

DEVELOPMENTAL DISABILITIES ADMINISTRATION
Olympia, Washington

TITLE: RATE ESTABLISHMENT, BILLING, AND PAYMENT POLICY 6.22
FOR LICENSED STAFFED RESIDENTIAL PROGRAMS

AUTHORITY

[Title 71A RCW](#)
[Chapter 388-826 WAC](#)

Developmental Disabilities
Voluntary Placement Services

PURPOSE

This policy defines the roles, responsibilities, and processes for establishing rates and processing billing and payment for clients who have been approved for Developmental Disabilities Administration (DDA) contracted community residential services in Children's Licensed Staffed Residential (LSR) programs.

SCOPE

This policy applies to DDA, the DDA Rates Unit in the Office of Rates Management, and DDA-contracted residential service programs providing residential habilitation services for children in an LSR setting.

DEFINITIONS

Basic expenses means reimbursement for rent, food, and utility costs shared by the number of children residing in the home. Utility costs include electricity, heat, cable, water, garbage, telephone, etc. Rent and utility costs are based upon actual monthly costs. Reimbursement for food is a standardized amount and is higher for those children who are receiving a specialized diet prescribed by a physician.

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

1. Eligible under [RCW 71A.10.020](#); and
2. Authorized by DDA to receive residential services described in [Chapter 388-826 WAC](#).

Community inclusion means person-centered, age appropriate, participation in activities in a client's local community.

Consultant means an individual who is employed by the LSR agency to provide support in a particular area of expertise. The need for the consultant is based on the needs identified in the client's DDA assessment.

Contract means a contract between the Department and a residential habilitation service provider for children under [Chapter 388-826 WAC](#).

Cost-of-care adjustment means a reimbursement adjustment intended to cover the costs of direct care staff and administrative costs necessary to maintain uninterrupted services to clients when there is a temporary absence of a household member.

CRM means the case carrying DDA Case Manager, Social Worker, or Social Service Specialist who is the liaison with the client.

Department means the Department of Social and Health Services (DSHS) and its employees.

Habilitation means instruction and support services under [WAC 388-845-1500](#).

Licensed staffed residential (LSR) program means a facility licensed under [Chapter 110-145 WAC](#) that provides twenty-four hour care to six or fewer children who require more supervision than can be provided in a foster home.

Licensed staffed residential provider means an entity contracted with the Department to provide residential habilitation services to children under [Chapter 388-826 WAC](#).

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

- One city with 50,000 or more inhabitants; or
- A Census Bureau-defined urbanized area (of at least 50,000 inhabitants) and a total metropolitan population of at least 100,000.

Note: King County is recognized as having unique characteristics relative to other MSA counties for purposes of determining reimbursement rates as stated in this policy.

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

Single-person household means home where the client is assessed as needing 24-hour daily support and is unable to share a household or support hours.

Staff add-on means a staffing increase above and beyond the individual instruction and support hours required and allowed in the standard rate provision of a contract, enabling a contractor to increase the individual instruction and support hours provided to a specific client for a specified period of time.

VPS resource manager means the person who establishes rates and monitors contract compliance and is the liaison with the LSR provider.

POLICY

- A. Residential services support individuals to live in and contribute to their community.
- B. Rates are payments for costs that are necessary, ordinary, and related to the provision of residential habilitation services under [Chapter 388-826 WAC](#) and the residential services contract.
- C. Rates are set in accordance with state legislative appropriation.
- D. The contract shall be the maximum payment compensation.
- E. Services are delivered in a cost-effective manner by allowing clients to receive residential habilitation services and share household expenses and direct care staff support.
- F. An LSR facility must not deliver services to more than four clients at a time.
- G. All client homes should reflect their individual preferences and choices.
- H. The LSR daily rate is comprised of the following:
 - 1. **Administrative and Non-Staff Costs.** The administrative rate is based on the administrative rate table, which varies by county and incremental daily Individual and Support Services (ISS) hours. The administrative rate is intended to cover costs related to administrative staff and general management, including: corporate fees and allocated costs; accounting and bookkeeping; required transportation not otherwise reimbursed; maintenance supplies and purchased services; housekeeping supplies and purchased services; insurance and taxes; and lease, interest, and depreciation costs related to reimbursable assets used in the residential program.
 - 2. **Non-Staff Cost Center.** The non-staff cost center is the rate component compensation for all non-direct support activities, including administration, business expenses, facility capital and maintenance expenses, activities supplies, and client transportation.

