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Sequence Number: 11-06-10
 Rule ID(s): 4858
 File Date: 11/05/2010
 Effective Date: 02/03/2011

Rulemaking Hearing Rule(s) Filing Form

Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing. TCA Section 4-5-205

Agency/Board/Commission:	Tennessee Department of Finance and Administration
Division:	Intellectual Disabilities Services
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Revision Type (check all that apply):

- Amendment
 New
 Repeal

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/Rule Title 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-.03	Definitions
0940-04-03-.04	Rate Setting Methodologies for Medical, Residential Services
0940-04-03-.05	Rate Setting Methodologies for Residential and 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
0940-04-03-.16	Rate Setting Methodologies for Independent Support Coordination Services
0940-04-03-.17	Rate Setting Methodologies for services funded exclusively by the State [Non-Waiver State Funded (NWSF) 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>)

Rule 0940-04-03 Methodology Utilized to Determine Payments to Service Providers (Rate Structure) is amended by deleting it in its entirety and substituting the following:

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)

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0940-04-03-.06	Special Needs Adjustments.	0940-04-03-.17	Rate Setting Methodologies for services funded exclusively by the State [Non-Waiver, State Funded (NWSF) Services.]
0940-04-03-.07	Rate Setting Methodologies for Day Services.		
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0940-04-03-.01 Purpose.

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

Authority: 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. §§ 33-1-302 & 303, 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, Day and other 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 its various Medicaid Waivers; the provisions of Title 33 and 34 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); 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. §§ 33-1-302 & 303, 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, for example, 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 such as staff salaries and benefits, overtime, direct supervision wages and benefits, contracted direct service/temporary help, training, 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) annual 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 DIDS service that is provided. A rate unit may be a portion of 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, day and other services that are based on 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, day and other services are calculated or determined.
- (9) "Special Needs Adjustment" is an additional payment that may, within the discretion of the Division and subject to resource availability, be added to the residential rate for an individual in appropriate circumstances, e.g. periodic crisis that require additional support.
- (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 and transmitted in the manner, format and timeframe required by the Division.

Authority: 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. §§ 33-1-302 & 303, 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.

(1) 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 day.
- 2. 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 wages 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: 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. §§ 33-1-302 & 303, 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 Rate Setting Methodologies for Residential Habilitation and Supported Living.

(2) 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 day is equal to one week
 2. 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 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.

(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 % for non-direct program costs.
 6. Multiply the result of step five by one and the % 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.

Authority: 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. §§ 33-1-302 & 303, 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 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.
- (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 such as DSM-IV diagnosis, violent acting out, serious self-injury or danger to others 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.

Authority: 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. §§ 33-1-302 & 303, 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 Rate Setting Methodologies For Day Services.

- (1) The unit of service is a day.
- (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 of need of the individual.
- (5) Day Service settings include day habilitation facilities, community locations, and community employment locations.

Authority: 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. §§ 33-1-302 & 303, 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 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 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); 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. §§ 33-1-302 & 303, 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 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 for one (1) staff person or of one day of allowable direct service costs for one (1) staff person and a percentage of administrative costs. Reimbursement for two (2) staff to deliver services to one (1) service recipient at the same time is not covered under any circumstances.
- (3) There will be one (1) maximum rate for one-quarter (1/4) of an hour of Personal Assistance.
- (4) There will be one (1) maximum rate for one-quarter (1/4) of an hour of Respite services.

Authority: 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. §§ 33-1-302 & 303, 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 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); 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. §§ 33-1-302 & 303, 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 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 SS-7040 (November 2010)

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service.

Authority: 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. §§ 33-1-302 & 303, 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 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); 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. §§ 33-1-302 & 303, 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 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); 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. §§ 33-1-302 & 303, 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 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); 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. §§ 33-1-302 & 303, 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 Rate Setting Methodologies For Vision Services.

Rates paid are a combination of the usual and customary charges for examination and corrective lenses and those set by TennCare for reimbursement of Medicaid funded vision care.

