DEVELOPMENTAL DISABILITIES ADMINISTRATION
Olympia, Washington

TITLE:	RATES AND OTHER COVERED COSTS FOR SUPPORTED LIVING, GROUP TRAINING HOMES, AND GROUP HOMES	POLICY 6.02

Authority:		
	42 C.F.R. 440.301(c)(4)	*Home and Community-based Settings*
	Title 71A RCW	*Developmental Disabilities*
	Chapter 388-101 WAC	*Certified Community Residential Services and Supports*
	Chapter 388-101D WAC	*Requirements for Providers of Residential Services and Supports*

PURPOSE

This policy defines the roles, responsibilities, and processes for establishing rates for clients who are approved for Developmental Disabilities Administration (DDA) contracted community residential services in supported living, group training homes, and group homes. A tiered rate methodology is utilized for all current and future clients.

SCOPE

This policy applies to DDA, the DDA Rates Unit in the Office of Rates Management, and the following DDA-contracted residential service programs:

- Supported living
- Group homes
- Group training homes

DEFINITIONS

Administrative/Non-ISS Staff means employees of the provider for whom the majority of their job functions are administrative and not directly related to providing an assessed level of support and instruction to a client. Administrative/non-ISS functions and costs are comprised of staff recruitment, payroll, marketing, administering employee benefits, maintenance of office space, and administrative wages and benefits (see DDA Policy 6.04, *Billing, Payment, and Cost Reporting*

for Supported Living, Group Training Homes, and Group Homes, Procedures Section (D)(1)(g)(vii) for administrator's allowable ISS cost).

Client means a person who has an intellectual or developmental disability and is:

1. Eligible under chapter 388-823 WAC; and
2. Authorized by DDA to receive residential services under chapter388-101D WAC.

Cluster means a group of households, typically within a close geographic area, that share support services or staff time for some portion of the day or night.

Contract means an executed agreement between the Department and a provider for certified community residential services under chapters 388-101 and 388-101D WAC.

Economies of scale (EOS) means an adjustment made during the rate assessment process to convert predicted individual support while taking into account instructions and support services shared within a multiple person household or a cluster.

Group home program means a certified residential service under chapters 388-101 and 388-101D WAC, and licensed as an adult family home or assisted living facility.

Group training home means a certified non-profit residential program under RCW 71A.22.020 and chapters 388-101 and 388-101D WAC.

Habilitation means those services delivered by providers intended to assist people with developmental disabilities acquire, retain, or improve upon the self-help, socialization, and adaptive skills necessary to reside successfully in home and community-based settings.

Household means all people receiving support from the same provider and living in a single residence.

Instruction and support services (ISS) means direct or indirect client services related to providing the assessed level of support and instruction to a client as required by Chapters 388-101 and 388-101D WAC and provided by ISS staff.

Instruction and support services (ISS) staff means employees of the provider, such as direct support professionals, other authorized professionals, and trainers. The majority of their job functions is the provision of instruction and support services to clients. ISS staff also includes employees of the provider whose primary job function is the supervision of ISS staff or providing indirect client support.

Live-in model means an atypical service delivery model approved by DDA that includes nighttime

support by agency-authorized staff. The staff sleep in the client's home during the night and are available to respond throughout the night. The supported living agency provides a bedroom for staff to stay in the client's home and covers the cost of their accommodation.

Metropolitan statistical area (MSA) means a relatively freestanding metropolitan area that is not closely associated with other metropolitan areas. These areas are typically surrounded by non-metropolitan counties. An MSA must include at least:

1. One city with 50,000 or more inhabitants; or

2. A Census Bureau-defined urbanized area (of at least 50,000 inhabitants) and a total metropolitan population of at least 100,000.

King County is recognized as having unique characteristics relative to other metropolitan statistical area counties for purposes of determining reimbursement rates as stated in this policy.