- a. **Transportation.** The transportation rate is calculated during the rate assessment process. The calculated rate takes into account the average miles of transportation provided to the client, the vehicle type, and the average miles driven on behalf of the client. The transportation rate is not an actual cost reimbursement; it is an average daily reimbursement.
 - b. **Damage Reimbursement.** Damage reimbursement is estimated up to \$5.70 per day. There must be documentation of a history of property destruction, damage, or both to reimburse this maximum amount. If costs related to damage caused by a client exceed the monthly reimbursement, the provider may submit a written request to the VPS resource manager outlining a description of the incident, staffing ratios, and repair costs for consideration. The request must be submitted to the VPS resource manager no more than 30 days after the incident date.
3. **Community Inclusion.** Up to \$171 per month can be paid for costs associated with community activities. Activities should reflect the client’s preferences and interests and will be reviewed quarterly during the 90-day visits conducted by the client’s CRM. Activities should be inclusive and age appropriate for children residing in an LSR setting.
 4. **Consultants.** Consultant means an individual who is employed by the LSR agency to provide support in a particular area of expertise. The need for the consultant is based on the needs identified in the client’s DDA assessment. Consultant expenses may be calculated into the daily rate when the service is not available through Medicaid or private insurance. Reimbursement for consultant services is at Department established rates.
 5. **Staff Costs and Instruction and Support Services (ISS).** Instruction and Support Service hours are those necessary to provide the assessed level of support and instruction to the client and are calculated during the rate assessment process.
 - a. **Direct Care Staff.** The VPS resource manager negotiates the staffing schedule that will be required to successfully support the child in the community setting. The children are enrolled in school, it would be expected that less direct care staffing hours are needed on a typical school day. However, there are 180 days in a school year, the formula for calculating the number of hours per year is weighted based on 120 school days and 245 non-school days. This assumption allows the provider enough flexibility to provide staffing for days that the child does not attend school, or for the child who has less than a six-hour day at school. Direct care staff must meet direct care qualifications under [WAC 110-145-1445](#).

- b. **Lead or Supervisor Hours.** Lead hours included in the non-direct portion are only those hours where the staff or supervisor are providing non-direct care to the clients in the home (not included in the direct service hour schedule). Lead hours will be divided equally among the number of clients supported in each licensed residence. Lead staff typically meet on-site program manager requirements under [WAC 110-145-1430](#).
- c. **Program Manager Hours.** Compensation rates applied for the program manager hours will be either 150 percent of the established ISS benchmark rate or an increase based upon the legislative allocation. Program manager hours are divided among the total number of clients supported by the provider throughout the sub-region up to 3 homes. When the program manager oversees more than 3 homes throughout one sub-region, an additional program manager may be added. Program manager typically meets DLR case management requirements per [WAC 110-145-1440](#).
- d. **ISS Hours.** The ISS hours are paid by the hour at the benchmark rates in the table below, which is legislatively established by urban designation (MSA, Non-MSA, and King) of the client’s residence.

Direct Care and Lead Staff Benchmark Reimbursement	
Urban Designation	January 1, 2020
King	\$22.17
MSA	\$21.49
Non-MSA	\$21.13

Program Manager Benchmark Reimbursement	
Urban Designation	January 1, 2020
King	\$31.97
MSA	\$30.95
Non-MSA	\$30.43

6. **Basic Expenses.** Rent, food, and utility costs are based on actual amounts within limits defined in the table below and are split among all residents in the house including children placed by the Department of Children, Youth, and Families.