Authority: 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. §§ 33-1-302 & 303, 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-.16 Rate Setting Methodologies for Independent Support Coordination Services

Current rates in this category are found at Rule 0620-06-03-.04 (h) and were derived after consideration of provider input, resource availability as well as system service requirements. Future changes in amounts paid for this service will be made utilizing such tools as: consultation with stake-holders (e.g. Independent Support Coordinators, Independent Support Coordination Agencies/Organizations), review of similar services in other states, market conditions, and system needs. Rates are always subject to DIDS funding/resource availability.

Authority: 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. §§ 33-1-302 & 303, 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-.17 Rate Setting Methodologies for services funded exclusively by the State [Non-Waiver; State Funded (NWSF) Services.

Rates paid are discretionary and based upon Service Recipient need, limited by system and service requirements and subject to DIDS funding and resource availability.

Authority: 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. §§ 33-1-302 & 303, 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 rulemaking hearing rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the FVA DIDS (board/commission/ other authority) on 11-4-10 (mm/dd/yyyy), and is in compliance with the provisions of TCA 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 08/06/2010

Rulemaking Hearing(s) Conducted on: (add more dates). 09/30/2010

Date: 11-4-2010

Signature: [Handwritten Signature]

Name of Officer: James R. Finch, Ed.D.

Title of Officer: Deputy Commissioner



Subscribed and sworn to before me on: 11-4-2010

Notary Public Signature: [Handwritten Signature]

My commission expires on: 2/19/2013

All rulemaking hearing 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.

[Handwritten Signature]
Robert E. Cooper, Jr.
Attorney General and Reporter
11-5-10
Date

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2010 NOV -5 PM 1:4
SECRETARY OF STATE
PUBLICATIONS

Filed with the Department of State on: 11/5/10

Effective on: 2/3/11

[Handwritten Signature]
Tre Hargett
Secretary of State

Public Hearing Comments

One copy of a document containing responses to comments made at the public hearing must accompany the filing pursuant to T.C.A. §4-5-222. Agencies shall include only their responses to public hearing comments, which can be summarized. No letters of inquiry from parties questioning the rule will be accepted. When no comments are received at the public hearing, the agency need only draft a memorandum stating such and include it with the Rulemaking Hearing Rule filing. Minutes of the meeting will not be accepted. Transcripts are not acceptable.

Comments are attached.

Regulatory Flexibility Addendum

Pursuant to T.C.A. § 4-5-401 through 4-5-404, prior to initiating the rule making process as described in T.C.A. § 4-5-202(a)(3) and T.C.A. § 4-5-202(a), all agencies shall conduct a review of whether a proposed rule or rule affects small businesses.

(If applicable, insert Regulatory Flexibility Addendum here)

Impact on Local Governments

Pursuant to T.C.A. 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The rule will not have a projected impact on local governments.

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to TCA 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 necessary rate adjustments due to budget constraints and legislative mandates.

- (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 the 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;

It is anticipated that these amendment changes to the rate methodology structure will have a fiscal impact. However, this information cannot be supplied at this the DIDS fiscal and budget staff completes the process for such estimations.

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

Lucia Belier, Fred Hix and Melinda Lanza.

