

Application for a §1915(c) Home and Community-Based Services Waiver

PURPOSE OF THE HCBS WAIVER PROGRAM

The Medicaid Home and Community-Based Services (HCBS) waiver program is authorized in §1915(c) of the Social Security Act. The program permits a State to furnish an array of home and community-based services that assist Medicaid beneficiaries to live in the community and avoid institutionalization. The State has broad discretion to design its waiver program to address the needs of the waiver's target population. Waiver services complement and/or supplement the services that are available to participants through the Medicaid State plan and other federal, state and local public programs as well as the supports that families and communities provide.

The Centers for Medicare & Medicaid Services (CMS) recognizes that the design and operational features of a waiver program will vary depending on the specific needs of the target population, the resources available to the State, service delivery system structure, State goals and objectives, and other factors. A State has the latitude to design a waiver program that is cost-effective and employs a variety of service delivery approaches, including participant direction of services.

Request for an Amendment to a §1915(c) Home and Community-Based Services Waiver

1. Request Information

A. The **State of Arkansas** requests approval for an amendment to the following Medicaid home and community-based services waiver approved under authority of §1915(c) of the Social Security Act.

B. **Program Title:**

Alternative Community Services Waiver Amendment

C. **Waiver Number:AR.0188**

Original Base Waiver Number:

AR.0188. D. Amendment

Number:AR.0188.R04.04

E. **Proposed Effective Date:** (*mm/dd/yy*)

07/01/13

Approved Effective Date of Waiver being Amended: 07/01/09

2. Purpose(s) of Amendment

Purpose(s) of the Amendment. Describe the purpose(s) of the amendment:

The amendment adds 40 reserved capacity slots, for a total of 100 slots, at the maximum for pervasive level of care to the Alternative Community Services (ACS) waiver for transition of homeless children in the custody of the Department of Human Services, Division of Children and Family Services.

The amendment also updates the Waiver to be consistent with DDS Policy 1010 Investigation of Service Concerns by DDS Quality Assurance. Behavior Analyst was added as a provider of Consultation Services in accordance with Arkansas Act 1070 of 2011. Clarifying language was added to specify that the provider entity require qualifications regarding the direct service provider. Criminal Background check language was added in accordance with Arkansas ACA Sub Section 20-38-105.

3. Nature of the Amendment

- A. Component(s) of the Approved Waiver Affected by the Amendment.** This amendment affects the following component(s) of the approved waiver. Revisions to the affected subsection(s) of these component(s) are being submitted concurrently (*check each that applies*):

Component of the Approved Waiver	Subsection(s)
<input checked="" type="checkbox"/> Waiver Application	Contact Person 7B, Authorizing Signature 8
<input checked="" type="checkbox"/> Appendix A – Waiver Administration and Operation	QI a-i
<input checked="" type="checkbox"/> Appendix B – Participant Access and Eligibility	Numbers of Individuals Served B-3a,b,c
<input checked="" type="checkbox"/> Appendix C – Participant Services	General Specifications 2 a, b,e; QI b-i
<input checked="" type="checkbox"/> Appendix D – Participant Centered Service Planning and Delivery	Plan Implementation 2 b
<input type="checkbox"/> Appendix E – Participant Direction of Services	
<input checked="" type="checkbox"/> Appendix F – Participant Rights	Dispute Resolution 2 b
<input checked="" type="checkbox"/> Appendix G – Participant Safeguards	Critical Events 1 b, d, e; Safeguards 2 a, b; Medication Management
<input type="checkbox"/> Appendix H	
<input checked="" type="checkbox"/> Appendix I – Financial Accountability	Rates, Billing, and Claims 2 d; Payment 3 g
<input checked="" type="checkbox"/> Appendix J – Cost-Neutrality Demonstration	J-1, J-2a, J-2d

- B. Nature of the Amendment.** Indicate the nature of the changes to the waiver that are proposed in the amendment (*check each that applies*):

- Modify target group(s)
- Modify Medicaid eligibility
- Add/delete services
- Revise service specifications
- Revise provider qualifications
- Increase/decrease number of participants
- Revise cost neutrality demonstration
- Add participant-direction of services
- Other

Specify:

Increase the total number of waiver slots for Waiver Year 5 to 4303 unduplicated number of participants, adding 40 reserved capacity slots at pervasive service level for transition of homeless children in the custody of the Department of Human Services, Division of Children and Family Services. Also, to update the Waiver to be consistent with DDS Policy 1010 Investigation of Service Concerns by DDS Quality Assurance.

