Department of State
Division of Publications
312 Rosa L. Parks, 8th Floor Snodgrass/TN Tower
Nashville, TN 37243
Phone: 615-741-2650
Fax: 615-741-5133
Email: register.information@tn.gov

For Department of State Use Only

Sequence Number: 05-01-10
Rule ID(s): 4713
File Date (effective date): 05/06/2010
End Effective Date: 11/02/2010

Emergency Rule Filing Form

Emergency and Public Necessity rules are effective from date of filing for a period of up to 180 days.

Agency/Board/Commission: Tennessee Department of Finance and Administration
Division: Intellectual Disabilities Services
Contact Person: Stephen O. Tepley, General Counsel or Marilynn A. Tucker, Assistant General Counsel
Address: 500 Deaderick Street, Suite 1310, Nashville, TN
Zip: 37243
Phone: (615) 253-2025
Email: Steve.Tepley@tn.gov or Marilynn.Tucker@tn.gov

Rule Type:
X Emergency Rule

Revision Type (check all that apply):
X Amendment
___ New
___ Repeal

Statement of Necessity:

This statement of necessity is made in accordance with the Uniform Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5, specifically T.C.A. § 4-5-208, the Rules for Filing Rulemaking Documents, Chapter 1360-01-01 et. seq., T.C.A. § 33-1-309 (d) and T.C.A. § 33-1-204. It is the finding of the Department of Finance and Administration, Division of Intellectual Disabilities Services, that the foregoing rule amendments to the Methodology Utilized to Determine Payments to Service Providers (Rate Structure) should be effective immediately as emergency rules.

Pursuant to an agreement between the Division of Intellectual Disabilities Services (DIDS, Division) and the Bureau of TennCare, these agencies have worked extensively over the past several years to revise the ratemaking system currently in effect for community service providers under agreement with the Division. The result of this effort has been the development of a methodology for determining the funding mechanism/amounts to be paid to the Division's contractors who aid intellectually disabled persons served by DIDS in Tennessee.

The rates generated by this methodology are required as a condition of the Division's funding waivers from the Center for Medicaid/Medicare Services (CMS) and also to remain within its budgetary limitations under its Delegated Purchase Authority to secure procurement of services for those persons to whom DIDS provides supports and assistance. These waivers are the means by which the Division receives via the Federal Medicaid (TennCare) Program up to seventy percent (70%) of its monetary resources.

The current rules being amended herein were promulgated and became effective in January 2006 and are being utilized for payment methodology to providers *until* the new rules under Chapter 0620-06-01 et seq., become effective according to law and applicable rulemaking rules. The aforementioned rulemaking rules went to a public hearing in January 2010. Until these rulemaking rules become effective, the current rules do not contain provisions for payment methodology concerning special needs adjustments and changes in medical residential

services rates. Once these changes are in effect as amendments, the current rules will then be applicable to any and all payment methodology and will remain so until the rulemaking rules become effective and replace the current rules.

The rates provided for in this schedule, as amendments, are maximum rates, meaning that they are the ceiling or highest level of reimbursement permitted for DIDS' program services. Therefore, the Division believes that it has the authority to pay less than these amounts when necessary. These specific amendments now being filed as emergency rules are needed to successfully continue this process.

The delay in promulgating these emergency rules by utilizing the ordinary rulemaking procedures as found in Title 4, Chapter 5 of the Tennessee Code Annotated, as well as Chapter 1360 of the *O.C.R.R.S.T.* could cause the loss of federal funding for these particular services and open DIDS to potential claims for contractual damages. Furthermore, without the rates resulting from this process, the Division will incur cost by expending funds that are currently unbudgeted. Failure to adopt the rates as provided herein for special needs adjustments and medical residential services could leave the Division without the means to pay these providers as currently budgeted or unable to provide for the special needs required by the clients served. Special needs are critical needs and anything that would jeopardize these services from being timely provided could cause imminent harm or jeopardy to those served. Both amendments for special needs adjustments and medical residential rates, therefore, bring the current rules into compliance with actual needs and costs.

