



Eric Holcomb, Governor
State of Indiana

Division of Disability and Rehabilitative Services
402 W. WASHINGTON STREET, P.O. BOX 7083
INDIANAPOLIS, IN 46207-7083
1-800-545-7763

State of Indiana

Family and Social Services Administration Office of Division of Disability and Rehabilitative Services

DSP Wage Verification Schedule for Providers of Services on the Community Integration and Habilitation Waiver and/or the Family Supports Waiver

DSP Wage Verification Schedule is required to be completed for each state fiscal year ending June 30 and is due by the September 30 following the end of the state fiscal year.

These instructions are for use under the provisions of the DSP Wage Verification process in accordance with IC 12-15-1.3-18 for providers of services on the Community Integration and Habilitation Waiver and/or the Family Supports Waiver. These instructions are not intended to be comprehensive. In completing the schedule, providers shall rely on these instructions, generally accepted accounting principles and other relevant rules and regulations. In addition, the results of compliance reviews or inquiry by the Office of Medicaid Policy and Planning or its designee should be considered in the preparation of this schedule.

General Instructions

Suggested Filing Format

It is recommended that a cover letter accompany the schedule. The letter should indicate the documents submitted and convey other information or schedules to support the filing. All financial data, except for percentages or hourly rate information, should be rounded to the nearest whole number or dollar.

Generally Accepted Accounting Principles

Revenues or expenses are expected to be reported on the accrual basis in accordance with generally accepted accounting principles. As such, adherence to GAAP is required unless specific code language is to the contrary. Providers should maintain the records used in



completing the forms for each reporting period for a minimum of three years from the date of final payment in accordance with IC 12-15-1.3-18 (i). If accrual adjustments are made between the payroll register and the amounts reported, adequate support of the adjustments should be maintained to crosswalk from the payroll register to the amounts reported.

Agencies NOT Receiving Medicaid Claims Payment During the Current Reporting Period

Agencies that did not receive Medicaid claims payment for services on the CIH or FSW waivers during the current reporting period are not required to file a DSP Wage Verification Schedule for that period. If an agency has an active CIH or FSW Provider Number but did not provide Medicaid services during the current reporting period, a cover letter should be sent for each reporting period which states that NO Medicaid services were provided during the period. Agencies that provide only non-Waiver services are exempt from the filing requirement.

Specific Instructions

While most sections and lines of the form are self-explanatory, the following additional clarification is provided.

Provider Name and Identification Data

Provider Number - It is very important that the provider's Provider Number be stated correctly. The incorrect reporting of a Provider Number can delay the review process. If your corporation provides services under various Provider Numbers, you may file a consolidated schedule for all of your Provider Numbers or file a separate schedule for each Provider Number. If filing a consolidated schedule, please list each provider name and number included or attach a schedule indicating all of the Provider Numbers included in the filing.

Test Period Begin Date - Should be July 1, 2021 or 2022 for most providers unless the provider began operations after July 1, 2021. If new operations, the begin date should be the earliest date the provider became eligible to provide services on the CIH or FSW waiver in accordance with IC 12-15-1.3-18.

Test Period End Date - Should be June 30, 2022 or 2023 for most providers unless the provider terminated operations or stopped providing waiver services prior to June 30 of either year. If operations have been terminated or service stopped being provided, the end date should be the last date the provider provided eligible services on the CIH or FSW waiver in accordance with IC 12-15-1.3-18

Base Period Begin Date - Should be the first of the fiscal year ending on or before December 31, 2019 for most providers unless the provider began operations after that date. If new operations, the begin date should be the earliest date the provider became eligible to provide services on the CIH or FSW waiver in accordance with IC 12-15-1.3-18.

Base Period End Date - Should be the fiscal year ending on or before December 31, 2019 for most providers unless the provider began operations after that date. If new operations, the end date should be the last day of the first fiscal year after December 31, 2019 in which the provider became eligible to provide services on the CIH or FSW waiver in accordance with IC 12-15-1.3-18.

Medicaid Revenue

This information will be used to calculate the amount of rate increase the facility received per Indiana Code Section 12-15-1.3-18. Revenue should be reported on the accrual basis.

Line 1 – Report the total accrued Medicaid revenue for the period for services defined in IC 12-15-1.3-18 (c) as follows:

- (1) The services are provided to an individual who receives services under a Medicaid waiver under the federal home and community based services program.
- (2) The individual is authorized under the Medicaid waiver described in subdivision (1) to receive any of the following services:
 - (A) Adult day services.
 - (B) Prevocational services.
 - (C) Residential habilitation and support.
 - (D) Respite.
 - (E) Extended services as defined in the family supports Medicaid waiver and the community integration habilitation Medicaid waiver.
 - (F) Day habilitation as defined in the family supports Medicaid waiver and the community integration habilitation Medicaid waiver.
 - (G) Workplace assistance, as defined in the family supports Medicaid waiver and the community integration habilitation Medicaid waiver.
 - (H) Residential habilitation and support (RHS daily).
 - (I) Transportation services.
 - (J) Participant assistance and care as defined in the family supports Medicaid waiver.
 - (K) Facility based support, as defined in the family supports Medicaid waiver and the community integration habilitation Medicaid waiver.

