

DEVELOPMENTAL DISABILITIES ADMINISTRATION
Olympia, Washington

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

AUTHORITY [Title 71A RCW](#) *Developmental Disabilities*
[Chapter 388-826 WAC](#) *Out-of-Home 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 out-of-home services in a children's staffed residential home (SRH) under Chapter 388-826 WAC.

SCOPE

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

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 [Chapter 388-823 WAC](#); and
2. Authorized by DDA to receive out-of-home services under [Chapter 388-826 WAC](#).

Consultant means a person who provides support in a particular area of expertise.

Contract means a contract between the Department and a staffed residential home providing out-of-home services under [Chapter 388-826 WAC](#).

Cost-of-care adjustment or **COCA** 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 or Social Service Specialist who is the liaison with the client.

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

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.

Residential habilitation means services [that assist a client to learn, improve, or retain social and adaptive skills necessary for living in the community](#).

Single-person household means a home where a client is not currently sharing a household or support hours.

Staff add-on means a staffing increase above the individual instruction and support (ISS) hours identified in the direct service hours portion of the rate assessment, allowing a contractor to increase the ISS hours provided to a specific client for a specific timeframe.

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

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

OHS resource manager means the person who establishes rates, monitors contract compliance, and is the liaison with the SRH provider.

POLICY

- A. Residential services support individuals to live in and contribute to their community.
- B. Rates are payments for costs that are necessary, customary, and related to the provision of residential habilitation services under [Chapter 388-826 WAC](#) and the residential services contract.
- C. Rates are set prospectively in accordance with state legislative appropriation.
- D. The contract governs 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 SRH 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 SRH 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 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, activity 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.** 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 OHS resource manager outlining a description of the incident, staffing ratios, and repair costs for consideration. The request must be submitted to the OHS resource manager no more than 30 days after the incident date.
3. **Community Inclusion Funds.** 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. Community inclusion funds must be used for person-centered and age-appropriate activities in the child’s local community.
 4. **Consultants.** Consultant means a person who provides support and training to agency staff in a particular area of expertise. The consultant assists a client’s SRH to implement skills and techniques that will ultimately assist in the client’s support planning. Consultation is not a one-on-one service with the client. 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.
 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. Rates are published on the Office of Rates Management’s website under [Developmental Disabilities Rates](#). Note that all rates are subject to legislative appropriations.
 - a. **Direct Care Staff.** The OHS 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 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 150 percent of the established ISS benchmark rate. Program manager hours are divided among the total number of clients supported by the provider throughout the sub-region up to three homes. When the program manager oversees more than three homes throughout one sub-region, an additional program manager may be added. Program manager typically meets DCYF licensing department case management requirements under [WAC 110-145-1440](#).
 - d. **ISS Hours.** The ISS hours are paid by the hour at the benchmark rates, which are legislatively established by urban designation (MSA, Non-MSA, and King) of the client’s residence.
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 (DCYF).

Monthly Living Expenses				
	King	Snohomish	MSA County	Non-MSA County
Rent	Up to \$1,000/client	Up to \$1,000/client	Up to \$900/client	Up to \$700/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 Assessment**

1. The CRM must complete the DDA assessment with the client at least annually.
2. The DDA person-centered service plan (PCSP) is developed by the client, family, the CRM, the SRH 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 OHS 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** — OHS Resource Manager and SRH Provider

1. The OHS 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 OHS resource manager reviews the DDA assessment to familiarize themselves with the client's support needs and goals. The OHS resource manager must assess shared hours to ensure the health and safety needs of the household are being met. The OHS resource manager must also review the previous rate assessment if applicable.
3. The SRH provider must review the DDA 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 DCYF.
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 administrative rate table uses a client's ISS hours to determine the administrative rate the provider will receive.
7. Any client assessed by the OHS resource manager as needing a single-person household requires an exception to policy, which is approved by the Children's Residential Program Manager.
8. The OHS resource manager must request an exception to rule if the rate for a waiver participant exceeds \$1,100 per day per [WAC 388-845-0110](#).

C. **Staffed Residential Home Rate Assessment Process** — Resource Manager

1. The OHS resource manager must complete [DSHS 10-326](#), *Staffed Residential Home Rate Assessment*, and submit it for review and processing. This rate assessment determines the final rate paid to the SRH provider.
2. The OHS resource manager must 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 in the Office of Rates Management, Resource Management, and SRH Provider

1. The OHS resource manager must submit the rate assessment form to the regional OHS Coordinator for review and approval.
2. The regional OHS Coordinator or designee must submit 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 must update 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 OHS 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 for clients moving from one home to another.
6. The MSD Rate Analyst must create 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 OHS resource manager must verify information in Exhibit B is accurate.
8. The OHS resource manager must distribute Exhibit B and gather signatures from the client’s SRH provider and regional DDA representative with contract signing

authority. The SRH 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 SRH Provider**

1. The CRM must verify the specialized rate and basic expense authorizations in ProviderOne matches the rate in the rate assessment form and notifies the OHS Coordinator for rate errors.
2. The SRH provider will claim their units via ProviderOne. ProviderOne allows an SRH provider to claim for services on any day of the month. ProviderOne will generate an electronic remittance advice on each Friday. SRH providers may bill on any day that meets their payroll needs.

F. **Provision of Services**

1. The SRH provider must deliver residential habilitation services in accordance with chapter 388-826 WAC.
2. The SRH provider must fulfill all components identified in the rate assessment form.
3. The SRH 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 (COCAs)**

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.

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 the residential habilitation services from their provider; or
 - c. A client has a short-term need for increased staffing above and beyond the individual instruction and support hours identified in the direct service hours portion of the rate assessment.
2. Staff add-on requires approval before implementation. Once an add-on is funded, the OHS resource manager and SRH provider must begin work immediately to evaluate ongoing need.
3. Before adding staff, the SRH provider must submit form [DSHS 15-379](#), *Staff Add-On Request for Client Specific Need*. The SRH 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. A staff add-on may be approved for a maximum of ninety days.
4. In emergency situations, verbal approval may be given by the OHS resource manager or OHS Coordinator. The SRH provider must submit the written request within five working days of the verbal approval. The SRH provider must document the emergency approval on the written request. The OHS resource manager must respond within two working days of receipt of the request. If an emergency arises during non-business hours, the SRH provider may implement the additional hours needed to address the emergent client supports.
5. The SRH 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 published on the Office of Rates Management's website under [Developmental Disabilities Rates](#). Note that all rates are subject to legislative appropriations.

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 SRH provider will submit a written request to the Children's Residential Services Program Manager that includes a description of the reasons and associated cost. Final approval is provided by the Children's Residential Services Program Manager. DDA approval is required before the use of client transition funds.
3. DDA may reimburse the SRH provider at \$40.00 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 SRH providers for certain costs associated with legislatively mandated training.
2. DDA will reimburse the SRH 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 provide nurse delegation tasks under [WAC 246-840-930](#). For the rates the provider will be paid for ISS staff completing the Nurse Delegation Core Training see [All DDA Rates](#).

K. Mandated Training per RCW 74.39A

1. Upon completion of the required five-hour Safety and Orientation and 40-hour Residential Core Basic Training, SRH providers 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 SRH 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 hours per day per employee] X [urban designation multiplier] = \$ 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 SRH provider 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 SRH provider 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 SRH provider 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 SRH 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 SRH provider must accept the reimbursement rate established by DDA as full compensation for all services under the contract. The SRH 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 overpayment or underpayment, the SRH provider, OHS resource manager, and DDA Rates Unit will work to identify and resolve the discrepancies.