Appendix B: Participant Access and Eligibility

B-3: Number of Individuals Served (1 of 4)

- a. **Unduplicated Number of Participants.** The following table specifies the maximum number of unduplicated participants who are served in each year that the waiver is in effect. The State will submit a waiver amendment to CMS to modify the number of participants specified for any year(s), including when a modification is necessary due to legislative appropriation or another reason. The number of unduplicated participants specified in this table is basis for the cost-neutrality calculations in Appendix J:

Table: B-3-a

Waiver Year	Unduplicated Number of Participants
Year 1	4203
Year 2	4263
Year 3	4263
Year 4	4263
Year 5	4303

- b. **Limitation on the Number of Participants Served at Any Point in Time.** Consistent with the unduplicated number of participants specified in Item B-3-a, the State may limit to a lesser number the number of participants who will be served at any point in time during a waiver year. Indicate whether the State limits the number of participants in this way: (*select one*):

- The State does not limit the number of participants that it serves at any point in time during a waiver year.
- The State limits the number of participants that it serves at any point in time during a waiver year.

The limit that applies to each year of the waiver period is specified in the following table:

Table: B-3-b

Waiver Year	Maximum Number of Participants Served At Any Point During the Year
Year 1	4083
Year 2	4143
Year 3	4143
Year 4	4143
Year 5	4183

Appendix B: Participant Access and Eligibility

B-3: Number of Individuals Served (2 of 4)

- c. **Reserved Waiver Capacity.** The State may reserve a portion of the participant capacity of the waiver for specified purposes (e.g., provide for the community transition of institutionalized persons or furnish waiver services to individuals experiencing a crisis) subject to CMS review and approval. The State (*select one*):

- Not applicable. The state does not reserve capacity.
- The State reserves capacity for the following purpose(s).

Purpose(s) the State reserves capacity for:

Purposes	
Community Transition of children in foster care	

Appendix B: Participant Access and Eligibility

B-3: Number of Individuals Served (2 of 4)

Purpose (provide a title or short description to use for lookup):

Community Transition of children in foster care

Purpose (describe):

60 waiver openings (slots) at pervasive service level are being added and reserved for persons in foster care in the care or custody of the Department of Human Services, Division of Children and Family Services, including children adopted since July 1, 2010.

40 additional waiver openings (slots) at pervasive service level are being added and reserved for persons in foster care in the care or custody of the Department of Human Services, Division of Children and Family Services, effective July 1, 2013.

This brings the total reserved capacity slots to 100.

Describe how the amount of reserved capacity was determined:

The reserved capacity was determined based on the need for children to live in a caring community setting; capacities determined by existing children waiting for waiver services, factored by transition to regular capacity at time of reaching adulthood and upon existence of regular capacity vacancy.

The capacity that the State reserves in each waiver year is specified in the following table:

Waiver Year	Capacity Reserved
Year 1	0
Year 2	60
Year 3	60
Year 4 (renewal only)	60
Year 5 (renewal only)	100

Appendix J: Cost Neutrality Demonstration

J-1: Composite Overview and Demonstration of Cost-Neutrality Formula

Composite Overview. Complete the fields in Cols. 3, 5 and 6 in the following table for each waiver year. The fields in Cols. 4, 7 and 8 are auto-calculated based on entries in Cols 3, 5, and 6. The fields in Col. 2 are auto-calculated using the Factor D data from the J-2d Estimate of Factor D tables. Col. 2 fields will be populated ONLY when the Estimate of Factor D tables in J-2d have been completed.

Level(s) of Care: ICF/MR

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Year	Factor D	Factor D'	Total: D+D'	Factor G	Factor G'	Total: G+G'	Difference (Col 7 less Column4)
1	36897.05	12711.48	49608.53	72031.16	1664.54	73695.70	24087.17
2	42631.95	13166.58	55798.53	74591.44	1724.13	76315.57	20517.04
3	45824.44	13637.99	59462.43	77262.03	1785.86	79047.89	19585.46
4	49274.55	14126.27	63400.82	80028.24	1849.80	81878.04	18477.22
5	53884.92	14632.03	68516.95	82893.48	1916.03	84809.51	16292.56

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (1 of 9)

- a. **Number Of Unduplicated Participants Served.** Enter the total number of unduplicated participants from Item B-3-a who will be served each year that the waiver is in operation. When the waiver serves individuals under more than one level of care, specify the number of unduplicated participants for each level of care:

Table: J-2-a: Unduplicated Participants

Waiver Year	Total Number Unduplicated Number of Participants (from Item B-3-a)	Distribution of Unduplicated Participants by Level of Care (if applicable)	
		Level of Care:	
		ICF/MR	
Year 1	4203		4203
Year 2	4263		4263
Year 3	4263		4263
Year 4	4263		4263
Year 5	4303		4303

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (2 of 9)

- b. **Average Length of Stay.** Describe the basis of the estimate of the average length of stay on the waiver by participants in item J-2-a.