DSHS currently recognizes the following counties as metropolitan statistical area counties in Washington: Asotin, Benton, Chelan, Clark, Cowlitz, Douglas, Franklin, Island, Kitsap, Mason, Pierce, Skagit, Snohomish, Spokane, Thurston, Whatcom, and Yakima. Final determination for MSA designations is made by DSHS. All other counties are considered non-MSAs.

Non-SIS supports are client-centered and not administrative in nature. They include client program planning, staff training and supervision, monitoring, coordination of client services, and DDA-mandated reporting and tracking activities. These activities typically do not occur in the lives of people who are receiving support services that are not included within the Support Intensity Scale (SIS). Non-SIS supports are determined by an algorithm in the rate assessment and calculated based on the client's residential service level and instruction and support services. These calculated supports comprise a portion of the program support time on behalf of the client.

Person-centered service plan means a document that identifies a client's goals and assessed health and welfare needs and includes client details from the DDA assessment. A person-centered service plan also indicates the paid services and natural supports that will assist the client to achieve their goals and address their assessed needs.

Rate change request (RCR) means the electronic process for submitting and approving rates.

Residential professional services means habilitation services provided by provider staff that are included as part of the daily residential rate. These services are part of the residential habilitation support that enhance the ability of a client to live an integrated and meaningful life. These

services include residential chronic nursing supports, language translators, habilitative dialectical behavioral therapy, behavioral habilitation, and specialty programs.

Residential rates for developmental disabilities (RRDD) means the electronic program that processes rate change requests.

Provider means an entity contracted with DDA to provide certified community residential services to clients as described in 388-101D WAC.

Single-person household (SPH) means a home wherein the client:

1. Has an assessed support level in CARE of 4, 5, or 6, as defined in WAC 388-828-9540;
2. Does not share their home with another client; and
3. Does not share instruction and support services with another client.

Staff lodging provider expense means the provider's costs for a dwelling or portion of a dwelling used by staff when working 24-hour or longer duty shifts for a live-in model. This is an administrative cost incurred for housing, not to be reported in the ISS cost center.

Tiered rate methodology means the method used to derive the client's daily rate.

BACKGROUND

Residential services support individuals to live in and contribute to their community. The tiered rate methodology is the product of a provider and DDA staff workgroup convened in 2016 by DDA's assistant secretary and endorsed by the Washington Legislature in 2018 which provided funding for the transition and to hold provider rates harmless during the implementation of tiered rates in fiscal years 2019 and 2020. The "hold harmless" provision was an eighteen-month transition period that mitigated payment reductions to the provider and reduced financial impacts that could otherwise be detrimental to continuation of services.

POLICY

A. The supports intensity scale in the DDA assessment determines the residential habilitation support needs of a client. The case manager completes the DDA assessment with the client and collaboratively develops the person-centered service plan with the client and others chosen by the client. The DDA assessment determines the client's support needs. The residential algorithm described in WAC 388-828-9500 through 388-828-9530 generates the client's residential support level described in WAC 388-828-9540.

B. The resource manager completes a second tool called the residential rate assessment, which determines the appropriate tier. The rate assessment evaluates the residential support level (identified by the SIS assessment), specific support needs, support provided by others and the number of participants living in the household who can share the support. Then the algorithm identifies the applicable tier.

1. There are nine tiers associated with the rate assessment.

a. Tiers one through eight use a standardized rate methodology. Each tier is linked to a daily rate. The daily rate associated with each tier is based on the weighted average cost of service utilized for core benefits. Tier levels match client acuity, stratified by the assessment tools, with associated payment brackets. A client with higher acuity and complex support needs requires a higher level of service and fewer shared supports. As the support need increases, the tier increases.

b. Tier nine is a uniform exception to the standardized formula. Each client in this tier has a personalized daily rate designed to address the unique client needs that are in excess of tier eight. The resource manager must annually assess clients in tier nine.

