

**NOTICE OF INTENT TO SUBMIT WAIVER AMENDMENTS
AND
SOLICITATION OF PUBLIC INPUT**

Pursuant to 42 C.F.R. § 441.304 and 42 C.F.R. § 447.205, the Idaho Department of Health and Welfare Division of Medicaid (Department) provides public notice of its intent to submit waiver amendments to the Centers for Medicare and Medicaid Services (CMS) to revise the method for setting certain residential habilitation service payment rates in Idaho's Aged and Disabled §1915(c) Home and Community-Based Services Waiver (A&D Waiver) and Idaho's Adult Developmental Disabilities §1915(c) Home and Community-Based Services Waiver (Adult DD Waiver).

PROPOSED CHANGES IN METHODS FOR SETTING PAYMENT RATES

The Department proposes that the method for setting Residential Habilitation Agencies' payment rates for providing residential habilitation services be derived using a combination of four cost components – direct care staff wages, employer related expenditures, program related costs, and indirect general and administrative costs.

The rate was developed as a result of a cost survey conducted in 2016 (2016 Cost Survey) and a ratio survey conducted in 2017 (2017 Ratio Survey) and was calculated using the following combination of components:

i. Direct Care Staff Wages

The Department determined the Direct Care Staff Wages component using the Bureau of Labor and Statistics (BLS) May 2016 State Occupational Employment and Wage Estimates – Idaho, Occupation Code 39-9021, Personal Care Aides, median hourly wage. The median hourly wage was then inflated by 7.03% from May 1, 2016 to December 1, 2018 using the IHS Markit Healthcare Cost Review - Wages & Salaries - West, Table 7, 2017 Quarter 2.

ii. Employer Related Expenditures

The Department determined the Employer Related Expenses component by multiplying the inflated Direct Care Staff Wage by 36.86%, the cumulative percentage of employer costs for employee compensation from BLS, December 2016 Employer Costs for Employee Compensation, West Region, Mountain Division (Table 7) and IRS Publication 15.

iii. Program Related Costs (Including Costs for Program Operations)

The Department determined the Program Related Costs component by identifying the 75th percentile of the 2016 Cost Survey dollar rate. The 75th percentile of the 2016 Cost Survey dollar rate was then inflated by 9.51% from July 1, 2015 to December 1, 2018 using the IHS Markit Healthcare Cost Review - Wages & Salaries - West, Table 7, 2017 Quarter 2.

iv. General and Administrative Costs

The Department determined the General and Administrative Costs component by identifying the 75th percentile of the 2016 Cost Survey dollar rate. The 75th percentile of the 2016 Cost Survey dollar rate was then inflated by 9.51% from July 1, 2015 to December 1, 2018 using the IHS Markit Healthcare Cost Review - Wages & Salaries - West, Table 7, 2017 Quarter 2.

All cost components were added together and divided by four to generate a 15-minute unit. The Individual Supported Living payment rate, the Intense Supported Living daily (24-hour) payment rate and the Intense School-Based Supported Living daily (19-hour) payment rate were set using the 15-minute unit. Based on the results of the 2017 Ratio Survey, the Group Supported Living payment rate was set using a 1:1.96 ratio of the 15-minute unit. Based on the results of the 2017 Ratio Survey, the High Supported Living daily (24-hour) payment rate and the High School-Based Supported Living daily (19-hour) payment rate were set using a 1:1.84 ratio of the 15-minute unit.

Contingent upon prior budget approval by the state legislature and prior CMS approval of these waiver amendments, reimbursement rates for Residential Habilitation Agencies providing residential habilitation services with dates of service on or after May 1, 2018 will be as follows:

- H2015 / Individual Supported Living (1 Unit = 15 Minutes) – \$5.31
- H2015-HQ / Group Supported Living (1 Unit =15 Minutes) – \$2.71
- H2022 / High Supported Living (1 Unit = 1 Day) – \$277.04
- H2016 / School-Based High Supported Living (1 Unit = 1 Day) – \$219.33
- H2016 / Intense Supported Living (1 Unit = 1 Day) – \$509.76
- H2016 / School-Based Intense Supported Living (1 Unit= 1 Day) – \$403.56

ESTIMATE OF EXPECTED CHANGE IN ANNUAL AGGREGATE EXPENDITURES

There is an estimated increase of \$4,648,300 in annual aggregate expenditures.

EXPLANATION FOR PROPOSED CHANGES IN METHODS FOR SETTING PAYMENT RATES

This change is being made to update residential habilitation – supported living reimbursement rates based on §56-118, Idaho Code and Idaho Administrative Code (IDAPA) 16.03.10.037 following the Supreme Court’s decision in *Armstrong v. Exceptional Child Center*.