- (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, James.Finch@tn.gov

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

None at this time.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
1	Rate Level Factor-Who is the professional that will estimates hrs of direct support staff needed & what credentials & experience is needed to make this determination?	Jeffrie Bruton of SRVS /Memphis	This section was not modified in the proposed rules.
2	Will the calculation of the rate level factor be the same for all recipients at a level of need & home size or can this change based on professional judgment?	Jeffrie Bruton of SRVS /Memphis	This section was not modified in the proposed rules
3	Medical Residential Services - Home size - does home size need to be defined?	Jeffrie Bruton of SRVS /Memphis	This section was not modified in the proposed rules
4	Medical Residential Services- Step is to divide the result of Step 1 by "facility size", is this different than Home Size?	Jeffrie Bruton of SRVS /Memphis	No.
5	Medical Residential Services - Why is there no consideration for nursing?	Jeffrie Bruton of SRVS /Memphis	Nursing is factored into the methodology as a component of the DS staff.
6	Res Hab & Supported Living - (b) 2 Has direct supervision salary divided by 4 - Does this mean they are assuming the direct supervisor can supervise 4 people even though SL homes are 3 or less?	Jeffrie Bruton of SRVS /Memphis	Yes. This is an average as res hab homes may have more residents. This section is not modified in the proposed rules.
7	Res Hab & Supported Living - (c) 1 -Same as Med Res - does home size need to be defined?	Jeffrie Bruton of SRVS /Memphis	See #3
8	Res Hab & Supported Living - (c) 2 -Same as Med Res - Why is there no consideration for nursing?	Jeffrie Bruton of SRVS /Memphis	Res Hab and SL do not not contemplate that DS staff are nurses.
9	Supported Living Companion Model (b)2 - Is the companion room & board allowance fixed? & how is it determined?	Jeffrie Bruton of SRVS /Memphis	This section was not modified in the proposed rules.
10	Supported Living Companion Model - (b) 3 What are the # of hours per year for relief staff & is the hourly rate for relief staff different than the direct support wage?	Jeffrie Bruton of SRVS /Memphis	This section was not modified in the proposed rules.
11	Family Model - Same as (b) 2 Is the companion room & board allowance fixed & how is it determined &	Jeffrie Bruton of SRVS /Memphis	This section was not modified in the proposed rules.
12	Family Model - Same as b (3) - What are the # of hours per year for relief staff & is the hourly rate for relief staff different than the direct support wage?	Jeffrie Bruton of SRVS /Memphis	This section was not modified in the proposed rules.
13	Day Services - There is no direct staff or supervision noted so what is the basis for adding % for non-direct & % for admin costs?	Jeffrie Bruton of SRVS /Memphis	This section was not modified in the proposed rules.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
14	Respite & PA Services - Do we assume the hour or day costs include the % for benefits?	Jeffrie Bruton of SRVS /Memphis	Yes. The hour and day cost include the % of benefit.
15	Respite & PA Services - Why isn't there a factor or % for direct supervision or non-direct supervision?	Jeffrie Bruton of SRVS /Memphis	This is a component of administrative costs.
16	Vision - "A combination of usual and customary charges" and "those set by TennCare for reimbursement of Medicaid funded vision care" is not clear. Do they mean that if charges for examinations and corrective lenses are not included under TennCare they will pay usual and customary?	Jeffrie Bruton of SRVS /Memphis	Provider is paid lesser of usual and customary rate or maximum rate.
17	The proposed Rules do not set forth all methodology utilized by DIDS for determining payment to service providers. A service provider cannot read the Proposed Rules and understand the basis for determining their payments.	Robin Atwood of TNCO /Nashville	The proposed rules include the same basic components as the previous Rules and reflect only certain minor modifications.
18	The proposed Rules do not communicate the effect that changes in the budget will have on payment to providers.	Robin Atwood of TNCO /Nashville	Refer to fiscal impact statement.
19	Nothing in the Proposed Rules describes what the allowable amounts or percentages are, or how they are determined. The formulae do not constitute a methodology.	Robin Atwood of TNCO /Nashville	The proposed rules include the same basic components as the previous Rules and reflect only certain minor modifications.
20	Under the proposed rules, DIDS has total discretion to set and to change rates in an arbitrary manner, on a whim. It was this sort of uncontrolled discretion that the Legislature sought to avoid when it passed the Methodology Statute.	Robin Atwood of TNCO /Nashville	The proposed rules include the same basic components as the previous Rules and reflect only certain minor modifications.
21	It is impossible to calculate the daily per-person payment for medical residential services using information in the Proposed Rules. The Proposed Rules do not provide sufficient information to determine numeric values for the daily per person FTE cost, the rate level factor, and the facility size. Facility size is not defined.	Robin Atwood of TNCO /Nashville	The proposed rules include the same basic components as the previous Rules and reflect only certain minor modifications.
22	The definition (Rate Level Factor) suggests that a numeric value ("the multiplier") was established sometime in the past; however, nothing in the proposed rules state what the value is or where it can be located. Furthermore, there is no explanation of how the value was determined or under what conditions it would be appropriate to re-evaluate the number.	Robin Atwood of TNCO /Nashville	This section was not modified in the proposed rules.