The Division of Intellectual Disabilities Services will send a written notice to those persons it believes will be effected by these rules within ten (10) working days of the date their filing.

For a copy of this emergency rule contact: Simone Cuarino, Legal Assistant, Division of Intellectual Disabilities Services, Thirteenth Floor (Suite 1310), Andrew Jackson Building, 500 Deaderick Street, Nashville, Tennessee 37243, (615) 253-2025.

Rule(s) Revised (**ALL** chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only **ONE** Rule Number/RuleTitle per row)

Chapter Number	**Chapter Title**
0940-04-03	Methodology Utilized To Determine Payments To Service Providers (Rate Structure)
Rule Number	**Rule Title**
0940-04-03-.01	Purpose
0940-04-03-.02	Scope
0940-04-03-.03	Definitions
0940-04-03-.04	Rate Setting Methodologies for Medical, Residential Services
0940-04-03-.05	Rate Setting Methodologies for Residential & Supported Living
0940-04-03-.06	Special Needs Adjustments
0940-04-03-.07	Rate Setting Methodologies for Day Services
0940-04-03-.08	Rate Setting Methodologies for Clinical Services
0940-04-03-.09	Rate Setting Methodologies for Respite and Personal Assistance Services
0940-04-03-.10	Rate Setting Methodologies for Dental Services
0940-04-03-.11	Rate Setting Methodologies for Personal Emergency Response Systems
0940-04-03-.12	Rate Setting Methodologies for Specialized Medical Equipment and Supplies
0940-04-03-.13	Rate Setting Methodologies for Environmental Modifications
0940-04-03-.14	Rate Setting Methodologies for Vehicle Modifications
0940-04-03-.15	Rate Setting Methodologies for Vision Services

(Place substance of rules and other info here. Statutory authority must be given for each rule change. For information on formatting rules go to http://state.tn.us/sos/rules/1360/1360.htm)

Tennessee Department of Finance and Administration
Division of Intellectual Disabilities Services

Amended Rules

Chapter 0940– 04–03
Methodology Utilized To Determine Payments to Service Providers
(Rate Structure)

0940-04-03-.01 "Purpose" is amended by deleting the current language and substituting the following therefore:

0940-04-03-.01 Purpose.

This chapter establishes a rate setting methodology for Residential and Day Services that are provided through the Department of Finance and Administration – Division of Intellectual Disabilities Services.

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.02 "Scope" is amended by deleting the current language and substituting the following therefore:

0940-04-03-.02 Scope.

These rules apply to the procedures and practices used to establish rates of payment for Residential and Day Services acquired by the Department of Finance and Administration – Division of Intellectual Disabilities Services for or on behalf of those persons served by it under the provisions of Title 33 of the *Tennessee Code Annotated* and *Executive Orders of the State of Tennessee Nos. 9, 10, 21* and *23,* dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.03 Definitions.

(10) "Uniform Cost Report" is amended by deleting the prior definition in full and substituting the following therefore,

(10) "Uniform Cost Report" is a report relating to costs and/or operating expenses/revenues completed by providers that is submitted as required by the Division of Intellectual Disabilities Services. The Uniform Cost Report is completed in the manner and in a format required by the Division.

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.04 Is amended by adding a new section that has language concerning the medical residential services rate methodology as found below to provide payment for this service which was previously incorporated in Residential and Supported Living rates:

(The remaining paragraphs will be renumbered accordingly)

0940-04-03-.04 Rate Setting Methodologies For Medical, Residential Services.

Medical Residential Services.

(a) For residential services that are shift-staffed, staff coverage is calculated as follows:

1. 168 hours per week—7 days at 24 hours per week.

