accordance with SCDHHS policies.

Thank you for your consideration of this request. If further information is needed, please contact me.

Sincerely,

Beverly A. H. Buscemi, Ph.D.
State Director

DISTRICT I

P.O. Box 239
Clinton, SC 29325-5328
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Midlands Center - Phone: 803/935-7500
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Pee Dee Center - Phone: 843/664-2600
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Department of Health & Human Services
OFFICE OF THE DIRECTOR

Appendix J: Cost Neutrality Demonstration

Appendix J-1: Composite Overview and Demonstration of Cost-Neutrality Formula

Composite Overview. Complete the following table for each year of the waiver.

Level(s) of Care (specify):							
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Year	Factor D	Factor D'	Total: D+D'	Factor G	Factor G'	Total: G+G'	Difference (Column 7 less Column 4)
1	\$6,356	\$8,004	\$14,340	\$102,220	\$2,063	\$104,283	\$89,943
2	\$7,025	\$8,244	\$15,569	\$105,287	\$2,125	\$107,412	\$91,843
3	\$8,530	\$8,491	\$17,021	\$108,446	\$2,189	\$110,635	\$93,614
4							
5							

Highlighted areas show changes associated with the new 'Community Services – Individual' waiver service.

State:	
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Appendix J-2 - Derivation of Estimates

- a. **Number Of Unduplicated Participants Served.** Enter the total number of unduplicated participants from Item B-3-a who will be served each year that the waiver is in operation. When the waiver serves individuals under more than one level of care, specify the number of unduplicated participants for each level of care:

Table J-2-a: Unduplicated Participants			
Waiver Year	Total Unduplicated Number of Participants (From Item B-3-a)	Distribution of Unduplicated Participants by Level of Care (if applicable)	
		Level of Care:	Level of Care:
Year 1	2,300	ICF/MR	
Year 2	3,300	ICF/MR	
Year 3	3,600	ICF/MR	
Year 4 (renewal only)			
Year 5 (renewal only)			

- b. **Average Length of Stay.** Describe the basis of the estimate of the average length of stay on the waiver by participants in Item J-2-d.

Year 1 – 8.65 months
Year 2 – 10.20 months
Year 3 – 11.50 months

- c. **Derivation of Estimates for Each Factor.** Provide a narrative description for the derivation of the estimates of the following factors.

- i. **Factor D Derivation.** The estimates of Factor D for each waiver year are located in Item J-2-d. The basis for these estimates is as follows:

The estimates are based on projected utilization of services. The projected utilizations are based on current industry practices for each service level included in the waiver. The costs per services were determined by surveying current provider of services.

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- ii. **Factor D' Derivation.** The estimates of Factor D' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

The derivation of the figures originates with the CMS 372 Report for Waiver #0237.90 for the year ending 6/30/2006 with an inflation factor of 3% for the 2nd and 3rd year. This waiver serves participants with the same level of care (ICF/MR).

AVERAGE PER CAPITA EXPENDITURES BY FISCAL YEAR:

1 ST YEAR OF WAIVER	\$ 8,004 * 1.00 =	\$8,004
2 ND YEAR OF WAIVER	\$ 8,004 * 1.03 =	\$8,244
3 RD YEAR OF WAIVER	\$ 8,244 * 1.03 =	\$8,491

- iii. **Factor G Derivation.** The estimates of Factor G for each waiver year are included in Item J-1. The basis of these estimates is as follows:

2007 ICF/MR Cost Reports and the 2007 Preliminary Cost Reports.
The 2007 Cost Report is on file at Department of Health and Human Service.

AVERAGE PER CAPITA EXPENDITURES BY FISCAL YEAR:

1 ST YEAR OF WAIVER	\$102,220 * 1.00 =	\$102,220
2 ND YEAR OF WAIVER	\$102,220 * 1.03 =	\$105,287
3 RD YEAR OF WAIVER	\$105,287 * 1.03 =	\$108,446

- iv. **Factor G' Derivation.** The estimates of Factor G' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

The derivations of the figures originate with the CMS 372 Report for Waiver #0237.90 for the year ending 6/30/2006 with an inflation factor of 3% for the 2nd and 3rd year. This waiver serves participants with the same level of care (ICF/MR).