Rule Making Hearing Comments
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Question #	Comment	Source	Response
23	Numeric values for these components (for the formula) cannot be determined by reading the Proposed Rules. Three of the six components are defined, (Admin costs, non direct program costs, and FTE) but nothing in the definitions aids in determining a numeric value for the components. These definitions do no address what the allowable amounts and percentages are, how the allowable amounts and percentages are determined, under what conditions the allowable amounts and percentages may change, or how any such change would occur.	Robin Atwood of TNCO /Nashville	This section was not modified in the proposed rules.
24	TNCO requests that DIDS not implement the Proposed Rules because they do not comply with the law.	Robin Atwood of TNCO /Nashville	DIDS must proceed with the proposed rate rules to ensure adherence to the Governor's proposed budget and the recommendations of the Tennessee Attorney General's Office.
25	TNCO would like the opportunity to work with DIDS to develop and implement a methodology for determining payments to service providers in a manner that puts DIDS in compliance with the law.	Robin Atwood of TNCO/Nashville	The State Medicaid agency will take the lead in revisions to the rate methodology going forward as they have ultimate responsibility for defining rate methodology and approving rates.
26	Assuming the original rate was developed based on real costs, any decrease in rates must be arrived at by identifying costs that have decreased, or can be decreased or can be eliminated. Any decrease in rates must be accompanied by the public identification of where costs have or can be decreased or eliminated.	Betty McNeely of RCAAC Murfreesboro	This information was identified and included in the DIDS fiscal impact statement.
27	The actual figures used to arrive at the rate need to be published so for example, we need to know what is "allowable" percentage of Administrative Costs, Non-direct program costs, dsp hourly rates, medical insurance and other benefits, etc.	Betty McNeely of RCAAC Murfreesboro	DIDS will take under advisement.
28	A rate methodology should contain a mechanism to allow for cost of living increases.	Betty McNeely of RCAAC Murfreesboro	Cost of living increases are contingent upon new appropriations to support the increased rates and cannot be assumed in any rate methodology.
29	When expenses increase because of external forces, (for example, increases in the minimum wage, utilities, fuel), the current rates need to be publically analyzed to see if they still provide adequate funding for the required services.	Betty McNeely of RCAAC Murfreesboro	Increases in rates are contingent upon new appropriations; analysis and adjustments based on external forces would need to be part of the budget process.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
30	Rates and rate methodologies should be periodically reviewed to ensure that all costs are captured and that the changes in regulations are factored in.	Betty McNeely of RCAAC Murfreesboro	Increase in rates are contingent upon new appropriations; adjustments would need to be part of the budget process.
31	Give us a breakdown of the computations DIDS used to assure that the reduced rates will pay for the services.	Betty McNeely of RCAAC Murfreesboro	The Formula DIDS has utilizes the elements identified in the rate methodology.
32	There is not a provision for licensed staff in this model. The model is centered around licensed staff. Recommend adding day service component for medical residential.	Paula York of Douglas Cooperative Sevierville	Initially this service did not include a day component. The 24 hour rate as it currently appears was developed after extensive discussion with active providers. Nursing is factored into the methodology as a component of the DS staff.
33	Determine these rates using both level of need and size of residential unit.	Paula York of Douglas Cooperative Sevierville	This section was not modified in the proposed rules.
34	True Transportation Costs need to be included in this rate.	Paula York of Douglas Cooperative Sevierville	This section was not modified in the proposed rules.
35	Refine Uniform Cost Report and require these reports from providers to get a more accurate picture of true costs.	Paula York of Douglas Cooperative Sevierville	The Division provided training across all three Regions in how to properly complete the Uniform Cost Report. Despite this, the information received from providers consisted of extreme variations in agency costs. Consequently, the information obtained was not reliable in making a determination of actual costs related to service provision. A revised report is under development.
36	Hearing process should include DIDS response to comments in unity as required.	Paula York of Douglas Cooperative Sevierville	DIDS follows the process outlined for Public Hearings.
37	I Concur with Robin Atwood's comments regarding the Unknown of the formulas utilized and would appreciate more specific info about how these rates are calculated w/in the methodology, before they are approved.	Jeanine Houston of Hilltoppers Crossville	The proposed rules include the same basic components as the previous Rules and reflect only certain minor modifications.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
38	Also, please consider TNCo's invitation to be part of the workgroup that develops the Rules/Methodology.	Jeanine Houston of Hilltoppers Crossville	The State Medicaid agency will take the lead in revisions in rate methodology going forward as they have ultimate responsibility for defining rate methodology and approving rates.
39	Page 1 - Why is date on document Oct 2009? Why is the 2010 June Revised document not the subject of this hearing as the June filing document indicates effective dates of June 30, 2010 to Dec 27, 2010?	Lee Chase of Dawn of Hope Johnson City	Official document filed with Secretary of State Office and on their website.
40	Page 1 - Under the Revision Type - Amendment is marked. What was amended from the previous Methodology? It would be helpful in the future if a mark-up document could accompany the hearing notice/official document.	Lee Chase of Dawn of Hope Johnson City	A redline version was available at the public meeting.
41	Page 2 - Why are 0940-04-03.01 Purpose and 0940-04-03.02 Scope not addressed in this Rule Number and Rule Title for consideration?	Lee Chase of Dawn of Hope Johnson City	DIDS does not understand what is specifically being asked as a copy of rules includes Scope and Purpose.