2. A minimum of 4.2 Full Time Equivalents (FTE) are required to provide this coverage.

3. The unit of service for these residential services is a day

(b) The calculation of the daily cost per person for a Full Time Equivalent (FTE) is:

1. Allowable Hourly direct support staff wage plus % for benefits for the hourly cost for direct support staff.

2. Annual allowable salary for direct supervision plus % for benefits divided by four residents equals the cost per person per year.

3. Divide the cost per person per year by 52 weeks and by 168 hours to arrive at the hourly cost for supervision.

4. Add together the hourly cost for direct support staff and the hourly cost for supervision.

5. Multiply the result from Step four by one and the % allowed for non-direct program costs.

6. Multiply the result from Step five by one and the % allowed for administrative costs to arrive at the hourly cost for coverage.

7. Multiply the hourly cost for an FTE by 168 hours to arrive at the weekly cost for coverage.

8. Divide the weekly cost by 7 days to arrive at the daily cost for coverage.

9. Divide the daily cost by allowable FTEs to arrive at the daily FTE cost per person.

(c) Calculation for the daily rate per person is:

1. For each Rate Level and Home Size, multiply the daily per person FTE cost by the rate level factor.

2. Divide the result of Step one by the facility size.

3. Multiply the result of Step two by 385 (to allow for 20 absent days).

4. Divide the result of Step three by 365 to arrive at the daily rate.

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.05 Is amended under "Authority" by deleting the current language and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.06 Is amended by deleting section (1) in its entirety and substituting the following therefore:

Special Needs Adjustments.

(1) An adjustment up to an additional thirty-five dollars ($35.00) per day is available to Residential Habilitation and Supported Living Levels 1-4, for homes with 1-4 persons, and;

Deleting the current language under "Authority" and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.07 Is amended under "Authority" by deleting the current language and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.08 Is amended by deleting section (2) in its entirety and substituting the following therefore:

0940-04-03-.08 Rate Setting Methodologies For Clinical Services.

(2) The Unit for behavioral services is one quarter (1/4) of an hour, and;

Deleting the current language under "Authority" and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.09 Is amended by deleting section (1) and (2) in their entirety and substituting the following therefore:

0940-04-03-.09 Rate Setting Methodologies For Respite and Personal Assistance Services.

(1) The unit for respite and personal assistance services may be one quarter (1/4) of an hour or daily rates as determined by DIDS.

(2) The determination of rates in this section (.09) is calculated based on units of one quarter (1/4) of an hour or of one day of allowable direct service costs and a percentage for administrative costs, and;

Deleting the current language under "Authority" and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.10 Is amended under "Authority" by deleting the current language and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.11 Is amended under "Authority" by deleting the current language and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.12 Is amended under "Authority" by deleting the current language and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.13 Is amended under "Authority" by deleting the current language and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.14 Is amended under "Authority" by deleting the current language and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.15 Is amended under "Authority" by deleting the current language and substituting therefore:

Authority: Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)

I certify that this is an accurate and complete copy of an emergency rule(s), lawfully promulgated and adopted.

SIMONE CUARINO
STATE OF TENNESSEE NOTARY PUBLIC
MONTGOMERY COUNTY

Date: 4/27/2010

Signature: James R. Finch

Name of Officer: James R. Finch

Title of Officer: Deputy Commissioner

Subscribed and sworn to before me on: 4/27/2010

Notary Public Signature: Simone Cuarino

My commission expires on: 02/19/2013

All emergency rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

R E Cooper Jr.
Robert E. Cooper, Jr.
Attorney General and Reporter

4-30-10
Date

Department of State Use Only

RECEIVED
2010 APR 26 AM 11:50
SECRETARY OF STATE
PUBLICATIONS

Filed with the Department of State on: 5/6/10

Effective for: 180 *days

Effective through: 11/2/10

** Emergency rule(s) may be effective for up to 180 days from the date of filing.*

Tre Hargett
Tre Hargett
Secretary of State

RECEIVED
2010 MAY -6 AM 11:52
SECRETARY OF STATE
PUBLICATIONS

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. 4-5-226(i)(1).

