

1915(i) Home and Community Based Services (HCBS) State Plan Services

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES Home and Community Based Services (HCBS) Adult Day Health Care (ADHC)

Reimbursement Methodology for Adult Day Health Care (ADHC) Services provided by a non-governmental entity and governmental entities who do not undergo the Medicaid cost identification and reporting procedures:

Prior to the beginning of each rate year, each of the governmental providers providing ADHC services must select one of the reimbursement methodologies described below for reimbursement. For example, by April 30, 2013, governmental providers must select a methodology for the rate year beginning July 1, 2013. Once a selected methodology is determined for a rate year, governmental providers will not be able to change the selected methodology until the following rate year.

The Agency's rates were set as of ~~January 1, 2006~~ July 1, 2017 and are effective for services on or after ~~January 1, 2006~~ July 1, 2017. All rates are published on the Agency's website at www.dhcfp.nv.gov.

The billable unit of service for ADHC is one unit per 15 minutes or the daily rate.

- If services are authorized and provided for less than six hours per day, provider should bill one unit for each 15 minutes;
- If services are authorized and provided for six hours or more per day, provider should bill the per diem rate.

Rate Methodology:

The rate is market based. This model is developed to reflect service definitions, provider requirements, operational service delivery and administrative considerations. The following elements are used to determine the rate:

- Wage information is taken from the Bureau of Labor Statistics (BLS). The wage is based on similar occupations reported by BLS and identified by Medicaid staff as comparable to ADHC services.
- Employee related expenses (ERE) percentage of 27% was based on input from the Task Force members and Medicaid Staff. It includes paid vacation, paid sick leave, holiday pay, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.
- Productivity adjustment factor which accounts for the amount of non-billable time spent by staff. This includes the time staff needs to complete required documentation and record keeping, time associated with missed appointments and average travel time by the provider.
- Administrative overhead, 10%, is the percentage of service cost that should result from non-direct care activities. It includes insurance, administrative staff, operations and management activities and office supplies. Capital and related expenses is not included. It also does not include staff training.

SRV REF: Attachment 3.1 – G, Page 30 – 30a

TN No. ~~11-01617-016~~

Approval Date: ~~April 1, 2013~~ Effective Date: ~~January 1, 2012~~ July 1, 2017

Supersedes

TN No. ~~07-00311-016~~