42	Page 3 - Rule 0940-04-03 Methodology to determine payments to service providers (Rate Structure) is amended by deleting it in its entirety and substituting the following: What is the difference between the deleted and the substituted?	Lee Chase of Dawn of Hope Johnson City	A redline version was available at the public meeting.
43	Statement of Purpose - this filing as presented to the public has no Statement of Necessity as to why it qualifies for Emergency Rule.	Lee Chase of Dawn of Hope Johnson City	Statement of Necessity can be found with Rules filed Secretary of State and on their website.
44	Page 4 - Definitions - Rate Levels- Recommend that the Division (Plans Reviewers) stop violating this provision and be required to abide by this (your own) definition which denotes Both "a service recipient's needs and the size of the service setting" in rate level determination. Currently this definition is being violated with consideration being given in certain cases to only the assessed individual's needs without regard for the size of the service setting.	Lee Chase of Dawn of Hope Johnson City	This section was not modified in the proposed rules.
45	Page 5 - Definitions - Rate Level Factor - Recommend that the Division (Plans Reviewers) stop violating and be required to abide by this (your own) definition which denotes Rate Level Factors were based on licensure requirements and professional judgments of estimated hours of direct support staff assistance required for individuals at each rate level. Presently the presence of a nurse is being utilized as a rate level factor- clearly in violation of this definition.	Lee Chase of Dawn of Hope Johnson City	This comment does not pertain to the proposed rules regarding rate methodology but to the process pertaining to the review of the plan of care.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
46	Page 5-definitions - uniform cost report - Recommend that the Division abide by this definition. Of noted interest, you have already removed the term mandatory report and replaced with a weakened statement - submitted as required. I urge compliance with the original intent of this report which could provide a tremendous amount of valuable information.	Lee Chase of Dawn of Hope Johnson City	The Division provided training across all three Regions in how to properly complete the Uniform Cost Report. Despite this, the information received from providers consisted of extreme variations in agency costs. Consequently, the information obtained was not reliable in making a determination of actual costs related to service provision. DADS continues to seek a practical and reliable method of obtaining information regarding agency cost for service provision. A revised report format is under consideration.
47	Page 5 - 0904-04-03.04 - Rate Setting Methodologies for Medical Residential Services - The distinguishing definition of this service is the presence of licensed staff - specifically a nurse. Nowhere in the methodology is there mention of this level of staff-rather only direct support staff. While you may want to infer that these direct support staff are nurses, the terminology is utilized in several other service methodologies clearly not referencing nurses. This professional distinction must be made to address the additional personnel costs incurred in this model.	Lee Chase of Dawn of Hope Johnson City	Nursing is factored into the methodology as a component of the DS staff.
48	Furthermore there is the use of the term allowable hourly direct support staff wages. It seems imperative that this term be included in the definition section. What is an allowable hourly wage?	Lee Chase of Dawn of Hope Johnson City	DIDS will take under advisement. The State Medicaid agency will take the lead in the revisions in the rate methodology going forward as they have ultimate responsibility for defining rate methodology and approving rates.
49	Secondly is the continued encouragement, especially given the upcoming changes in direct nursing (limiting to 12 hours), would be the distinction and inclusion of a day service provision for this residential service. Many of our people receive nocturnal nursing services and are quite capable of day service involvement. This 24/7 definition eliminates these individuals from the option of employment or community involvement.	Lee Chase of Dawn of Hope Johnson City	Initially this service did not include a day component. The 24 hour rate as it currently appears was developed after extensive discussion with active providers. Nursing is factored into the methodology as a component of the DS staff.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
50	Page 6 0940-04-03.05 - Rate Setting Methodologies for Residential Habilitation and Supported Living - (2) c Calculation for the daily rate per person - The Division violates this methodology (c-#1 & #2) in certain plans review process for individuals that also receive waiver nursing services. Individual rates are established without regard for Home size and inappropriately utilize nursing staff as FTEs rather than the separate stand alone service of nursing.	Lee Chase of Dawn of Hope Johnson City	This section was not modified in the proposed rules.
51	Page 7 - 0904-04-03.05 - Rate Setting setting methodologies for residential habilitation and supported living. Family Model for Residential Services. The Methodology does not address Rate Levels or Rate Level Factors for this residential model which utilizes both.	Lee Chase of Dawn of Hope Johnson City	This section was not modified in the proposed rules.
52	Page 8 - 0940-04-03.07 - Rate Setting Methodologies for Day Services - This methodology is totally inadequate and needs serious revision. The cost model does not even adequately address FTE; there is no reference to benefits percentage, and the reference to transportation costs suggests that someone cares about the real cost of transportation. At least be honest in the wording and use the term transportation allowance instead of cost.	Lee Chase of Dawn of Hope Johnson City	This section was not modified in the proposed rules.