(A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

This rule was written and made effective in 2006 as mandated by T.C.A. 33-1-309(d). This amendment brings the current rule into compliance with rate adjustments in special needs and medical residential rate changes for payment to service providers.

(B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

All methodology utilized by DIDS for determining payment to serve providers shall be adopted as rules in accordance with the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5, which shall be consistent among providers providing substantially the same services [T.C.A. 33-1-309(d)]

(C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

Tennessee Community Organizations (TNCO) and several hundred other contracted service providers across the state. It is unknown as to whether any individual provider would support or object to this change.

(D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

None are directly related to this rule. However, under Tennessee's Home and Community Based Services Waiver, Self Determination Waiver and Arlington Waiver, the state is required to develop and adequately fund its provider network.

(E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars ($500,000), whichever is less;

Without the amendments, it could cost DIDS $6,469,625 annually in unbudgeted expenditures since it will affect the 709 individuals that need the extra amount for special needs adjustments. The medical residential rate amendment merely reflects the up-to-date changes in the rate amount.

(F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Lucia Beiler, Melinda Lanza, Fred Hix, Debbie Payne.

(G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

As above.

(H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Dr. James Finch, DIDS Deputy Commissioner, or designee, 500 Deaderick Street, 15th Floor, Nashville, TN 37243, (615) 532-6538, Fred Hix, Assistant Commissioner for Administrative Services, 500 Deaderick Street, 15th Floor, Nashville, TN 37243, (615) 253-6710.

(I) Any additional information relevant to the rule proposed for continuation that the committee requests.

None at this time.

Rules
Of
Tennessee Department of Finance and Administration
Division of Intellectual Disabilities Services

Amended Rules

Chapter 0940– 04–03
Methodology Utilized To Determine Payments to Service Providers
(Rate Structure)

Table of Contents

0940-04-03-.01 Purpose
0940-04-03-.02 Scope
0940-04-03-.03 Definitions
0940-04-03-.04 Rate Setting Methodologies for Medical, Residential Services.
0940-04-03-.~~0~~405 Rate Setting Methodologies for Residential and Supported Living.
0940-04-03-.~~0~~506 Special Needs Adjustments.
0940-04-03-.~~0~~607 Rate Setting Methodologies for Day Services.
0940-04-03-.~~0~~708 Rate Setting Methodologies for Clinical Services.
0940-04-03-.~~0~~809 Rate Setting Methodologies for Respite and Personal Assistance Services.
0940-04-03-.~~0~~910 Rate Setting Methodologies for Dental Services.
0940-04-03-.~~1~~011 Rate Setting Methodologies for Personal Emergency Response Systems.
0940-04-03-.~~1~~112 Rate Setting Methodologies for Specialized Medical Equipment and Supplies.
0940-04-03-.~~1~~213 Rate Setting Methodologies for Environmental Modifications.
0940-04-03-.~~1~~314 Rate Setting Methodologies for Vehicle Modifications
0940-04-03-.~~1~~415 Rate Setting Methodologies for Vision Services

0940-04-03-.01 Purpose.

This chapter establishes a rate setting methodology for Residential and Day Services that are provided through the Department of Finance and Administration – ~~Division of Mental Retardation Services.~~ Division of Intellectual Disabilities Services.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.02 Scope.

These rules apply to the procedures and practices used to establish rates of payment for Residential and Day Services acquired by the Department of Finance and Administration – ~~Division of Mental Retardation Services~~ Division of Intellectual Disabilities Services for or on behalf of those persons served by it under the provisions of Title 33 of the Tennessee Code

Annotated and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23, dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.03 Definitions.