AVERAGE PER CAPITA EXPENDITURES BY FISCAL YEAR:

1 ST YEAR OF WAIVER	\$2,063 * 1.00 =	\$2,063
2 ND YEAR OF WAIVER	\$2,063 * 1.03 =	\$2,125
3 RD YEAR OF WAIVER	\$2,125 * 1.03 =	\$2,189

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d. Estimate of Factor D. Select one: Note: Selection below is new.

- The waiver does not operate concurrently with a §1915(b) waiver. Complete Item J-2-d-i
- The waiver operates concurrently with a §1915(b) waiver. Complete Item J-2-d-ii

i. Estimate of Factor D – Non-Concurrent Waiver. Complete the following table for each waiver year

Waiver Service	Waiver Year: Year 1				
	Col. 1 Unit	Col. 2 # Users	Col. 3 Avg. Units Per User	Col. 4 Avg. Cost/ Unit	Col. 5 Total Cost
Personal Care 1	Per Hour	23	182	12.00	50,232
Personal Care 2	Per Hour	230	182	16.00	669,760
Respite Non-Institution Day	Per Day	345	26	80.00	717,600
Respite Non-Institution Hour	Per Hour	92	285	10.50	275,310
Respite Institution ICF/MIR	Per Day	12	26	270.00	84,240
Respite Institution Nursing Home	Per Day	12	26	120.00	37,440
Environmental Modification	Per Item	35	1	7,500.00	262,500
Special Equipment/Supplies	Per Item	817	1	1,800.00	1,470,600
Psychological Services	Per Hour	12	35	60.00	25,200
Private Vehicle Modification	Per Item	12	1	7,500.00	90,000
Behavior Supports	Per Hour	23	35	60.00	48,300
Day Activity	Per Unit	391	182	22.75	1,618,935
Career Preparation	Per Unit	644	182	22.75	2,666,482
Community Services - Group	Per Unit	230	182	22.75	952,315
Community Services - Individual	Per Unit	598	69	45.00	1,856,790
Employment Services - Group	Per Unit	104	35	22.75	82,810
Employment Services-Individual	Per Hour	104	182	80.00	1,514,240
Support Center Services	Per Unit	230	182	22.75	952,315
In Home Services – Self Directed	Per Hour	230	182	12.30	514,878
Adult Day Health	Per Day	92	138	45.50	577,668
Adult Day Health- Transportation	Per Day	46	138	15.00	95,220
Adult Day Health - Nursing	Per Day	5	138	15.00	10,350
GRAND TOTAL:					\$14,573,185
TOTAL ESTIMATED UNDUPLICATED PARTICIPANTS (from Table J-2-a)					2,300
FACTOR D (Divide grand total by number of participants)					\$6,336
AVERAGE LENGTH OF STAY ON THE WAIVER					8.65 months

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Waiver Year: Year 2					
Waiver Service	Col. 1 Unit	Col. 2 # Users	Col. 3 Avg. Units Per User	Col. 4 Avg. Cost/ Unit	Col. 5 Total Cost
Personal Care 1	Per Hour	33	214	12.00	84,744
Personal Care 2	Per Hour	330	214	16.00	1,129,920
Respite Non-Institution Day	Per Day	495	31	80.00	1,227,600
Respite Non-Institution Hour	Per Hour	132	336	10.50	465,696
Respite Institution ICF/MR	Per Day	17	31	270.00	142,290
Respite Institution Nursing Home	Per Day	17	31	120.00	63,240
Environmental Modification	Per Item	50	1	7,500.00	375,000
Special Equipment/Supplies	Per Item	1,172	1	1,800.00	2,109,600
Psychological Services	Per Hour	17	41	60.00	41,820
Private Vehicle Modification	Per Item	17	1	7,500.00	127,500
Behavior Supports	Per Hour	33	41	60.00	81,180
Day Activity	Per Unit	561	214	22.75	2,731,229
Career Preparation	Per Unit	924	214	22.75	4,498,494
Community Services - Group	Per Unit	330	214	22.75	1,606,605
Community Services - Individual	Per Unit	858	82	45.00	3,166,020
Employment Services - Group	Per Unit	149	41	22.75	138,980
Employment Services - Individual	Per Hour	149	214	80.00	2,550,880
Support Center Services	Per Unit	330	214	22.75	1,606,605
In Home Services - Self Directed	Per Hour	330	214	12.30	868,626
Adult Day Health	Per Day	132	163	45.50	978,978
Adult Day Health- Transportation	Per Day	66	163	15.00	161,370
Adult Day Health - Nursing	Per Day	7	163	15.00	17,115
GRAND TOTAL:					\$24,173,492
TOTAL ESTIMATED UNDUPLICATED PARTICIPANTS (from Table J-2-a)					3,300
FACTOR D (Divide grand total by number of participants)					\$7,325
AVERAGE LENGTH OF STAY ON THE WAIVER					10.20 months