53	Page 9 - 0940-04-03.08 - Rate Setting Methodologies for Clinical Services #3 states 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. Again the suggestion that accurate language be used or even preferably the division abides by the stated methodology. The division meets neither of these stated bases - national or state. It is well known that TennCare which provides nursing services to the same individuals covered under this methodology, that different higher rates of payment are used in reimbursing essentially the same service.	Lee Chase of Dawn of Hope Johnson City	This section was not modified in the proposed rules.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
54	Page 10 - 0940-04-03.16 Rate Setting Methodologies for Independent Support Coordination Services. - The suggestion here that future changes in amounts paid for this service will be made utilizing such tools as consultation with stake-holders (e.g. (Independent Support Coordinators, /Agencies/Organizations...etc. flies in the face of fair play when no such consideration is denoted for other service providers.	Lee Chase of Dawn of Hope Johnson City	DIDS will take under advisement. The State Medicaid agency will take the lead in revisions to the rate methodology going forward as they have ultimate responsibility for defining rate methodology and approving rates.
55	The tree hand use of the terminology in the following filing requirement should be properly addressed with the stated entities or those responsible for the filing cease using it is unknown. I for one as both a provider and a member of TNCO can say I urge rejection and believe that most of my colleagues would also until this process is shown the respect due, and the methodology is expressed according to the original intent of the law.	Lee Chase of Dawn of Hope Johnson City	The proposed rules include the same basic components as the previous Rules and reflect only certain minor modifications.
56	Question e - 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 - Response 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.	Lee Chase of Dawn of Hope Johnson City	DIDS must proceed with the proposed rate rules to ensure adherence to the Governor's proposed budget and the recommendations of the Tennessee Attorney General's Office.
57	Finally as an aside from the purpose of the hearing, I wish to address the questionable manner in which this hearing and previous hearing was conducted. Proper required legal citations to officially open the meeting were not read by the hearing officer.	Lee Chase of Dawn of Hope Johnson City	This comment does not pertain to the proposed rules under consideration. DIDS is following the process for public hearing.
58	Time limitations were placed on speakers without advance notification and given that the hearing was allowed for 1.5 hours with 3 speakers signed in, the provision of allowing only 5 minutes pers speaker seems inappropriate at best to meet the criteria of establishing time constraints per hearing rules.	Lee Chase of Dawn of Hope Johnson City	It is the responsibility of DIDS to conduct an orderly hearing process. Any additional comments may be submitted in writing.
59	Finally, I wish to make note of the lack of adherence to hearing rules, in that required responses to comments made at the previous hearing on rate methodology held January 5, 2010 have yet to be sent or made public as required. It calls into question the legality of any changes made in Methodology and certainly calls to question the Emergency Rule Provision.	Lee Chase of Dawn of Hope Johnson City	DIDS did not move forward with the January 2010 rulemaking hearing rules, therefore, the response to the comments was not published.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
60	0940-04-03.03 - Definition of Spec Needs Adj- This service has long been described as an additional payment rather than a service or support. The very example given in this definition periodic crisis that requires additional support, clearly demonstrates that it is in fact a service provided to the service recipient. This funding is used to provide additional services/supports. When the funding is denied services are reduced and the service recipient has little recourse or success in winning an appeal. DIDS has established that this funding cannot be appealed because it is a payment not a service. Will anything be done to more accurately reflect the definition of this service?	Randy Fulton of IOI/Columbia	This is NOT a Waiver service, it is a rate.
61	The manner in which Rate setting methodologies are calculated under Chapter 0940-40-03 as it pertains to rule numbers .04, .05, .06, .07, and .09 is explained. However, the key in determining a rate that will truly cover the cost of providing the service lies in the value assigned to hourly direct support staff wages % for benefits, salary for direct supervision, % allowed for administration costs, transportation cost, etc. How does the rate setting methodology address this? What will DIDS use to determine the values assigned to these categories?	Randy Fulton of IOI/Columbia	The values assigned are based on the type of service and the qualifications of staff required. The formula DIDS utilizes has the elements identified in the rate methodology.
62	Additionally, what consideration is being given to the cost of overtime in an industry that is often providing around the clock support?	Randy Fulton of IOI/Columbia	This section was not modified in the proposed rules, up to provider to determine overtime. Minimizing overtime is the provider's responsibility by developing adequate staffing.
63	What consideration is being given to the rising cost of providing transportation?	Randy Fulton of IOI/Columbia	Increase in rates are contingent upon new appropriations; adjustments would need to be part of the budget process.
64	And will DIDS take into consideration the substantially higher cost of wages and benefits paid to direct support staff working in the state run facilities when they calculate community rates?	Randy Fulton of IOI/Columbia	Increase in rates are contingent upon new appropriations; adjustments would need to be part of the budget process.
65	0940-04-03-.04 1.b.1 and 1.b.2 uses the term allowable with regard to hourly direct support staff wages. This language is not used in the same context under 0940-04-03.05. The term allowable should be removed.	Randy Fulton of IOI/Columbia	DIDS will take under advisement.
66	0940-04-03.04 Rate setting methodologies for medical residential services. This service requires the use of direct support staff in conjunction with licensed nursing staff. The methodology does not reflect how DIDS will capture that cost. Will that component be added to the methodology?	Randy Fulton of IOI/Columbia	Nursing is factored into the methodology as a component of the DS staff.