Monthly Living Expenses				
	King	Snohomish	MSA County	Non-MSA County
Rent	Up to \$900/client	Up to \$800/client	Up to \$700/client	Up to \$650/client
Utilities	Up to \$260/client	Up to \$260/client	Up to \$260/client	Up to \$260/client
Food	\$350/client	\$350/client	\$350/client	\$350/client
Specialized Diet	\$400/client	\$400/client	\$400/client	\$400/client

PROCEDURES

A. **DDA CARE Assessment**

1. The CRM must complete the DDA CARE assessment with the client at least annually.
2. The DDA person-centered service plan (PCSP) is developed by the client, family, the CRM, the LSR provider, and any other people requested by the client. Service responsibilities are assigned to meet the client’s identified needs and goals.
3. The CRM must inform the VPS resource manager if:
 - a. A client enters or leaves residential services;
 - b. A significant change in support needs occurs (e.g., starting, or ending school, or change in acuity); or
 - c. Other changes occur that may require a review of the rate assessment (e.g., change of funding source, regularly scheduled weekend visits at home with family, or moving to a different home).

B. **Residential Rate Assessment — VPS Resource Manager and LSR Provider**

1. The VPS resource manager must complete a rate assessment:
 - a. Before a client enters or leaves residential services;
 - b. If a significant change in support needs occurs;

- c. If the client's rent or utility costs change; or
 - d. If there is a change in funding source.
2. To prepare for the rate assessment meeting, the VPS RESOURCE MANAGER reviews the DDA CARE assessment to familiarize themselves with the client's support needs and goals. The VPS resource manager must assess shared hours to ensure the health and safety needs of the household are being met. The VPS resource manager must also review the previous rate assessment if applicable.
3. The LSR provider must review the DDA CARE assessment and be prepared to discuss details such as daily routine, frequency of medical appointments, transportation, family involvement, school, and other support needs of the clients.
4. The rate assessment process focuses on:
 - a. Individual needs of the client;
 - b. Possibility of shared support hours when a client has housemates;
 - c. Supports provided through school, family, or both;
 - d. Services available through private insurance or Medicaid; and
 - e. Any children placed in the home by the Department of Children, Youth, and Families.
5. The rate developed includes individual hours and shared hours. Typically hours are shared whenever feasible. Individual hours are those that cannot be reasonably shared with any other client within the household. When identifying individual and shared hours, the following considerations are made:
 - a. School supports. The public school district is responsible for support needs during school hours for clients enrolled in kindergarten through transition.
 - b. Medical appointments are typically considered as individual hours.
 - c. In-home habilitation. Individual hours for the expected amount of time the client will require one-on-one support to acquire, retain, or improve activities of daily living.
 - d. Unstructured protective supervision. These hours reflect the time that a direct care professional is present, but may not be directly interacting with a client. Typically unstructured protective supervision hours are shared by the clients in the household. Nighttime support hours of a household are

typically shared even if a client may require some night support. In most situations, other sleeping clients can be monitored during that time. A client's individual nighttime support hours are only included if the client's needs require additional staff to meet those exceptional needs. Nighttime support hour staff must remain awake for the whole shift.

6. The ISS compensation rate is based on the county in which the clients reside and state legislative appropriation (the benchmark rate). There are three classifications—Metropolitan Service Area (MSA), Non-Metropolitan Service Area (Non-MSA), and King County.
7. The transportation rate assessment is completed with input from the LSR provider and produces a transportation rate.
8. Additional adjustments to transportation and administrative rates will be made as determined by legislative direction.
9. The administrative rate table uses a client's ISS hours to determine the administrative rate the provider will receive. See Attachment A, *Licensed Staffed Residential Administrative Rate Table*.
10. Any client assessed by the VPS resource manager as needing a single-person household requires an exception to policy, which is approved by the Children's Residential Program Manager.
11. The VPS resource manager must request an exception to rule if the rate for a waiver participant exceeds \$700 per day per [WAC 388-845-0110](#).

C. Staffed Residential Rate Assessment Guidelines — Resource Manager

1. The VPS resource manager completes the Staffed Residential Rate Assessment form and submits it for review and processing. Information entered into this document by the VPS resource manager determines the final rate paid to the LSR provider.
2. The VPS resource manager will outline the purpose for the rate assessment in the comments section.
3. Funding sources may include Core Waiver, Roads to Community Living (RCL), State Supplementary Payments (SSP), or state-only funds.