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Waiver Year: Year 3					
Waiver Service	Col. 1 Unit	Col. 2 # Users	Col. 3 Avg. Units Per User	Col. 4 Avg. Cost/ Unit	Col. 5 Total Cost
Personal Care 1	Per Hour	36	242	12.60	109,771
Personal Care 2	Per Hour	360	242	16.80	1,463,616
Respite Non-Institution Day	Per Day	540	35	84.00	1,587,600
Respite Non-Institution Hour	Per Hour	144	380	11.03	603,562
Respite Institution ICF/MR	Per Day	18	35	283.50	178,605
Respite Institution Nursing Home	Per Day	18	35	126.00	79,380
Environmental Modification	Per Item	54	1	7,500.00	405,000
Special Equipment/Supplies	Per Item	1,278	1	1,800.00	2,300,400
Psychological Services	Per Hour	18	46	63.00	52,164
Private Vehicle Modification	Per Item	18	1	7,500.00	135,000
Behavior Supports	Per Hour	36	46	63.00	104,328
Day Activity	Per Unit	612	242	23.89	3,538,205
Career Preparation	Per Unit	1,008	242	23.89	5,877,631
Community Services - Group	Per Unit	360	242	23.89	2,081,297
Community Services - Individual	Per Unit	936	92	47.25	4,068,792
Employment Services - Group	Per Unit	162	46	23.89	178,028
Employment Services - Individual	Per Hour	162	242	84.00	3,293,136
Support Center Services	Per Unit	360	242	23.89	2,081,297
In Home Services – Self Directed	Per Hour	360	242	12.92	1,125,590
Adult Day Health	Per Day	144	184	47.78	1,265,979
Adult Day Health- Transportation	Per Day	72	184	15.75	208,656
Adult Day Health - Nursing	Per Day	7	184	15.75	20,286
GRAND TOTAL:					\$30,708,323
TOTAL ESTIMATED UNDUPLICATED PARTICIPANTS (from Table J-2-a)					3,600
FACTOR D (Divide grand total by number of participants)					\$8,530
AVERAGE LENGTH OF STAY ON THE WAIVER					11.50 months

State:	
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Log # 219

State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

November 19, 2009

Beverly A. H. Buscemi, Ph.D.
Director
SC Department of Disabilities and Special Needs
P O Box 4706
Columbia, SC 29240

Dear Dr. Buscemi:

Beverly

We received the recent South Carolina Department of Disabilities and Special Needs (SCDDSN) request for a technical amendment to the Community Supports Waiver (CS) (#0676), to add an individual component to the current waiver service called "community services".

My staff has reviewed the information submitted. At this time it is necessary to request additional information. As you know, approval for the requested rate must be granted by our Bureau of Ancillary Reimbursement, South Carolina Department of Health and Human Services (SCDHHS). Once the basis for the rate has been substantiated and approved, please send that information to Kara Lewis of my staff. If updated Appendix J documents are needed based on the newly approved rate, please make those changes as well and forward the revised paper documents and electronic files to Ms. Lewis.

Additionally, your request did not include any changes to Appendix C of the CS waiver document. If you wish to add an individual provider type for this service, please submit the necessary changes when you send the new information.

To clarify, the CS waiver is a "capped" waiver currently set at a \$10,986 waiver service limit, as determined by SCDDSN. All 372 Federal reporting will be compared against this cap. Your Factor D (waiver) costs must be equal to, or less than, \$10,986 to remain within the cost cap you have established for this waiver.

Please submit the necessary documents to Mr. Jeff Saxon in our Bureau of Ancillary Reimbursement, SCDHHS, to obtain the approval for your requested service rate. In the meantime, we will prepare this amendment request, to the extent possible, and wait to hear from you regarding the rate approval for the individual service component. We appreciate your attention to this matter.

Sincerely,

Emma

Emma Forkner,
Director

cc: Jeff Saxon, SCDHHS
EF/mwmh