Please note that the above services are not all of the services offered to individuals under a Medicaid waiver under the federal home and community based services program.

Therefore, you will need to exclude all services not listed above from this schedule.

Line 2 – This should be 1 plus the percent of increase included in the rates effective with the begin date of the report (14%).

Line 3 – Revenue excluding the rate increase is calculated by dividing Line 1 by Line 2.

Line 4 - The rate increase received is calculated by subtracting Line 3 from Line 1.

Line 5 - In accordance with IC 12-15-1.3-18 (e), this should be 95%.

Line 6 – The DSP Wage Threshold is calculated by multiplying Line 4 times Line 5.

Compliance Summary

Lines 16 & 17 – In order to be considered in compliance with IC 12-15-1.3-18, more than 95% of the rate increase received for the period must be spent on increased wages for direct care staff as defined in 460 IAC 6-3-18. As such, if the Test Period Wage Increase (Line 67) is equal to or greater than the DSP Wage Threshold (Line 6), then the provider is considered in compliance and no amount should be due back to the state assuming adequate documentation has been maintained. However, if the Test Period Wage Increase (line 67) is less than the DSP Wage Threshold (Line 6), then in accordance with IC 12-15-1.3-18(h), the provider is considered not in compliance and the state may recoup the difference between ninety-five percent (95%) of the amount received by a provider as a result of increased reimbursement rates and the amount of the increase that is actually used by the provider to pay an increase in wages to direct care staff.

Payroll Summary

The information in this section should be reported for both the base period and the test period described in the top section of the schedule.

Line 51 – Total Compensation paid to individuals for services defined in IC 12-15-1.3-18 (c) for the period per payroll records should include all compensation reported to the employees who are paid on an hourly basis in the payroll register including but not limited to regular pay, overtime, shift differentials, bonuses, etc. Compensation should only be reported for individuals who spend more than 50% of their time providing these services. The provider may report in this line a pro-rata portion of compensation paid for vacation, holiday and sick pay, continuing education, staff training and other non-direct care activities only if hours associated with such activities are also reported in Line 63. For example, if a direct care staff works 66% of their direct care time on covered services and 33% of their direct care time in non-waiver services (e.g. group home services), the provider may include 66% of their non-direct care compensation on this line only if they also pick up 66% of their non-direct care hours in line 63.

The total number of nursing employees must be supported by payroll documentation (such as the payroll register), including tax forms W-2 and 941. Pool, contracted and outside consultant positions that **are not** obtained from related parties are not considered employees and should not be included on the schedule. Pool, contracted and outside consultant positions that **are** obtained from related parties and are employed by that related party are considered employees and should be included on the schedule.

Line 52 – Report the amount of overtime included in Line 51. For example, if your organization pays 1.5 times the normal rate for overtime, report compensation for the .5 rate difference. If the organization pays direct staff \$10 per hour but increases it to \$15 per hour for overtime, \$5 per hour for each overtime hour should be reported on this line. The amount on this line will be removed to compute base hourly compensation not including overtime and shift differentials.

Line 53 – Report the amount of shift differential included in Line 51. For example, if your organization pays a shift differential of \$2 per hour over base compensation for a

particular shift, report compensation for the \$2 per hour rate difference. The amount on this line will be removed to compute base hourly compensation not including overtime and shift differentials.

Line 54 – Total compensation excluding overtime and shift differential is calculated by subtracting Lines 52 and 53 from Line 51.

Lines 55 – 61 – Report the amounts spent for payroll taxes and employee benefits in accordance with IC 12-15-1.3-18. Amounts may be computed in aggregate or by a detailed calculation by employee. If utilizing an aggregate calculation, divide Line 54 by total compensation for all services of your organization and multiply the result times each total benefit or payroll taxes for your organization. In other words, if line 54 is 20% of your organization's total compensation, you may multiply the total company benefit expense for each category times 20% to report on these lines.

If utilizing an individual employee approach, compute each individual's share of employee benefits by dividing the allowable compensation reported in line 54 for each employee by the total compensation of that employee times that employee's specific payroll taxes or benefits. Sum the payroll taxes and benefits for each employee to report on lines 55 – 61.

Line 62 – Total allowable compensation, payroll taxes and employee benefits is computed by summing lines 54 – 61.

Line 63 – Report the total number of hours paid associated with the total compensation reported on line 51. Total payroll hours may include in this line a pro-rata portion of hours paid for vacation, holiday and sick pay, continuing education, staff training and other nondirect care activities only if compensation associated with such activities are also reported in Line 51.

Line 64 – DSP Hourly Wage for Threshold Computation is calculated by dividing Line 62 by Line 63.

Line 65 – Report the amount computed in line 64 for the base period.

Line 66 – The variance in hourly wage is calculated by subtracting Line 65 from Line 64.

Line 67 – Test Period Wage Increase is calculated by multiplying Line 66 times Line 63 for the current period.