

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF MEDICAID AND MEDICAL ASSISTANCE
Statutory Authority: 31 Delaware Code, Section 512 (31 Del.C. §512)

GENERAL NOTICE

PUBLIC NOTICE

**Targeted Case Management for Individuals with Intellectual and Developmental Disabilities Meeting Delaware
DDDS Criteria Living in Their Own Home or the Family Home**

Delaware Health and Social Services (DHSS)/Division of Medicaid and Medical Assistance (DMMA) is providing a public notice related to changes to the reimbursement methodology for Targeted Case Management for *Individuals Who Meet Delaware DDDS Eligibility Criteria Living in their Own Home or their family's home*.

Purpose

The purpose of this posting is to provide public notice and receive public input for consideration regarding a proposed change to the reimbursement methodology for Targeted Case Management for *Individuals Who Meet Delaware DDDS Eligibility Criteria Living in their Own Home or their family's home*.

Overview

Delaware added Targeted Case Management (TCM) for individuals with intellectual and developmental disabilities, autism or Prader-Willi Syndrome who were determined to meet the DDDS eligibility criteria at 16 DE Admin. Code 2100 *Division of Developmental Disabilities Services (DDDS) Eligibility Criteria*. Delaware added two distinct target groups of individuals meeting Delaware DDDS eligibility criteria: individuals living in their home or family home and individuals authorized to receive Residential Habilitation. Since that time Delaware has established TCM rates for five years using the methodology approved by CMS in 2017. Because TCM was a new Medicaid service at that time, the initial rates were established based largely on budgeted cost data and assumptions of Medicaid eligibility and service utilization. The currently approved methodology uses a carry forward adjustment to compensate for differences between estimated and actual costs from the prior period used in the TCM rate calculation. The carry forward adjustment, combined with changes to the service delivery model that have been implemented over time, have resulted in wide swings in the annual TCM rates, despite the actual allowable cost per unit of service being relatively stable after the initial startup phase. These swings make the rates unpredictable and are likely to discourage current and prospective providers from doing business with Delaware Medicaid as a provider of Targeted Case Management. The current reimbursement method relies on prior year costs and limits the state's ability to incorporate demographic, programmatic and policy changes that impact program costs as they occur. To that end, Delaware proposes to replace the retrospective rate structure using the carry forward adjustment with a prospective negotiated rate structure.

The anticipated fiscal note related to this proposed change is \$0, as this change is not expected to increase or decrease the annual aggregate expenditures for TCM but, rather, will smooth out the rates from year to year.

Proposed Changes to the Reimbursement Methodology

Under this proposed methodology, each provider shall negotiate a rate with DDDS based on allowable, appropriately allocated costs from financial records in accordance with the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance). Each negotiated rate is for five years, with annual adjustments for inflation based on the CMS Market Basket Inflation Index for each fiscal year beginning on July 1. If mutually agreeable, changes in the established rate may be made during the five years in the event of unforeseen policy changes that cause an increase in program costs that exceed 5%.

Under the proposed methodology, in developing the rate per unit of service, allowable costs that may be included in the negotiated rate will continue to include the following cost categories:

- Salaries
- Employment Related Expenses
- Program Related Expenses
- Program Transportation Expenses (not to include transportation of consumers)
- General and Administrative Expenses

The current TCM SPA language limits General and Administrative cost to 12%. Under the proposed methodology, General and Administrative cost will be either: the provider's federally approved indirect cost rate (ICR), if one exists, the 10% de minimus rate applied to Modified Total Direct Cost (MTDC) or an overhead rate negotiated with the provider that must be supported with documentation.

The total allowable costs, including General and Administrative expenses, are then divided by 90% of the total number

of units of service to compute a reimbursement rate. The results of applying the utilization rate to the total allowable costs creates the basis for the negotiated unit rate. At this point, other factors that may affect the rate can be negotiated between the DDDS and the vendor as needed.

Once all costs are determined and the 90% utilization rate has been applied, results from a statistically valid time study are applied to determine the proportion of total costs that represent targeted case management, administrative case management, state funded and unallowable costs.

Providers will still be required to submit cost reports to enable DDDS to monitor trends and changes and to complete a time study as specified by the State.

Public Comment Submission Process

In accordance with the federal public notice requirements established at Section 1902(a)(13)(A) of the Social Security Act and 42 CFR 447.205 and the state public notice requirements of Title 29, Chapter 101 of the Delaware Code, Delaware Health and Social Services (DHSS)/Division of Medicaid and Medical Assistance (DMMA) gives public notice and provides an open comment period to allow all stakeholders an opportunity to provide input on the proposed changes to the reimbursement methodology for Targeted Case Management for individuals who meet Delaware DDDS eligibility criteria and live in their own home or their family's home. The comment period ends on October 31, 2021.

Comments and input may be submitted in the following ways:

By email: Nicole.M.Cunningham@delaware.gov
By fax: 302-255-4413 to the attention of Nicole Cunningham
By mail: Nicole Cunningham
Division of Medicaid and Medical Assistance
Planning and Policy Unit
1901 North DuPont Highway
P.O. Box 906
New Castle, Delaware 19720-0906

This notice shall appear for one (1) day only. Please identify in the subject line: TCM Reimbursement Methodology.

Stephen M. Groff
Director
Division of Medicaid and Medical Assistance

9/16/2021 | 4:09 AM EDT
Date

25 DE Reg. 422 (10/01/21) (Gen. Notice)