As used in these rules, unless the context indicates otherwise, the terms listed below have the following meaning:

(1) "Administrative Costs" are the allowable percentage of the service rate that includes the costs for administrative salaries and benefits, home office costs, office supplies and printing, phone and other communication, travel and conference, advertising, professional services, licensure and dues, legal and accounting fees, interest, depreciation, occupancy, general liability insurance, equipment and administrative vehicles.

(2) "Direct Service Costs" are the costs for direct service staff salaries and benefits, overtime, direct supervision wages and benefits, contracted direct service/temporary help, recruiting/advertising, drug testing, background checks, Hepatitis B and TB tests, and other costs for direct service staff bonuses and employee appreciation events.

(3) "Full Time Equivalent (FTE)" means the total cost for one direct support staff for forty hours. It includes direct service costs, non-direct program costs, administrative costs, and twenty (20) days of payment to cover service recipient absences.

(4) "Non-Direct Program Costs" is the allowable percentage of the service rate that includes the costs for multi-site supervisors and benefits, training, off site computer/file storage, depreciation/amortization, internal monitoring, agency case management, personal funds management, healthcare oversight, specific assistance to individuals-room and board, specific assistance to individuals-non-room and board, transportation of individuals, staff travel, facility maintenance, facility supplies, habilitation supplies.

(5) "Rate" is the amount paid per person to approved service providers for each unit of a DMRS service that is provided. A unit may be a portion of an hour, an hour, a day, a month, an item or a job, depending on the type of service.

(6) "Rate Levels" are the series of rates for residential and day services that are based on the intensity of a service recipient's needs and the size or site of the service setting.

(7) "Rate Level Factor" is the multiplier applied to the FTE daily cost that reflects intensity of support need and number of persons in the home. Rate level factors were based on licensure requirements for staffing and professional judgment of estimated hours of direct support staff assistance required for individuals at each rate level.

(8) "Rate Setting Methodology" is the manner in which the rates for residential and day services are calculated or determined.

(9) "Special Needs Adjustment" is an additional payment that may be added to the residential rate for an individual when certain specified criteria are met.

~~(10) "Uniform Cost Report" is the mandatory annual report completed by providers of residential and/or day services that is submitted to the Division of Mental Retardation Services. The Uniform Cost Report is completed in the manner and in a format required by the Division.~~

(10) "Uniform Cost Report" is a report relating to costs and/or operating expenses/revenues completed by providers that is submitted as required by the Division of Intellectual Disabilities Services. The Uniform Cost Report is completed in the manner and in a format required by the Division.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.04 Rate Setting Methodologies For Medical, Residential Services.

Medical Residential Services.

(a) For residential services that are shift-staffed, staff coverage is calculated as follows:

1. 168 hours per week—7 days at 24 hours per week.

2. A minimum of 4.2 Full Time Equivalents (FTE) are required to provide this coverage.

3. The unit of service for these residential services is a day

(b) The calculation of the daily cost per person for a Full Time Equivalent (FTE) is:

1. Allowable Hourly direct support staff wage plus % for benefits for the hourly cost for direct support staff.

2. Annual allowable salary for direct supervision plus % for benefits divided by four residents equals the cost per person per year.

3. Divide the cost per person per year by 52 weeks and by 168 hours to arrive at the hourly cost for supervision.

4. Add together the hourly cost for direct support staff and the hourly cost for supervision.

5. Multiply the result from Step four by one and the % allowed for non-direct program costs.

6. Multiply the result from Step five by one and the % allowed for administrative costs to arrive at the hourly cost for coverage.

7. Multiply the hourly cost for an FTE by 168 hours to arrive at the weekly cost for

coverage.

8. Divide the weekly cost by 7 days to arrive at the daily cost for coverage.

9. Divide the daily cost by allowable FTEs to arrive at the daily FTE cost per person.

(c) Calculation for the daily rate per person is:

1. For each Rate Level and Home Size, multiply the daily per person FTE cost by the rate level factor.

2. Divide the result of Step one by the facility size.

3. Multiply the result of Step two by 385 (to allow for 20 absent days).

4. Divide the result of Step three by 365 to arrive at the daily rate.

0940-04-03-.0405 Rate Setting Methodologies for Medical, Residential and Supported Living.