2. The daily rate for each tier is specific to county categories (MSA, Non-MSA, and King County). The rate for each tier includes direct and indirect costs of service delivery, administration, and community residential services training (CRST). Additionally, the daily rate may include transportation, residential professional services, and administrative/non-ISS rates.

C. Rates are payments for costs that are necessary, customary, and related to the provision of residential program instruction and support as described in chapters 388-101 and 388-101D WAC and the residential services contract.

D. Rates are set prospectively in accordance with state legislative appropriation.

E. The contract governs what shall be the maximum payment compensation and is reflected in Contract Exhibit C.

F. Services must be delivered in a cost-efficient manner. A client assessed as needing residential support level 4, 5, or 6 under WAC 388-828-9540 typically lives in a household of two to four people, which enables instruction and support services to be shared across household members.

G. A client receiving supported living services must not have more than four clients permanently living in their household.

H. Supported living clients own, lease, or rent their home and therefore control the use of the space within their home. All clients' homes should reflect their preferences, choices, and budget, with minimal provider administrative presence.

PROCEDURES

A. Rate Development

1. The case manager must enter comments into the DDA assessment to provide clarification for the resource manager to complete the rate assessment. Comments may include areas such as:

    a. Natural supports or support provided by others;

    b. Specific tasks or areas of support that identify the need for increased support;

    c. Community integration preferences or community integration needs if tied to a positive behavior support plan;

    d. Client-specific instructions to providers;

    e. Client choice to receive less support than the residential service level definition;

    f. Requests for exceptions to certain physical and safety requirements; and

    g. Risks that present an immediate life-threatening danger to the client or others.

2. The provider must inform the resource manager:

    a. Before a client enters or leaves residential services;

    b. If a significant change in the client's support needs (including starting or ending school or a job) occurs;

    c. Before a change in household composition occurs; and

d. As soon as possible following an emergent situation that results in any of the changes above.

3. The case manager must inform the resource manager if:

a. The client's waiver status changes;
b. The client's financial eligibility changes;
c. The client's DDA assessment results in a change in service level; or
d. A significant change assessment is completed for the client.

4. The resource manager must complete a rate assessment before a client begins receiving services from a supported living, group home, or group training home provider and:

a. If a significant change in the client's condition occurs;

b. If there is a change in client's household composition;

c. If a new client's anticipated shared supports are found to be inaccurate once the client has moved;

d. Upon request from the client, the client's guardian, or the provider; or

e. As requested by DDA.

5. To prepare for the rate assessment meeting, the resource manager reviews the DDA assessment and person-centered service plan to familiarize themselves with the client's support needs and goals. They also review the previous rate assessment.

6. The provider must review the DDA assessment and person-centered service plan and be prepared to discuss details such as daily routine, frequency of medical appointments, transportation, and other support needs of the client.

7. The resource manager conducts a rate assessment meeting for each client with a representative from the provider who knows the client's routine and has decision making authority. This meeting is typically conducted in person.

8. Rate assessment meetings are typically arranged by household or cluster to ensure economies of scale are captured and the shared and individual supports are identified.

9. The rate assessment process focuses on:

   a. Adjusting base support identified from the DDA assessment; and
   b. Applying economies of scale (EOS) as described in the next section.

10. During the rate assessment meeting, the resource manager and provider discuss the predicted base supports in relation to the needs of the client and the resource manager makes the necessary adjustments to the EOS worksheet within the DDA assessment. Each category is reviewed for two-to-one support, support by others, support refused, individual supports, and supports shared with additional clients. The resource manager documents any adjustments in the comments.

11. The rate developed is inclusive of individual supports and shared supports. Supports are shared whenever feasible.

12. Included in the instruction and support services is a component entitled non-SIS supports, which are instruction and support services not captured in the SIS. The non-SIS supports are automatically generated by an algorithm. Non-SIS supports include activities that are necessary for providing services, are client-centered and not administrative in nature, such as client program planning, monitoring, attendance at staff training, and DDA mandated reporting.