PUBLIC REVIEW

Copies of the proposed waiver amendments are available on the Department’s website at:
<http://healthandwelfare.idaho.gov/Medical/Medicaid/tabid/123/Default.aspx>.

Unless otherwise specified, copies of the proposed waiver amendments are also available for public review during regular business hours at any Regional Medicaid Services office of the Idaho Department of Health and Welfare.

LOCATIONS FOR PUBLIC REVIEW OF PROPOSED WAIVER AMENDMENTS

Ada County

DHW Region 4, 1720 Westgate Drive, Boise, ID 83704
Central District Health Department, 707 North Armstrong Place, Boise, ID 83704

Adams County

Adams County Clerk's Office, 201 Industrial Avenue, Council, ID 83612

Bannock County

DHW Region 6, 1070 Hiline, Pocatello, ID 83201
Southeastern Idaho Public Health, 1901 Alvin Ricken Drive, Pocatello, ID 83201

Bear Lake County

Southeastern Idaho Public Health, 455 Washington, Suite #2, Montpelier, ID 83254

Benewah County

Panhandle Health District, 137 N 8th Street, St Maries, ID 83861

Bingham County

DHW Region 6, 701 East Alice, Blackfoot, ID 83221

Southeastern Idaho Public Health, 145 W Idaho Street, Blackfoot, ID 83221

Blaine County

South Central Public Health, 117 East Ash Street, Bellevue, ID 83313

Boise County

Boise County Clerk's Office, 420 Main Street, Idaho City, ID 83631

Bonner County

DHW Region 1, 207 Larkspur Street, Ponderay, ID 83852

Panhandle Health District, 2101 W. Pine Street, Sandpoint, ID 83864

Bonneville County

DHW Region 7, 150 Shoup Avenue, Idaho Falls, ID 83402

Eastern Idaho Public Health, 1250 Hollipark Drive, Idaho Falls, ID 83401

Boundary County

Panhandle Health District, 7402 Caribou Street, Bonners Ferry, ID 83805

Butte County

Southeastern Idaho Public Health, 178 Sunset Drive, Arco, ID 83213

Camas County

Camas County Clerk's Office, 501 Soldier Road, Fairfield, ID 83327

Canyon County

DHW Region 3, 3402 Franklin Road, Caldwell, ID 83605

Southwest District Health, 13307 Miami Lane, Caldwell, ID 83607

Caribou County

Southeastern Idaho Public Health, 55 East 1st South, Soda Springs, ID 83276

Cassia County

DHW Region 5, 2241 Overland Avenue, Burley, ID 83318

Clark County

Eastern Idaho Public Health, 332 West Main, Dubois, ID 83423

Clearwater County

North Central Health District, 105 115th Street, Orofino, ID 83544

Custer County

Eastern Idaho Public Health, 1050 N. Clinic Road, Suite A, Challis, ID 83226

Elmore County

DHW Region 4, 2420 American Legion Blvd., Mountain Home, ID 83647

Central District Health Department, 520 E. 8th Street N, Mountain Home, ID 83647

Franklin County

DHW Region 6, 223 North State, Preston, ID 83263

Southeastern Idaho Public Health, 50 West 1 St. South, Preston, ID 83263

Fremont County

Eastern Idaho Public Health, 45 South 2nd West, St. Anthony, ID 83445

Gem County

Southwest District Health, 1008 East Locust, Emmett, ID 83617

Gooding County

South Central Public Health, 255 North Canyon Drive, Gooding, ID 83330

Idaho County

DHW Region 2, Camas Resource Center, 216 South C Street, Grangeville, ID 83530

North Central Health District, 903 W Main, Grangeville, ID 83530

Jefferson County

Eastern Idaho Public Health, 380 Community Lane, Rigby, ID 83442

Jerome County

South Central Public Health, 951 East Avenue H, Jerome, ID 83338

Kootenai County

DHW Region 1, 1120 Ironwood Drive, Coeur d'Alene, ID 83814

Panhandle Health District, 8500 N. Atlas Road, Hayden, ID 83835

Latah County

DHW Region 2, 1350 Troy Highway, Moscow, ID 83843

North Central Health District, 333 E Palouse River Drive, Moscow, ID 83843

Lemhi County

DHW Region 7, 111 Lillian Street, Suite 104, Salmon, ID 83467

Eastern Idaho Public Health, 801 Monroe, Salmon, ID 83467

Lewis County

North Central Health District, 132 N Hill Street, Kamiah, ID 83536

Lincoln County

South Central Public Health, Lincoln County Community Center, 201 South Beverly St., Shoshone, ID 83352