(1) Medical Residential, Residential Habilitation and Supported Living (Shift-Staffed) Model.

(a) For residential services that are shift-staffed, staff coverage is calculated as follows:

1. 138 hours per week—5 days at 18 hours per day and 2 days at 24 hours per week.

2. 3.45 Full Time Equivalents (FTE) are required to provide this coverage.

3. The unit of service for these residential services is a day.

(b) The calculation of the daily cost per person for a Full Time Equivalent (FTE) is:

1. Hourly direct support staff wage plus % for benefits for the hourly cost for direct support staff.

2. Annual salary for direct supervision plus % for benefits divided by four residents equals the cost per person per year.

3. Divide the cost per person per year by 52 weeks and by 138 hours to arrive at the hourly cost for supervision.

4. Add together the hourly cost for direct support staff and the hourly cost for supervision.

5. Multiply the result from Step four by one and the % allowed for non-direct program costs.

6. Multiply the result from Step five by one and the % allowed for administrative costs to arrive at the hourly cost for coverage.

7. Multiply the hourly cost for an FTE by 138 hours to arrive at the weekly cost for coverage.

8. Divide the weekly cost by 7 days to arrive at the daily cost for coverage.

9. Divide the daily cost by 3.45 FTEs to arrive at the daily FTE cost per person.

(c) Calculation for the daily rate per person is:

1. For each Rate Level and Home Size, multiply the daily per person FTE cost by the rate level factor.

2. Divide the result of Step one by the facility size.

3. Multiply the result of Step two by 385 (to allow for 20 absent days).

4. Divide the result of Step three by 365 to arrive at the daily rate.

(2) Supported Living-Companion Model

(a) For non-shift staffed, companion model the unit of service is a day. The calculations are as follows:

(b) Calculate the daily rate per person.

1. Multiply the annual stipend by one and the % for benefits.

2. Add the companion room and board allowance.

3. Add the number of hours per year at the hourly rate for relief staff divided by 365 days.

4. Add costs in steps one through three.

5. Multiply the result of step four by one and the percent for non-direct program costs.

6. Multiply the result of step five by one and the percent for administrative costs.

7. Divide the result of step six by 365.

8. Multiply the result of step seven by 385 (to allow for 20 absent days).

9. Divide the result of step eight by 365 to arrive at the daily rate.

(3) Family Model for Residential Services

(a) Family Model Residential Services are those provided in a family home under the supervision of a residential services agency. The unit of service is a day.

(b) Calculate the daily rate per person.

1. Multiply the annual stipend by one and the % for benefits.

2. Add the number of hours per year at the hourly rate for relief staff divided by

365 days.

3. Add direct supervision at annual salary plus % for benefits divided by 10 individuals divided by 365 days.

4. Add costs in steps 1 through 3 above.

5. Multiply the result of step four by one and the percent for non-direct program costs.

6. Multiply the result of step five by one and the percent for administrative costs.

7. Divide the result of step six by 365 days.

8. Multiply the result of step seven by 385 days (to allow for 20 absent days).

9. Divide the result of step eight by 365 days to arrive at the daily rate.

(4) Semi-Independent Living Model

(a) Semi-Independent Living services are residential services provided to individuals who require limited support. The unit of service is a month.

(b) Calculate the monthly rate per person.

1. Multiply the hours per month amount for direct support staff by one and the % for benefits.

2. Add direct supervision at annual salary plus % for benefits divided by 10 individuals divided by 12 months.

3. Add one hundred and twenty dollars ($120.00) for transportation

4. Add one hundred and fifty-five dollars ($155.00) per month for case management/program supervision.

5. Multiply the results of steps one through four by one and the percent for administrative costs.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~05~~06 Special Needs Adjustments.