13. The cost of the instruction and support services component is identified for each tier. Each tier has three compensation rates based on the county classifications, including metropolitan statistical area (MSA), non-metropolitan statistical area (Non-MSA), and King County. See All DDA Rates under "Quicklinks"; note that all rates are subject to legislative appropriations.

14. The transportation rate assessment is completed with input from the provider.

15. Additional rate components may be added to a client's total daily rate if the client has unique support needs. For residential professional services, the resource manager enters the description of the service and the rate. For administrative/ non-ISS rate components, enter the description and total rate amount.

16. The tiered daily rate for the administrative/non-ISS cost center is added according to the standardized methodology. Published rates are available on the Office of Rates Management's website under All DDA Rates; note that all rates are subject to legislative appropriations.

17. The resource manager must request an exception to policy for a client needing a single-person household.

18. The resource manager must request an exception to policy for a client whose rate is assessed in tier nine. The exception must be reviewed at least every 12 months.

19. The resource manager must provide the residential rate calculator report to the provider upon request.

20. Before providing residential support services to a client, the residential provider must have an approved rate reflected in Contract Exhibit C, which provides the detail of each rate component and a total daily rate per client.

21. Rate changes start on the 1st or the 16th of each month unless the change is due to:

    a. A new client starting residential services;
    b. A client leaving residential services;
    c. A client who is currently receiving a staff add-on;
    d. A change in waiver status; or
    e. A rate correction.

22. The resource manager must verify and distribute the Contract Exhibit C and gather signatures from the provider and the authorized DDA representative. The provider must verify the information in Contract Exhibit C before obtaining signatures and report any discrepancies to the resource manager.

23. Many factors affect the length of the rate development process; however, the provider can expect the following timelines:

    a. The case manager must mail the client's person-centered service plan to the provider no more than 30 days after completing the assessment.

    b. The resource manager must schedule a rate assessment if there is an identified change in need.

    c. The resource manager must send the residential rate calculator and Contract Exhibit C to the provider no more than five business days after the rate assessment meeting.

24. Provision of Services

    a. The provider must provide residential services assigned to the service provider in the client's person-centered service plan.

b. The provider must provide an adequate level of staffing to meet the client's service level under WAC 388-828-9540, unless otherwise indicated in their person-centered service plan.

c. The provider must maintain a system that shows instruction and support services funds have been used to provide instruction and support services. All instruction and support services staff compensation, employer paid taxes, and benefits within each calendar year are annually reconciled to the ISS contracted rate through the cost reporting system. See DDA Policy 6.04, *Billing, Payment, and Cost Reporting for Supported Living, Group Training Homes, and Group Homes*.

B. RATE COMPONENTS

The final DDA rate is determined by the assessment process and RRDD calculations in Procedures Section (A). The rate is comprised of the following components:

1. **Instruction and Support Services (ISS):** Instruction and support services supports are those supports necessary to provide the assessed level of support and instruction to the client and are calculated during the rate assessment process. The instruction and support services are paid at the tiered rate established by the department. This also includes reimbursement for staff time to complete training required under RCW 74.39A. See All DDA Rates; note that all rates are subject to legislative appropriations.

2. **Administrative:** The administrative rate is based on the administrative tiered rate table, which varies by type of service, county, and incremental daily instruction and support services. See All DDA Rates; note that all rates are subject to legislative appropriations.

3. **Certification Rate:** A certification rate is included in the administrative/non-ISS cost center of the daily rate to cover the cost of the certification fee. These rates are in Contract Exhibit C and can be located under the tiered rate tables in All DDA Rates; note that all rates are subject to legislative appropriations.

4. **Transportation:** The transportation rate is assessed during the rate assessment process and is calculated in RRDD.

5. **Residential Professional Services:** Residential professional services are identified through the rate assessment and calculated in RRDD. Reimbursement for professional services is at:

a. Department established rates where they exist;

b. Non-standard rates as determined by the resource manager administrator; or

c. For standardized rates for residential chronic nursing support (RCNS) see All DDA Rates.