Rule Making Hearing Comments
Sept. 30, 2010

Question #	Comment	Source	Response
67	0940-04-03-.04 Rate Setting Methodologies for Medical, Residential Services. There is nothing to indicate what the allowable hourly staff or supervisor wage is or how it is determined. Nor is there anything to indicate the % of salary allowable for benefits. What is the basis for determining allowable wages and % for benefits?	Donald Redden of Dev. Serv. Of Dickson Co.	This section was not modified in the proposed rules.
68	0940-04-03.05 Rate Setting Methodologies for Residential Habilitation and Supported Living. - Interestingly, there is no mention of allowable before hourly director support of supervision wages. Is this an oversight or is there a different meaning?	Donald Redden of Dev. Serv. Of Dickson Co.	This section was not modified in the proposed rules.
69	You also reference another unknown, the rate level factor which though defined, is actually an unknowable and unreported quantity.	Donald Redden of Dev. Serv. Of Dickson Co.	This section was not modified in the proposed rules.
70	0940-04-03.07 Rate Setting Methodologies for Day Services This demonstrates nothing about how a rate is calculated. Are we to assume that the same allowable hourly direct support staff wages plus % for benefits is the same in residential services or is there a different set of allowable wages and benefits for day services?	Donald Redden of Dev. Serv. Of Dickson Co.	This section was not modified in the proposed rules.
71	While it might not be prudent to state allowable wages and benefits in a promulgated set of rules because of the difficulty in making subsequent changes, it does seem necessary to inform the reader of how those number will be arrived at. Where do they come from? Are they based on comparable state positions or from Dept of Labor manual or from a survey? Are they fixed or do they change over time?	Donald Redden of Dev. Serv. Of Dickson Co.	The Formula DIDS utilizes has the elements identified in the rate methodology.
72	The ultimate absurdity of these rules is borne out in the way that they are actually costed out. For example with the residential rates, we end up with rates that actually reduce the amount of support dollars that go into a home as more people live in the home. This is not just the rate per person being reduced, it is the actual dollars per day for all of the residents that is reduced. No rational system would reduce the support dollars in a home when more people are supported there. That, if for no other reason, should render these rules misguided, erroneous, and ineffective.	Donald Redden of Dev. Serv. Of Dickson Co.	DIDS respectfully disagrees with this interpretation of both rule and statute.

