



C.L. "BUTCH" OTTER – Governor
RUSSELL S. BARRON – Director

IDAHO DEPARTMENT OF HEALTH & WELFARE

MATT WIMMER - Administrator
DIVISION OF MEDICAID
Post Office Box 83720
Boise, Idaho 83720-0009
PHONE: (208) 334-5747
FAX: (208) 364-1811

November 28, 2017

Dear Tribal Representative:

In accordance with section 1902(a)(73)(A) of the Social Security Act regarding the solicitation of advice prior to the submission of any Medicaid State Plan Amendment or waiver likely to have a direct effect on Indians, Indian Health Programs, or Urban Indian Organizations, the Idaho Department of Health and Welfare's Division of Medicaid (Idaho Medicaid) provides notice on the following matter.

Purpose

Idaho Medicaid intends to submit waiver amendments to the Centers for Medicare and Medicaid Services (CMS) to revise the residential habilitation service rate methodology in Idaho's Adult Developmental Disabilities §1915(c) Home and Community-Based Services Waiver (Adult DD Waiver) and in Idaho's Aged and Disabled §1915(c) Home and Community-Based Services Waiver (A&D Waiver) to revise the method for setting certain residential habilitation service payment rates.

Idaho Medicaid proposes that the method for setting Residential Habilitation Agencies' payment rates for providing residential habilitation services be derived using a combination of four cost components – direct care staff wages, employer related expenditures, program related costs, and indirect general and administrative costs.

The rate was developed as a result of a cost survey conducted in 2016 (2016 Cost Survey) and a ratio survey conducted in 2017 (2017 Ratio Survey) and was calculated using the following combination of components:

i. Direct Care Staff Wages

The Department determined the Direct Care Staff Wages component using the Bureau of Labor and Statistics (BLS) May 2016 State Occupational Employment and Wage Estimates – Idaho, Occupation Code 39-9021, Personal Care Aides, median hourly wage. The median hourly wage was then inflated by 7.03% from May 1, 2016 to December 1, 2018 using the IHS Markit Healthcare Cost Review - Wages & Salaries - West, Table 7, 2017 Quarter 2.

ii. Employer Related Expenditures

The Department determined the Employer Related Expenses component by multiplying the inflated Direct Care Staff Wage by 36.86%, the cumulative percentage of employer costs for employee compensation from BLS, December 2016 Employer Costs for Employee Compensation, West Region, Mountain Division (Table 7) and IRS Publication 15.

iii. Program Related Costs (Including Costs for Program Operations)

The Department determined the Program Related Costs component by identifying the 75th percentile of the 2016 Cost Survey dollar rate. The 75th percentile of the 2016 Cost Survey dollar rate was then inflated by 9.51% from July 1, 2015 to December 1, 2018 using the IHS Markit Healthcare Cost Review - Wages & Salaries - West, Table 7, 2017 Quarter 2.

iv. General and Administrative Costs

The Department determined the General and Administrative Costs component by identifying the 75th percentile of the 2016 Cost Survey dollar rate. The 75th percentile of the 2016 Cost Survey

dollar rate was then inflated by 9.51% from July 1, 2015 to December 1, 2018 using the IHS Markit Healthcare Cost Review - Wages & Salaries - West, Table 7, 2017 Quarter 2.

All cost components were added together and divided by four to generate a 15-minute unit. The Individual Supported Living payment rate, the Intense Supported Living daily (24-hour) payment rate and the Intense School-Based Supported Living daily (19-hour) payment rate were set using the 15-minute unit. Based on the results of the 2017 Ratio Survey, the Group Supported Living payment rate was set using a 1:1.96 ratio of the 15-minute unit. Based on the results of the 2017 Ratio Survey, the High Supported Living daily (24-hour) payment rate and the High School-Based Supported Living daily (19-hour) payment rate were set using a 1:1.84 ratio of the 15-minute unit.

Contingent upon prior budget approval by the state legislature and prior CMS approval of these waiver amendments, reimbursement rates for Residential Habilitation Agencies providing residential habilitation services with dates of service on or after May 1, 2018 will be as follows:

- H2015 / Individual Supported Living (1 Unit = 15 Minutes) – \$5.31
- H2015-HQ / Group Supported Living (1 Unit = 15 Minutes) – \$2.71
- H2022 / High Supported Living (1 Unit = 1 Day) – \$277.04
- H2016 / School-Based High Supported Living (1 Unit = 1 Day) – \$219.33
- H2016 / Intense Supported Living (1 Unit = 1 Day) – \$509.76
- H2016 / School-Based Intense Supported Living (1 Unit = 1 Day) – \$403.56

There is an estimated increase of \$4,648,300 in annual aggregate expenditures. This change is being made to be consistent with Idaho State Plan, Idaho Administrative Code, and Medicaid Policy.

Anticipated Impact on Indians/Indian Health Program/Urban Indian Organizations

Indians receiving waiver services may be impacted by these changes. There is no anticipated impact on Indian Health Programs, or Urban Indian Organizations.

Availability for Review

Copies of the proposed waiver amendments are available on the Department's website at: <http://healthandwelfare.idaho.gov/Medical/Medicaid/tabid/123/Default.aspx>.

Unless otherwise specified, copies of the proposed waiver amendments are also available for public review during regular business hours at any Regional Medicaid Services office of the Idaho Department of Health and Welfare.

Comments and Questions

Idaho Medicaid would appreciate any input or concerns that Tribal Representatives wish to share regarding these waiver amendments. Please return any comments to Idaho Medicaid at 1-855-249-5024 or by email at HCBSWaivers@dhw.idaho.gov on or before **Friday, December 29, 2017 at 11:59 p.m.**

Idaho Medicaid's proposed waiver amendments will be reviewed as part of the Policy Update at the next quarterly Tribal meeting.

Sincerely,



MATT WIMMER
Administrator
MW/kw