6. **Other Administrative/Non-ISS supports:** Other rate components may include staff lodging costs for providers who utilize the live-in staff model, extensive damage, or other items specifically approved by the waiver residential unit manager.

C. OTHER COVERED COSTS

1. Cost-of-Care Adjustments

a. A cost-of-care-adjustment (COCA) is intended to cover the necessary costs to maintain uninterrupted services for clients remaining in the home when there is a temporary absence of a household member that causes a loss of economies.

b. The provider must stop claiming the daily rate for the absent client and notify the resource manager of the need for a COCA no more than five business days after a client's departure.

c. When there is a temporary absence of a household member, the provider may complete DSHS 06-124, *Cost-of-Care Adjustment Request*, and submit it to the resource manager no more than 30 calendar days after the client's return.

d. If the client's absence continues into subsequent calendar months, the provider must submit a separate DSHS 06-124:

i. No more than 30 calendar days after the end of each month the client was absent; and

ii. No more than 30 calendar days after the client's return.

e. The provider must request an updated rate assessment for the remaining household members if the client's absence is anticipated to continue past 90 days. The resource manager must schedule a new rate assessment. The

provider must not request a COCA for the absent client once the household's updated rate assessment is effective.

f. A provider may request a COCA for shared or single-person households. If the COCA is approved, it will include the following components:

i. For shared households:

A) ISS shared support;
B) ISS CRST;
C) Shared professional services;
D) Administrative tier rate; and
E) Administrative CRST.

ii. For single-person households:

A) Administrative tier rate; and
B) Administrative CRST.

g. The resource manager administrator or designee may approve a COCA for up to 90 consecutive days.

h. The resource manager must authorize payment for the approved COCA.

i. The resource manager distributes the authorized COCA to the provider and the DDA rate analyst. DDA maintains a copy in the contract file. The provider must maintain records according to their contract.

j. COCA reimbursements are subject to the settlement provisions of DDA Policy 6.04, *Billing, Payment, and Cost Reporting for Supported Living, Group Training Homes, and Group Homes.*

2. Staff Add-On for Client-Specific Need

a. A staff add-on provides short-term additional support to protect a client's safety or well-being. A provider may request a staff add-on if the client has a short-term increase in need. Staff add-on must be requested separately for ISS and professional services.

b. Unless a staff add-on is being requested in an emergency under subsection (2)(c) below, the staff add-on must be approved by the resource manager supervisor before it is implemented. Once the add-on is

approved, work should begin immediately to evaluate ongoing need and determine if a new assessment is needed.

c. In an emergency, providers must submit a request to the resource manager no more than one business day after the need is identified. The provider must submit the written request no more than five business days after the addition of staff. The provider must document the emergency approval on the written request. The region must respond to the emergency request within two business days of receipt of the request. In an emergency, the provider may implement the additional hours needed to address the emergent client support needs while the request is being considered.

d. As soon as the need is identified but no more than five business days after the verbal approval, the provider must submit DSHS 15-379, *Staff Add-on Request for Client-Specific Need*, to the resource manager. The provider must include an explanation of the circumstances requiring the need for additional staff and the anticipated length of need. Based on this information and a discussion with the provider, the resource manager must determine the number of hours that will be authorized. The resource manager must base their decision on their knowledge of the client, their professional judgement, and the information in the request. Staff add-on requests are approved or denied at the sole discretion of the resource manager supervisor.

e. A provider may request a staff add-on for up to 90 days.

f. Staff add on rate is reimbursed according to the urban designation of where the client lives. This is an all-inclusive rate. Staff add on rates for each urban designation can be found at All DDA Rates.

g. The resource manager must review and make a recommendation to their supervisor for approval or denial. The resource manager must authorize the number of hours approved on the request. The provider must use the staff add-on only for the client for whom it was approved. The provider may claim less than the authorized amount.