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)

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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. §§ 33-1-302 & 303, 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 and other 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 its various Medicaid Waivers; the provisions of Title 33 and 34 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. § 33-1-302 & 303 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, for example, 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 such as staff salaries and benefits, overtime, direct supervision wages and benefits, contracted direct service/temporary help, training, 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~~ DIDS service that is provided. A rate 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 and other 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 and other services are calculated or determined.
- (9) "Special Needs Adjustment" is an additional payment that may, within the discretion of the Division and subject to resource availability be added to the residential rate for an individual ~~when certain specified criteria are met~~ in appropriate circumstances, e.g. periodic crisis that require additional support.
- ~~(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 and transmitted in the manner, format and timeframe 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. § 33-1-302 & 303 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.

- (1) 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 day.
 - 2. 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 wages 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: ~~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. § 33-1-302 & 303 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-.0405 Rate Setting Methodologies for ~~Medical~~, Residential Habilitation and Supported Living.

(2) ~~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 per day is equal to one week.
2. ~~3.45 Full Time Equivalents (FTE) are required to provide this coverage.~~
- 3.2. 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 allowable ~~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.

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. §§ 33-1-302 & 303 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.

(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.

0940-04-03-.0506 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 such as DSM-IV diagnosis, violent acting out, serious self-injury or danger to others 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. §§ 33-1-302 & 303 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 of the individual.
- (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. §§ 33-1-302 & 303 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-.0708 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. §§ 33-1-302 & 303 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-.0809 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 for one (1) staff person or of one day of allowable direct service costs for one (1) staff person and a percentage for administrative costs. Reimbursement for two (2) staff to deliver services to one (1) service recipient at the same time is not covered under any circumstances.
- (3) There will be one (1) maximum rate or one-quarter (1/4) of an hour of Personal Assistance.
- (4) There will be one (1) maximum rate for one-quarter (1/4) of an hour of Respite 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. §§ 33-1-302 & 303 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-.0910 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. §§ 33-1-302 & 303 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-.4011 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. §§ 33-1-302 & 303 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-.4412 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. §§ 33-1-302 & 303 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-.4213 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. §§ 33-1-302 & 303 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-.4314 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. §§ 33-1-302 & 303 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-.4415 Rate Setting Methodologies For Vision Services.

Rates paid are a combination of the usual and customary charges for examination and corrective lenses and those set by TennCare for reimbursement of Medicaid funded vision 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. §§ 33-1-302 & 303 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-.16 Rate Setting Methodologies for Independent Support Coordination Services

Current rates in this category are found at Rule 0620-06-03-.04 (h) and were derived after consideration of provider input, resource availability as well as system service requirements. Future changes in amounts paid for this service will be made utilizing such tools as: consultation with stakeholders (e.g. Independent Support Coordinators, Independent Support Coordination Agencies/Organizations), review of similar services in other states, market conditions, and system needs. Rates are always subject to DIDS funding/resource availability.

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. §§ 33-1-302 & 303, 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-.17 Rate Setting Methodologies for services funded exclusively by the State [Non-Waiver; State Funded (NWSF) Services.

Rates paid are discretionary and based upon Service Recipient need, limited by system and service requirements and subject to DIDS funding and resource availability.

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. §§ 33-1-302 & 303, 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.