D. Rate Establishment and Approval — DDA Rates Unit of Office of Rates Management, Resource Management, and LSR Provider

1. The VPS resource manager submits the rate assessment form to the regional VPS Coordinator for review and approval.
2. The regional VPS Coordinator or designee submits the signed rate assessment form to the HQ Children’s Residential Program Manager for final review and approval. The completed document is sent to the Management Services Division (MSD) Rate Analyst who updates the children’s rate file.
3. Changes to established rates start on the 1st or the 16th of each month.
4. Clients new to residential services will be added to a provider’s contract effective the day service begins and the client has an approved start date in CARE.
5. If a client moves out on a date other than the 1st or 16th, the VPS resource manager must submit the rate change as soon as possible. Rate changes for all individuals residing in the home whose rates are impacted by the leave will have a change effective date on the date the action occurred. This includes rate changes as a result of clients moving from one home to another.
6. The MSD Rate Analyst creates the Exhibit B, which provides the detail of each rate component and a total daily rate per client and is an attached amendment to the contract.
7. The VPS resource manager verifies information in Exhibit B is accurate.
8. The VPS resource manager distributes the Exhibit B and gathers signatures from the client’s LSR provider and regional DDA representative with contract signing authority. The LSR provider must verify the information in Exhibit B prior to signature and report any discrepancies to the RM.
9. The MSD Rates Analyst submits the rate batch to ProviderOne twice monthly. Under special circumstances, the MSD Rates Analyst may submit a special batch.
10. ProviderOne updates their database with the rates submitted by the MSD Rates Analyst.

E. Billing – CRM and LSR Provider

1. The CRM verifies the specialized rate and basic expense authorizations in ProviderOne matches the rate in the rate assessment form and notifies the VPS Coordinator for rate errors.

2. The LSR provider will claim their units via ProviderOne. ProviderOne allows an LSR provider to claim for services on any day of the month. ProviderOne will generate an electronic remittance advice on each Friday. LSR providers may bill on any day that meets their payroll needs.

F. Provision of Services

1. The LSR provider delivers residential habilitation services in accordance with chapter 388-826 WAC.
2. The LSR provider must fulfill all components identified in the rate assessment form.
3. The LSR provider must have and maintain records of the delivery of hours which are reconcilable by household. These records must be available upon request. The records must reflect the total number of hours provided in support of the clients within each month.

G. Cost-of-Care Adjustments (COCA)

1. COCAs may be authorized when a client eligible for the Core Waiver or RCL temporarily leaves their permanent residence to temporarily reside in a Medicaid-funded facility (e.g., hospital, juvenile detention, Residential Habilitation Center).
2. The COCA must not exceed the client's total daily rate.
3. When there is a potential COCA, DDA staff will consider with the provider whether a COCA or rate reassessment for clients sharing the household is most appropriate, based upon the length of time the client is projected to be out of the licensed residence.
4. The provider must discontinue 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.
5. The contracted provider must submit [DSHS 15-424](#), *Staffed Residential Cost of Care Request*, to the VPS Resource Manager for review no more than 30 business days after:
 - a. The end of the calendar month if the client's absence continues into the next calendar month; or
 - b. The client's return.

6. The LSR provider will include justification and indicate the anticipated duration of the COCA. Copies will be maintained by DDA in the contract file and the LSR provider records for seven years.
7. The regional VPS Coordinator may approve each COCA authorization for up to 15 calendar days with valid justification. COCA requests for reimbursement for greater than 16 calendar days require approval by the Central Office Children's Residential Services Program Manager before authorization.
8. If a COCA is expected to go beyond 90 calendar days, an exception to policy (ETP) request must be submitted to the Children's Residential Program Manager for review.
9. Voluntary Placement Services will be authorized under a different client who is receiving services within the LSR home. Authorization will be for the approved daily rate of the client who temporarily is out of the residence. If there is not another VPS client within the same household (e.g., the home supports three clients from the Department of Children, Youth, and Families (DCYF) and one from DDA), authorization may be made under a different client within the region supported by the contracted provider.
10. If the client who leaves the residence is paying for services via SSP, no changes in payment are required.