h. Staff add-on reimbursements are subject to the settlement provisions of DDA Policy 6.04, *Billing, Payment, and Cost Reporting for Supported Living, Group Training Homes, and Group Homes.*

3. Client Transition

a. DDA may authorize transition payments for a provider who:

i. Reviews a client's full referral and considers acceptance; and
ii. is considering a client for service.

b. Transition costs may include expenses related to:

i. Up to 4 hours of review for each full referral;

ii. Supports provided before the start of services that are necessary to understand the client's support needs and develop plans;

iii. Visiting the client; and

iv. Connecting the client and potential future housemates.

c. The provider must submit a written request to the resource manager that includes a description of the reasons and associated cost. In order to receive reimbursement for reviewing a client's full referral packet, the provider must respond to the full referral within the 10-day timeline per DDA Policy 4.02, *Community Residential Referral Acceptance and Change in Provider.*

d. The resource manager must provide a written response after they receive approval from the resource manager administrator or designee. DDA approval is required prior to the use of client transition funds.

e. The agency may submit other transition related cost to the resource manager administrator for consideration.

f. For client transition reimbursement rates, see All DDA Rates. This is inclusive of any administrative costs incurred and is not subject to cost settlement.

4. Summer Program for Supported Living Clients

a. DDA may provide summer program funding for clients age 18 through 21 who are in DDA-contracted residential programs, currently enrolled in school, and whose local public schools do not offer summer programs. DDA may make this funding available to the extent the funds are available

for such purposes in DDA's biennial appropriation. The summer program must not replace the programs offered by the provider during evening and weekend supports.

b. A provider must develop a summer program plan and budget using a format approved by DDA. The provider must submit the proposed plan to the resource manager administrator for approval.

c. The resource manager administrator must notify the provider in writing of the denial or approval and the authorized amount. Summer program services are authorized and paid through ProviderOne.

d. The funds may be used to pay for program fees, such as camp registrations, park and recreation program fees, swimming pool fees, and additional transportation costs and supplies. Equipment costing $1,000 or more and having a useful life of more than one year must not be purchased with summer program funding.

e. Costs funded through summer program services are not subject to settlement provisions.

5. Training Reimbursement

DDA may reimburse a provider for certain costs associated with legislatively mandated and community residential services training (CRST). The purpose of this reimbursement is to ensure client needs are met while provider staff is attending training. For training reimbursement rates, see All DDA Rates. Note that all rates are subject to legislative appropriations.

a. ISS training reimbursement is tier-specific, included in the total daily rate, and subject to the cost settlement process.

b. Administrative expenses associated with instruction and support services training are in the administrative/non-ISS cost center and are not part of the cost settlement process.

c. Reimbursement for the cost of the trainer to attend the 40-hour core training is not a part of cost settlement process.

d. See All DDA Rates for the rates the provider will be paid for ISS staff completing the nurse delegation core training.

6. Client Expenses

a. The resource manager administrator or designee may grant an exception that allows a provider to charge a client, their family, or their legal representative for an extraordinary situation over and above what is typically reimbursed in the client's rate. Examples include vacations or long trips where staffing, transportation, or both, is beyond what is included in the assessed rate. The provider must submit a written request to the resource manager who must review the request with the resource manager administrator.

b. If approved, the provider must include the agreement in the individual financial plan or an attachment to the plan and submit to the client or guardian, or both, for signature. The resource manager must document in the client's service episode record in the CARE.

c. The provider's staff must never accept payment directly from a client.

EXCEPTIONS

Any exception to this policy must have prior written approval from the deputy assistant secretary or designee.

SUPERSESSION

DDA Policy 6.02, *Rates and Other Covered Costs for Supported Living, Group Training Homes, and Group Homes*
Issued June 15, 2022

Approved: _____ Date: July 1, 2023
Deputy Assistant Secretary
Developmental Disabilities Administration