Madison County

DHW Region 7, 333 Walker Drive, Rexburg, ID 83440

Eastern Idaho Public Health, 314 North 3rd East, Rexburg, ID 83440

Minidoka County

South Central Public Health, 485 22nd Street, Heyburn, ID 83336

Nez Perce County

DHW Region 2, 1118 F Street, Lewiston, ID 83501

North Central Health District, 215 10th Street, Lewiston, ID 83501

Oneida County

Southeastern Idaho Public Health, 175 South 300 East, Malad, ID 83252

Owyhee County

Southwest District Health, 132 E. Idaho, Homedale, ID 83628

Payette County

DHW Region 3, 515 N. 16th Street, Payette, ID 83661

Southwest District Health, 1155 Third Avenue North, Payette, ID 83661

Power County

Southeastern Idaho Public Health, 590 1/2 Gifford, American Falls, ID 83211

Shoshone County

DHW Region 1, 35 Wildcat Way, Suite B, Kellogg, ID 83837

Panhandle Health District, 114 Riverside Avenue W, Kellogg, ID 83837

Teton County

Eastern Idaho Public Health, 820 Valley Centre Drive, Driggs, ID 83422

Twin Falls County

DHW Region 5, 601 Pole Line Road, Twin Falls, ID 83301

South Central Public Health, 1020 Washington Street North, Twin Falls, ID 83301

Valley County

Central District Health Department, 703 1st Street, McCall, ID 83638

Washington County

Southwest District Health, 46 West Court, Weiser, ID 83672

PUBLIC COMMENT

The Department is accepting written and recorded comments regarding the proposed waiver amendments for a period of at least 30 calendar days. Any persons wishing to provide input may submit comments regarding one or both of the proposed waiver amendments. If you are providing comment(s) on more than one waiver, please indicate that as part of your comment.

Comments must be received by the Department on or before Friday, December 29, 2017 at 11:59 p.m. and must be sent using one of the following methods:

- *Send Email Comments To:* HCBSWaivers@dhw.idaho.gov
- *Call Toll Free Voicemail and Leave Recorded Comments At:* 1-855-249-5024
- *Send Fax Comments To:* 1-208-332-7286
- *Comment at Public Hearing:* Times and Locations for Public Hearings Scheduled Below
- *Mail Comments To:* Medicaid Central Office, Idaho Department of Health and Welfare,
PO Box 83720, Boise, ID 83720-0036
Attn: Karen Westbrook for the Developmental Disabilities Waiver, or
Attn: Ali Fernández for the A&D Waiver
- *Hand Deliver Comments During Regular Business Hours (M-F from 8AM to 5PM, except holidays) To:*
Medicaid Central Office, Idaho Department of Health and Welfare,
3232 Elder Street, Boise, ID 83705
Attn: Karen Westbrook for the Developmental Disabilities Waiver, or
Attn: Ali Fernández for the A&D Waiver

The Department will review all comments received prior to submitting the waiver amendments to CMS. A summary document of the comments received in addition to the Department's response will be posted online once they have been reviewed and compiled.

PUBLIC HEARING

The Department will hold a public hearing concerning the proposed waiver amendments as follows:

IN EASTERN IDAHO:

Monday, December 11, 2017 at 2:00 p.m. (Mountain Local Time)

In Person:

Idaho Falls Office
150 Shoup Avenue
Large Conference Room, 2nd Fl.
Idaho Falls, Idaho 83402

Teleconference Call-In:

Toll Free: 1-877-820-7831
Participant Code: 777497

IN WESTERN IDAHO:

Tuesday, December 12, 2017 at 2:00 p.m. (Mountain Local Time)

In Person:

Medicaid Central Office
3232 Elder Street
Conference Room D West/East
Boise, Idaho 83705

Teleconference Call-In:

Toll Free: 1-877-820-7831
Participant Code: 777497

IN NORTHERN IDAHO:

Friday, December 15, 2017 at 2:00 p.m. (Pacific Local Time)

In Person:

Lewiston State Office Building
1118 F Street
3rd Floor Conference Room
Lewiston, Idaho 83501

Teleconference Call-In:

Toll Free: 1-877-820-7831
Participant Code: 777497

The hearing site will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address above.

QUESTIONS

For assistance on technical questions concerning the changes in the proposed waiver amendments, please email the Department at HCBSWaivers@dhw.idaho.gov or call and leave a message at 1-855-249-5024.