~~(1) An adjustment of an additional sixty dollars ($60.00) per day is available to Residential Habilitation and Supported Living Levels 1-4, for homes with 1-4 persons.~~

(1) An adjustment up to an additional thirty-five dollars ($35.00) per day is available to

Residential Habilitation and Supported Living Levels 1-4, for homes with 1-4 persons.

(2) An adjustment of twenty dollars ($20.00) per day is available to Residential Habilitation homes with 5 or more people except for reasons of a vacancy in the home.

(3) This adjustment may be used for additional staff coverage or higher wages for staff.

(4) A special needs adjustment does not change the rate level designated for the individual, but adjusts the rate level as a result of one or more of the following circumstances:

(a) The individual has a history of significant behavioral or psychiatric problems that are now not apparent due to the design or intensity of services being received or the person has a situation that is unique and results in the need for additional resources.

(b) Less intensive services will likely result in recurrence of previous problems. The Regional Office must review the special adjustment at least annually.

(c) The individual is in circumstances that are time limited but that require support(s) at a higher level than described by the Level. (For example, the person has had a serious illness, injury, or surgery that requires more support while he is recovering than the Level describes.) A special adjustment may be approved for up to ninety (90) days and may be extended for an additional ninety (90) days.

(d) The person needs a roommate and requires a special adjustment until one moves in. A special adjustment may be approved for up to ninety (90) days and may be extended for an additional ninety (90) days.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.0607 Rate Setting Methodologies For Day Services.

(1) The unit of service is a day except for Follow Along which is a month.

(2) For day services staff coverage is calculated for 6 hours per day for 243 days per year.

(3) The cost models are calculated with the following direct service cost factors:

(a) Non-direct program costs at the allowable percentage

(b) Administrative costs at the allowable percentage

(c) Transportation costs per day per person.

(d) Twenty (20) leave days.

(4) Rate level factor based on service setting and intensity of need.

(5) Day Service settings include day habilitation facilities, community locations, and community employment locations.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~07~~08 Rate Setting Methodologies For Clinical Services.

(1) The unit for therapy and nursing services is a quarter hour.

~~(2) The Unit for behavioral services is an hour.~~
(2) The Unit for behavioral services is one quarter (1/4) of an hour.

(3) The rate for clinical services is based on comparison with national rates of payment and comparable rates of payment within the State for like services.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~08~~09 Rate Setting Methodologies For Respite and Personal Assistance Services.

~~(1) The unit for respite and personal assistance services may be hourly or daily rates.~~
(1) The unit for respite and personal assistance services may be one quarter (1/4) of an hour or daily rates as determined by DIDS.

~~(2) The rates are calculated based on hourly direct service costs and a percentage for administrative costs.~~
(2) The determination of rates in this section (.09) is calculated based on units of one quarter (1/4) of an hour or of one day of allowable direct service costs and a percentage for administrative costs.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~09~~10 Rate Setting Methodologies For Dental Services.

Dental Services rates are those set by TennCare for reimbursement of Medicaid funded dental care.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~10~~11 Rate Setting Methodologies For Personal Emergency Response Systems.

Rates paid are the usual and customary rates for installation and monitoring set by the company providing the service.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~11~~12 Rate Setting Methodologies For Specialized Medical Equipment and Supplies.

Rates paid are the usual and customary costs for the equipment or supplies.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~12~~13 Rate Setting Methodologies For Environmental Modifications.

Rates paid are the usual and customary costs for the modification.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning

emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~13~~14 Rate Setting Methodologies For Vehicle Modifications.

Rates paid are the usual and customary costs for the modification.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.

0940-04-03-.~~14~~15 Rate Setting Methodologies For Vision Services.

Rates paid are the usual and customary charges for examination and corrective lenses.

Authority: ~~T.C.A. § 33-1-309(d) and Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23 dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.~~ Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 &34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.