H. Staff Add-On for Client Specific Need

1. A staff add-on may be considered if:
 - a. A client's behavioral or medical support needs exceed current staffing levels;
 - b. A client is at risk of losing residential services; or
 - c. A client has a short-term need for increased staffing.
2. Staff add-on requires approval before implementation. Once an add-on is funded, work should begin immediately to evaluate ongoing need.
3. Before adding staff, the LSR provider must submit form [DSHS 15-379](#), *Staff Add-On Request for Client Specific Need*. The LSR provider must include a detailed explanation of the circumstances requiring the need for additional staff, the anticipated length of time, and a plan of how the staff will be utilized.
4. In emergency situations, verbal approval may be given by the VPS Resource Manager or VPS Coordinator. The LSR provider will submit the written request

within three working days of the verbal approval. The LSR provider must document the emergency approval on the written request. The VPS Resource Manager will respond within two working days of receipt of the request. If an emergency situation arises during non-business hours, the LSR provider may implement the additional hours needed to address the emergent client supports.

5. The LSR provider is reimbursed for staff add-ons according to the urban designation of where the client lives. This is an all-inclusive rate. The rates for each urban designation are as follows:
 - a. Non-MSA is \$25 per hour;
 - b. MSA is \$26 per hour; and
 - c. King is \$27 per hour.

I. Client Transition

1. A provider who has accepted a new client may request client transition funds. Client transition funds may be used to help the provider understand the client's support needs before the client starts services.
2. The LSR provider will submit a written request to the VPS resource manager that includes a description of the reasons and associated cost. Final approval is provided by the resource manager administrator or designee. DDA approval is required before the use of client transition funds.
3. DDA may reimburse the LSR provider up to 100 hours at \$25.00 per hour. This is inclusive of any administrative costs incurred.
4. The provider may submit other transition related costs to the resource manager administrator for consideration.

J. Training Reimbursement

1. DDA may reimburse LSR providers for certain costs associated with legislatively-mandated training.
2. Nurse Delegation Core Training. DDA will reimburse the LSR provider for ISS hours for staff attending Nurse Delegation Core training. Costs may be authorized when it is necessary to train direct care staff to act as nursing assistants under the Nurse Delegation Act.

K. Legislatively-Mandated Training

1. Upon completion of the required five-hour Safety and Orientation and 40-hour Residential Core Basic Training, LSR programs will be reimbursed for 43 ISS

hours per employee required to take the training. Reimbursement will be at the benchmark rate in effect at the time of the training completion.

2. On July 1, 2016, the Department added funds into the contracted rate related to the cost of implementing Chapter 74.39A RCW. The LSR provider must ensure all staff who are part of the ISS cost center have completed the training required under Chapter 74.39A RCW. Funds added into contract are calculated by using the following formula based on the urban designation:

$$[ISS \text{ hours per day per employee}] \times [\text{urban designation multiplier}] = \$ \text{ amount}$$

3. Staff who satisfy the initial requirements as a Long-Term Care Worker, must complete 12 hours of Continuing Education (CE) annually.
 - a. Upon completion of 12 CE hours, the residential agency may request reimbursement for 12 ISS hours to be paid at the benchmark rate.
 - b. If an employee terminates employment before completing the 12 hours of CE, the residential agency may request reimbursement for the number of hours the employee completed.
 - c. Reimbursements will only be authorized for courses approved by DDA as CE.
 - d. Reimbursement will be requested by the agency employing the staff that completed the training. Hours in excess of 12 CE hours will not be reimbursed.
 - e. Nurse delegation core training will count toward CE, therefore reducing the number of other reimbursable hours available for CE.

L. **Billing and Payment**

1. The Department will reimburse the LSR provider for services rendered under the residential services contract. The provider must bill in accordance with the billing and payment instructions outlined in contract.
2. The LSR provider must accept the reimbursement rate established by DDA as full compensation for all services under the contract. The LSR provider must not seek or accept additional compensation from or on behalf of a client for any or all contracted residential services.

M. Overpayments and Underpayments

If there is an over- or underpayment, the LSR provider, VPS Resource Manager, and DDA Rates Unit will work to identify and resolve the discrepancies.

EXCEPTIONS

Any exception to this policy must have prior written approval from the Deputy Assistant Secretary or designee.

