

DDS LEGISLATIVE ADVISORY COMMITTEE

SUB-COMMITTEE
SUMMARY OF MEETING FORM

SUB-COMMITTEE NAME: Medicaid Waiver Regulations

- What is the focus of your meeting/discussions?

Determining what language in CMS regulations governs states' reimbursement systems to providers of waiver services.

- What actions have been taken to date?

Mtgs. held 4/21 and 5/17/10 since last summary. Sub-committee members reviewed language in CMS technical guide. Sub-committee met with representatives of DSS to learn about CMS requirements relative to uniform rates and utilization payment systems. CMS audit of Colorado was shared and reviewed by the group. A summary of facts related to both Uniform Rates and Attendance Based Billing was developed as a working document to track issues and determine necessary follow-up steps (draft summary attached).

- What are the barriers/obstacles?

Determining what latitude states have in setting uniform rates and reimbursing providers for services delivered. For example, a question was posed as to whether states can vary rates for a defined waiver service based on the collective bargaining obligations of the service providers.

- Future Actions:

Overview of DDS rate setting methodology to be presented by J. Drexler at next meeting.

- Meetings Scheduled:

June 15th.

6/1/10

Subcommittee on Waiver Regulations

Summary of Information

Task:

To assess the impact of the HBCS Waiver regulations/requirements on attendance based billing and uniform rates. To determine what the expectations are of CMS for states to reimburse providers of waiver services.

Waiver Regulations:

Information gleaned from the CMS Technical Guide for the HCBS waivers and from Dr. Mark Schaefer of DSS:

1. Uniform Rates

- a) Rate determination methods may vary.
- b) Rate setting methodology has to be uniform; the payment has to be utilization-based; the only variable to be negotiated is what factors get built into the rate.
- c) Payments must be consistent with efficiency, economy, and quality of care, and sufficient to enlist enough providers.
- d) Two key issues that states must address are uniformity and utilization.
- e) States must have uniform rate determination methods, or standards, that apply to each waiver service.
- f) Federal government expects to see “economic and efficient rates” from the states.
- g) Rates may incorporate “difficulty of care factors”.
- h) Rates may be established by maintaining a fee-for-service schedule.
- i) Waiver participants must have the flexibility to use qualified provider of their choice.

- j) Rates may include geographic adjustment factors to reflect differences in the cost of providing services in different parts of a state.
- k) CT previously had geographic rate differences in HUSKY and nursing homes but discontinued these due to lack of supporting data.
- l) An absentee factor can be built into the payment rate by the state agency to offset costs incurred by providers.
- m) States should put details of their rate computations into their waiver.

2. Attendance Based Billing

- a) Federal government expects to pay only for waiver services delivered.
- b) State must have processes to assure that providers' billings are valid and that only valid billings are submitted for federal reimbursement.
- c) There must be documentation that the waiver service was actually provided by the service provider on the dates billed for.
- d) Billing validation includes the individuals' Medicaid eligibility; the individuals' service plan; and the provision of the actual service.
- e) The federal government looks for 15-minute billing increments but some programs are acceptable on a per diem rate as long as the standard of service is well defined and anything less is delivered on an exception-only basis.
- f) A waiver recipient in a per diem billed program cannot have regular ongoing underutilization.
- g) Low attendance on the part of some waiver recipients may be a cost of doing business that providers have to plan for.
- h) In some cases, such as nursing homes, regulations allow a provider to bill for non-service such as days during hospitalization in order to hold the bed.

Summary submitted by:

Mary McKay

5/17/10