

Residential Habilitation Rate Determination Method

In December 2015, the Department notified Residential Habilitation Supported Living providers that reimbursement to Residential Habilitation Agencies was being adjusted effective January, 2016 in response to the Supreme Court of the United States' decision in the case of *Armstrong et al, v. Exceptional Child Center, Inc., et al.*

In response to this notification, participants, advocacy groups and supported living providers expressed concerns that the adjusted rates would create an access issue for participants receiving Supported Living services. As a result of open discussion with providers, participants and the Department, temporary rates were implemented on February 1, 2016 pending the outcome of a Residential Habilitation cost survey.

The temporary rates use inflation as a proxy for costs until the aforementioned cost survey can be completed. The Department implemented the cost survey on March 1, 2016. This cost survey will continue through April 30, 2016. The state plans to review the cost survey data and establish permanent rates by July 31, 2016. In August 2016, the Department anticipates notifying providers, participants and advocates of the new rates with an anticipated effective date of November 1, 2016.

If the temporary rates are 5% higher or lower than the new rates established as a result of the cost survey process, the Department will reconcile the difference with providers back to February 1, 2016.

At this time, no substantive changes are proposed to the Residential Habilitation rate methodology. The results of the current cost survey will inform the state as to what possible clarifications to the rate methodology will be necessary. The state anticipates submitting a waiver amendment in September, 2016 with the results of the cost survey and any rate methodology clarifications needed. If substantive changes are necessary, the state will follow all requirements outlined in 42 CFR §441.304.