Acquired Brain Injury (PT 17) – Provider Letter #A-32
Supports for Community Living (PT 33) – Provider Letter #A-52
Model Waiver II (PT 41) – Provider Letter #A-21
Home & Community Based Waiver (PT 42) – Provider Letter #A-91
Adult Day Care (PT 43) – Provider Letter #A-53
Home Delivered Meals (PT 48) – Provider Letter #A-1

May 1, 2018

Dear 1915(c) Waiver Provider,

The Department for Medicaid Services (DMS) is considering conducting a study of provider payment and rate-setting methodologies for home and community based services (HCBS) delivered via 1915(c) waivers. This study may include an evaluation of DMS’ current methodologies against national best practices. Should DMS choose to initiate this study, it will work with Navigant Consulting, Inc. (Navigant) to begin the study this summer. This letter outlines the process Navigant would use IF DMS elects to implement Navigant’s recommendation to conduct a study of HCBS payment and rate-setting methodologies.

The study of payment and rate-setting methodologies would be undertaken to identify methods to make payments and establish rates that take into consideration the costs incurred by providers furnishing 1915(c) waivers services that are consistent with efficiency, accessibility and the quality of care standards federally required by U.S.C. § 1396a (a)(30)(A). The process would also consider the needs of participants and providers and offer transparency in payments for services and the development of rates.

To better inform this study, and to potentially support the development of new rates, Navigant has advised they would collect information on provider costs, including staffing levels, direct service wages, and utilization information to inform their study so they have data points for realistic modeling of methodologies under consideration.

(continued)
DMS wants to give providers advance opportunity to prepare and compile any necessary documentation that may be requested, should DMS elect to move forward with the rate study. This is a sample of what Navigant anticipates having providers report:

- Employee wage rates by type of employee (direct service, direct service supervisors, nursing, therapy, program support, administration, etc.)
- Direct service employee time spent providing direct services to participants, etc.
- Employee benefit costs and payroll taxes
- Other administrative costs
- Other program support costs
- Others

A survey tool would be developed and released to assist providers in reporting all requested information. Navigant would take into consideration the differing abilities of providers to complete survey forms and participate in the process. DMS also expects that several training sessions would be conducted to assist providers with understanding how to complete the survey tool. It is expected that completion of the survey tool would be voluntary, but strongly encouraged.

We hope this notice assists you in understanding the information you may wish to gather in advance of a potential study, and helps to answer questions we have received on what the study process might entail. Please submit any questions or comments related to this recommendation to Medicaidpubliccomment@ky.gov, or provide testimony or written comment at the town hall of your choice.

Most sincerely,

Stephen P. Miller
Commissioner
Department for Medicaid Services