SUPERSESION

DDA Policy 6.22, *Rate Establishment, Billing, and Payment for Licensed Staffed Residential Programs*

Issued September 15, 2015

Approved: /s/: Debbie Roberts
Deputy Assistant Secretary
Developmental Disabilities Administration

Date: March 1, 2020

Attachment A – *Licensed Staffed Residential Administrative Rate Table*

Attachment A
 Licensed Staffed Residential Administrative Rate Table

ISS Hour Range		Administrative Rate Non-MSA County	Administrative Rate MSA County	Administrative Rate King County
At least	But less than			
0.00	0.50	\$10.41	\$10.62	\$11.38
0.50	1.00	\$12.94	\$13.19	\$14.14
1.00	1.50	\$15.49	\$15.79	\$16.93
1.50	2.00	\$17.76	\$18.11	\$19.42
2.00	2.50	\$20.08	\$20.49	\$21.96
2.50	3.00	\$22.64	\$23.10	\$24.77
3.00	3.50	\$25.21	\$25.70	\$27.56
3.50	4.00	\$27.63	\$28.17	\$30.20
4.00	4.50	\$29.74	\$30.33	\$32.51
4.50	5.00	\$31.59	\$32.20	\$34.50
5.00	5.50	\$33.16	\$33.80	\$36.24
5.50	6.00	\$34.50	\$35.17	\$37.69
6.00	6.50	\$35.62	\$36.32	\$38.92
6.50	7.00	\$36.55	\$37.26	\$39.93
7.00	7.50	\$37.28	\$38.01	\$40.75
7.50	8.00	\$37.86	\$38.61	\$41.37
8.00	8.50	\$38.29	\$39.04	\$41.82
8.50	9.00	\$38.67	\$39.43	\$42.24
9.00	9.50	\$38.94	\$39.70	\$42.53
9.50	10.00	\$39.16	\$39.93	\$42.76
10.00	10.50	\$39.35	\$40.12	\$42.97
10.50	11.00	\$39.53	\$40.30	\$43.18
11.00	11.50	\$39.69	\$40.47	\$43.35
11.50	12.00	\$39.87	\$40.64	\$43.53
12.00	12.50	\$40.07	\$40.85	\$43.75
12.50	13.00	\$40.26	\$41.04	\$43.97
13.00	13.50	\$40.47	\$41.27	\$44.22
13.50	14.00	\$40.68	\$41.47	\$44.44
14.00	14.50	\$40.87	\$41.68	\$44.64
14.50	15.00	\$41.05	\$41.86	\$44.84
15.00	15.50	\$41.36	\$42.17	\$45.17
15.50	16.00	\$41.60	\$42.41	\$45.46
16.00	16.50	\$41.86	\$42.69	\$45.74
16.50	17.00	\$42.27	\$43.10	\$46.19
17.00	17.50	\$42.91	\$43.75	\$46.88

Attachment A
 Licensed Staffed Residential Administrative Rate Table

ISS Hour Range		Administrative Rate <i>Non-MSA County</i>	Administrative Rate <i>MSA County</i>	Administrative Rate <i>King County</i>
At least	But less than			
17.50	18.00	\$43.55	\$44.40	\$47.58
18.00	18.50	\$44.19	\$45.04	\$48.28
18.50	19.00	\$44.83	\$45.72	\$49.01
19.00	19.50	\$45.54	\$46.42	\$49.75
19.50	20.00	\$46.26	\$47.17	\$50.54
20.00	20.50	\$46.97	\$47.89	\$51.31
20.50	21.00	\$47.65	\$48.59	\$52.04
21.00	21.50	\$48.32	\$49.26	\$52.75
21.50	22.00	\$48.95	\$49.92	\$53.45
22.00	22.50	\$49.58	\$50.54	\$54.14
22.50	23.00	\$50.17	\$51.15	\$54.82
23.00	23.50	\$50.77	\$51.77	\$55.47
23.50	24.00	\$51.36	\$52.37	\$56.09
24.00	24.50	\$51.93	\$52.95	\$56.69
24.50	25.00	\$52.47	\$53.49	\$57.27
25.00	& over	\$52.99	\$54.04	\$57.83