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Frequently Asked Questions

Division of Disability and Rehabilitative Services

2022 Home and Community Based Rate Analysis

October 2022

Note: These FAQs will be updated as needed during the rate review process.

General Questions

Will the slides from the stakeholder kickoff meeting on Oct. 10, 2022 ,be posted/shared? The slides from the Oct. 10, presentation are posted [by clicking here](#)

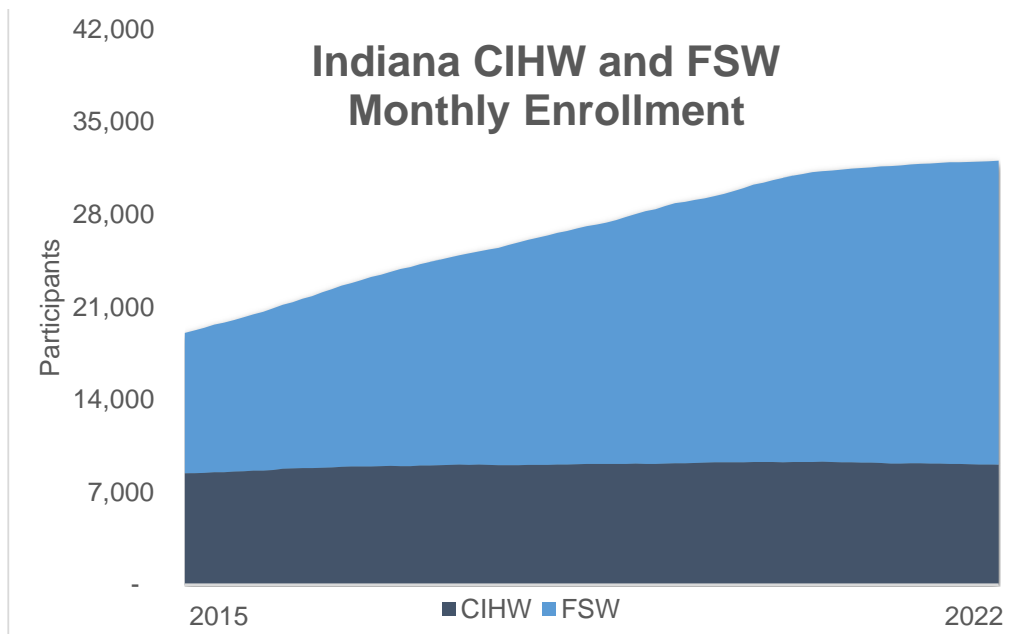
When will the rates be updated? What role does legislation have? DDRS and FSSA are expecting to propose a rate update to be effective early in the next biennium. Implementation of the rate update is subject to legislative approval of funding in the next biennium's budget. FSSA and DDRS intend to develop an initial set of rates through the end of 2022 and consider additional adjustments throughout the first quarter of 2023.

What can we do to help with the rate review process? Milliman will be requesting stakeholder input on key information needed to understand the cost of providing services, such as wages, benefits, documentation requirements, travel, professional training and administrative costs. Your input can help ensure we account for all appropriate costs. Stakeholders can respond to the provider survey in early November or by providing input and feedback regarding the rate analysis project at: HCBS.ratemethodology@fssa.in.gov.

What is the best way to contact FSSA concerning a relevant data resource or other information pertinent to the rate review? Please send input and feedback regarding the rate analysis project to: HCBS.ratemethodology@fssa.in.gov.

The Oct. 10, presentation indicated an increase in participation of Medicaid waivers of approximately 68% since 2015. How many of those participants are on Community Integration and Habilitation Waiver vs. Family Supports Waiver? The graph below is consistent with the participation graph from the Oct. 10 presentation but illustrates the participation growth separately for CIHW (darker blue) compared to the FSW participation growth (lighter blue). As illustrated below, most of the participation increase was observed in the FSW.





The federal government reimburses states for some of the cost of the CMS programs, such as FSW and CIHW. How much is the federal reimbursement for FSW and CIHW compared to state costs? Historically, approximately 2/3 of the cost for FSW and CIHW comes from federal funding with the remaining 1/3 of the cost designated from state funds. For federal fiscal year 2024, should the public health emergency have ended, the federal share will be 65.62%. However, this is subject to change each federal fiscal year, and the federal funding match cannot go below 50%.

Will this rate review set in motion a more consistent process of rate reviews on a regular schedule over the coming years? Yes, we hope to have rate reviews at least every five years to better align with CMS guidance.

How will this rate review account for the following non-benefit expenses incurred by providers: training, quality, and Human Rights Committee? These are not part of the typical administrative expenses incurred by providers. We intend to reflect all three of these expenses in the rate build-up, but in different ways. For training, we intend to explicitly reflect annual employee time spent on training. To support quality, the rate build-up will incorporate assumptions that are consistent with quality, such as appropriate staffing ratios, training time and documentation time. We intend to include costs for Human Rights Committee in the administrative load. We welcome feedback on the approach for each of these items.

How does the rate review affect Direct Service Professional passthrough audits? Will the monthly audits continue when new rates are put into effect? DDRS intends to have the providers maintain responsibility for the monthly DSP passthrough audits.

Will DDRS base rates off current wages rather than lower historical wages? If so, how will that be accomplished? The Bureau of Labor and Statistics publishes monthly data on wage increases by industry, with data available as recent as three months ago. Although the rate model framework may start with historical data, it will be adjusted to reflect recent wage increases. In addition, we will incorporate an estimate of future wage inflation from the current time to the anticipated time of implementation.

Are rates for the Division of Aging being reviewed as well? There is a second concurrent rate review project under way for the Division of Aging waivers: the Aged and Disabled Waiver and the Traumatic Brain Injury Waiver.

Some services have not had a rate update in many years. Will they be included in the review? As part of the project, the state will review and align rates for all services that have a fixed fee schedule amount. As part of this alignment, some of the rates for some services may go down while others may go up.

How is the cost of providing these services in a residential facility determined? And how will this rate review ensure the cost of providing these services in the community does not exceed the cost of providing them in a facility? Residential rates will not be reviewed as part of this project. Cost neutrality compares the average annual cost in an intermediate care facility to the average annual cost for an individual receiving LTSS in the community through the CIHW or FSW. The average community cost is required to be less than average facility cost.

Will we still have the Algo scores to tie funding by person? There will not be a change in Algo scores as part of this project.

Will the rates be adequate to prevent closing and ensure enough providers? One of the rate review's goals is for the updated rates to be adequate to support quality services from an efficient provider. We intend to develop rates that will allow for sufficient access and to sustain a healthy provider base.

Is there a consideration for the influx of children under 7 to the waiver? This question relates to the waiver redesign and will be reflected in the rates after the redesign is closer to implementation.

Will this be just for FSW and CIHW? Yes, the scope of this rate review is for FSW and CIHW.

Any input and feedback regarding the rate analysis project can be provided to DDRS at: HCBS.ratemethodology@fssa.in.gov.

Limitations

This document is intended has been prepared solely for the internal business use of the Indiana Family and Social Services Administration and the Division of Disability and Rehabilitative Services. Milliman understands that the information in this document will be shared with providers of DDRS waiver services for the purpose of supporting the rate review project.

The contents of this document are not intended to represent a legal or professional opinion or interpretation on any matters. Milliman makes no representations or warranties regarding the contents of this document to third parties. Similarly, third parties are instructed that they are to place no reliance upon this information prepared for DCS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

The services provided for this project were performed under the signed Consulting Services Agreement between Milliman and DCS approved Jan. 4, 2022.