The estimate is based on the actual prior year experience from the FY 08 372 report for the ACS HCBS Waiver. The average is based on total sum of waiver covered days divided by the total unduplicated count of persons.

c. Derivation of Estimates for Each Factor. Provide a narrative description for the derivation of the estimates of the following factors.

i. Factor D Derivation. The estimates of Factor D for each waiver year are located in Item J-2-d. The basis for these estimates is as follows:

Case Management, Supportive Living, Supplemental Support, Environmental Modifications, Supported Employment, Specialized Medical Supplies, Adaptive Equipment, Crisis Intervention and Respite - the basis for the estimates was utilization as identified in the FY 08 372 Report; inclusive of number of people receiving each service and unit of service received. Year 1 of the estimates includes a 10% growth adjustment factor and each year thereafter includes a 2.5% cost of living adjustment which may be provided if funding is available to the operating agency.

Consultation - the rate is based on provider studies that identify the inability to obtain necessary consultation services due to restrictive hourly rates for each consultation component. To alleviate this situation and provide for flexibility when determining consultation needs, DDS is establishing a yearly and maximum hourly service rate. The annual rate is based upon an average of current labor markets for specialties identified. The \$3,600.00 yearly maximum is based on statistical trends of ICF/MR eligibility expiration; pervasive level needs pended, environmental modifications pended due to inability to obtain needed assessments within the rate structure that exists. DDS will establish tracking and trending for this service and adjustments will be made as DDS has experience with this new rate.

A 16.64% growth increase is added to year 1 with an 8% growth increase added each year thereafter.

ii. Factor D' Derivation. The estimates of Factor D' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor D' was computed based on CMS-372 report. This report contains actual data from the previous year. Prescription drug costs associated with dual eligible participants are not contained in this report.

iii. Factor G Derivation. The estimates of Factor G for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor G is based on factor G in the draft FY 08 372 report plus a percent of the increase in factor G from the FY 07 372 report to the FY 08 372 report.

iv. Factor G' Derivation. The estimates of Factor G' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor G' is based on factor G' in the FY 08 372 report plus a percent of the increase in factor G' from the FY 07 372 report to FY 08 372 report.

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (4 of 9)

Component management for waiver services. If the service(s) below includes two or more discrete services that are reimbursed separately, or is a bundled service, each component of the service must be listed. Select “manage components” to add these components.

Waiver Services
Case Management
Respite
Supported Employment
Supportive Living
Specialized Medical Supplies
Adaptive Equipment
Community Transition Services
Consultation
Crisis Intervention
Environmental Modifications
Supplemental Support

J-2: Derivation of Estimates (9 of 9)

d. Estimate of Factor D.

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 5

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Case Management Total:						6569404.80
Transitional case management	month	123	3.00	129.92	47940.48	
Case Management	month	4183	12.00	129.92	6521464.32	
Respite Total:						1695722.88
Respite	day	542	12.00	260.72	1695722.88	
Supported Employment Total:						876506.40
Supported Employment	15 minutes	84	2635.00	3.96	876506.40	
Supportive Living Total:						220028292.00
Supportive Living	day	4162	356.00	148.50	220028292.00	
Specialized Medical Supplies Total:						287525.76
Specialized Medical Supplies	month	391	12.00	61.28	287525.76	
Adaptive Equipment Total:						1189615.50
Personal Emergency System Service Fee	Month	24	12.00	35.00	10080.00	
Adaptive Equipment	package	286	1.00	4124.25	1179535.50	
Community Transition Services Total:						175951.44
Community Transition Services	package	108	1.00	1629.18	175951.44	
Consultation Total:						284382.36
Consultation	hour	177	18.00	89.26	284382.36	
Crisis Intervention Total:						17538.75
Crisis Intervention	hour	25	5.00	140.31	17538.75	
Environmental Modifications Total:						637612.50
Environmental Modifications	package	147	1.00	4337.50	637612.50	
Supplemental Support Total:						104267.52
Supplemental Support	month	64	6.00	271.53	104267.52	
GRAND TOTAL:						231866819.91
Total Estimated Unduplicated Participants:						4303
Factor D (Divide total by number of participants):						53884.92
Average Length of Stay on the Waiver:						356