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**CABINET FOR HEALTH AND FAMILY SERVICES**  
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To: 1915(c) Home and Community Based Services Waiver Providers

From: Leslie Hoffman, Acting Director *Leslie Hoffman*  
Division of Long-Term Services and Supports

Re: Appendix K Supplemental 50% Add-On Rate

Date: December 12, 2024

In response to the COVID-19 Public Health Emergency, the Department for Medicaid Services (DMS) received Appendix K approval from the Centers for Medicare and Medicaid Services (CMS) to implement an optional 50% rate increase for certain traditional services provided through Kentucky's 1915(c) Home and Community Based Services (HCBS) waiver programs. This is referred to as the supplemental 50% add-on rate, or 50% add-on rate. To bill the 50% add-on rate, provider agencies had to sign an attestation stating it would pass through 85% of the increase to direct service professionals (DSP).

In the waiver applications recently submitted to CMS for approval, DMS requested to maintain the 50% add-on rate for most eligible services for those providers who attested on or before May 1, 2024. Provider agencies must adhere to the following policies to maintain the supplemental 50% add-on rate:

- Only provider agencies with a signed attestation form already on file as of May 1, 2024, can bill the 50% add-on rate. These providers must continue to pass 85% through to DSPs.
- The 50% add-on rate is billed by service code. Agencies cannot opt to bill the 50% add-on rate for some visits and not others.
- Agencies can stop billing the 50% add-on rate at any time. However, once the agency stops, it cannot resume billing the 50% add-on rate in the future. If an agency chooses to no longer bill the 50% add-on rate, they must notify DMS at [CHFS.HCBSWorkGroup@ky.gov](mailto:CHFS.HCBSWorkGroup@ky.gov).

The list of services and service codes eligible for the supplemental 50% add-on rate is attached to this letter. Please note that some services will not be part of the 50% add-on rate because the new rate in the amended waiver application is higher. For services that have a higher rate than the 50% add-on rate, the above stipulations will no longer apply once the new rate takes effect. The effective date is contingent upon CMS approval of the submitted waiver applications. Providers will be notified of the effective date as soon as possible after CMS approval.

DMS is reviewing claims data and the rate attestation forms on file to identify all agencies billing the 50% add-on rate. If we require additional information from your agency, DMS will contact you directly.

If you have questions about this letter or the rates, [CHFS.HCBSWorkGroup@ky.gov](mailto:CHFS.HCBSWorkGroup@ky.gov).

<b>Traditional Services Eligible for Supplemental 50% Add-On Rate</b> <i>The effective date of the supplemental 50% add-on rate is contingent upon CMS approval of the submitted amended waiver applications.</i>				
Waiver	Service	Service Code	Unit	50% Rate
ABI	Companion	S5135	15 min	\$8.34
	Personal Care	97535	15 min	\$8.34
	Respite	T1005	15 min	\$6.00
ABI LTC	Community Living Supports	97535 or 589	15 min	\$8.34
	Respite	T1005 or 660	15 min	\$6.00
HCB	Attendant Care	S5108 or 580	15 min	\$9.00
	Specialized Respite, Level I	T1005 or 662 or T1005 U9	15 min	\$6.00
	Specialized Respite, Level II	T1005 U1 or 660 or T1005 U1 U9	15 min	\$15.00
MPW	Community Living Supports	97535 or 589	15 min	\$8.31
	Homemaker	S5130 or 582	15 min	\$9.75
	Personal Care	T1019 or 581	15 min	\$11.25
SCL	Community Access, Individual	97535	15 min	\$13.20
	Community Access, Group	97537	15 min	\$6.60
	Community Guide	H2015	15 min	\$13.20
	Personal Assistance	T1019	15 min	\$9.14

Note that Participant Directed Coordination (T2040 HI) is a bundled code in the Home and Community Based waiver, which allows a single agency to provide Case Management and Financial Management. After the effective date of the amended waiver applications, these services will be unbundled and must be billed separately.

The following services were eligible for the 50% add-on rate under Appendix K but **will not be part of the 50% add-on rate after approval of the amended waivers**. This is because the new rate for each service is higher. These services will not be subject to the supplemental 50% add-on rules **once the new rates take effect**.

Waiver	Service	Service Code	Unit	50% Rate	Rate after waiver amendments take effect
HCB	Case Management	T1016 or 590	Monthly	\$150.00	\$425.92
MPW	Attendant Care	S5125 or 580	15 min	\$4.35	\$6.36
	Case Management	T2022 or 590	Monthly	\$300	\$425.92
MIIW	Skilled Services by an LPN*	559		\$43.65 per hour	\$11.58 per 15-minute unit
	Skilled Services by an RN*	552		\$47.97 per hour	\$15.99 per 15-minute unit
	Skilled Services by an RT*	410		\$41.13 per hour	\$13.36 per 15-minute unit
SCL	Respite	T1005	15 min	\$4.58	\$5.92

*\*MIIW services will move from hourly to 15-minute units upon the effective date of the amended waiver applications. MIIW providers will receive transition guidance as soon as possible.*