



Seniors & People with Disabilities

Office of Home and Community Supports

Subject: Adults with Developmental Disabilities
September 2004 Revision #2 Updated Rate Policy and Ranges for Support Services

Date: August 16, 2004

Background

Oregon Administrative Rule 411-340-0130 (3) (C) (A) Support Services for Adults with Developmental Disabilities requires that the department publish and periodically update written guidelines identifying local and customary costs of services. These guidelines identified as approved rate ranges are designed to:

- (a) Support informed decision-making by brokerage customers and families;
- (b) Assure the availability of qualified individuals and organizations providing efficient and cost effective services to individuals with developmental disabilities; and,
- (c) Provide a tool to assist in the construction of individualized budgets.

Rate ranges are based upon a statewide review of costs among Department of Human Services units including Seniors and People with Disabilities, the Office of Vocational Rehabilitation Services, Children and Family Services and the Oregon Health Plan. These rate ranges apply only for the purchase of support services for adults with developmental disabilities covered under OAR Division 411, Chapter 340. They do not apply to the costing of comprehensive services or to higher rates for services that may be approved by the Office of Vocational Rehabilitation or others.

Application of Rate Ranges

The Support Services for Adults with Developmental Disabilities Oregon Administrative Rule identifies three types of providers meeting the needs of Brokerage customers; a) a

General Business Provider, b) an independent provider who may be an employee of a service recipient/family or a bona fide independent contractor; or c) Provider Organization. The identified Rate Ranges apply to all types of providers. Specific rate ranges are identified for service recipient/family employees, independent contractors and Provider Organizations. A “General Business Provider” is expected to be available for only a limited number of services also used by the general public. For that reason, specific rate ranges were not specifically identified. Instead, these rates are to be based on the usual and customary charges to the public at large. The approved rate for a “General Business provider” may not exceed that paid to a provider organization for the same service.

Rate Ranges have not been established for non-medical transportation due to the great variation in approach and cost.

Establishment of An Approved Rate

1. Use of the Ranges. Brokerages are expected to utilize providers within identified rate ranges in all but extraordinary situations, tied directly to the needs and plans of an individual receiving Support Services. Rate Ranges are intended to support applicable laws, administrative rule requirements, and usual and customary charges. No rate or wage is expected to be below the minimum Rate Range unless justified by a reason consistent with state and federal labor law. Approval above the maximum of a range is done on an exception basis as defined in this bulletin.
2. Establishment of Rates. All approved providers used by customers of the Brokerage will establish a rate for the provision of defined services and support as part of the process of certification and selection. Both Provider Organizations and bona fide independent contractors must establish rates based upon their identified costs in adherence with relevant state and federal regulations. The DHS published **Rate Setting and the Purchase of Self-Directed Support Services from State Licensed or Certified Provider Organizations** remains available to assist in the process or rate setting at:
http://www.dhs.state.or.us/disabilities/staff_provider_tools/rate_manual/home.htm
Some highlighted rate setting expectations are included in this Policy Transmittal to support a clear communication of expectations.
 - a. Billing and payment is based upon direct service delivered. This means that unless otherwise specified in service definitions payment is only made for “face to face” time with a customer. The established rate range allows for the inclusion of indirect costs for activities necessary to deliver the service.
 - b. Established Units of Service Identified rate ranges are based upon the most commonly used units of service i.e., an hour of staff time or a day (5 or more hours) of service. To ease administrative requirements, tracking and billing is

required at the level of one-half the chosen unit of service (1/2 hour or day) and not upon smaller units.

3. Brokerage Review and Documentation of Rates.

- a. The local Brokerage will review all the rates identified by provider organizations or independent contractors to assure that they fall within approved ranges for the service or supports to be provided.
- b. Brokerages will maintain in the provider file information on a provider's, services, rates, and other information gathered to assist in customer choice.

4. Independent Contractor and Provider Organization Documentation. All bona fide independent contractors and Provider Organizations must maintain documentation to support and justify rate-setting decisions in order to address the inquiries of potential customers or respond to a state or federal audit.

5. Selection of Cost Effective Supports. The provider process of establishing rates and the customer selection of local providers shall be based upon the delivery of the most cost effective supports.

Rate Exception Process

1. Individual Exceptions Allowed. A Brokerage may in an extraordinary situation to negotiate an individual plan based upon a rate that exceeds published guidelines. No blanket rate exceptions for a provider or independent contractor will be allowed.

2. Criteria For Exception. Exceptions may be granted by the Brokerage only when the support needs of an individual cannot be addressed within the existing ranges and no alternative exists. Rate exceptions will not be granted for customer absenteeism or other issues that are more appropriately addressed by clarification of contract expectations, changes in plan content, or change in providers.

3. Documentation and Monitoring of An Exception. The Brokerage will document the approval and justification for exception on the submitted ISP and individual budget. All plans will be monitored for continued need and cost effectiveness.

4. Exception for Absenteeism Not Allowed

Review and Utilization of the Rate Range

The Rate Range Chart is designed as a tool for use by customers, brokerages, and providers to support effective communication and informed decision making. Informed

customers will choose providers based upon criteria important to them, including, but not limited to, provider experience, customer comfort, control and cost.

The following information may assist in helping all stakeholders use this tool throughout the process from rate setting to contract negotiation and customer satisfaction.

Cat or Category and Shaded Service Descriptions. These Are federally approved support services funded under Oregon’s waiver. These service titles, if prioritized by a customer, will be clearly identified within the final ISP.

Non Shaded Service Descriptions. The definitions are intended to assist: (a) providers in the development of marketing materials, and (b) customers and PAs in the development and negotiation of individual service agreements and budgets based on desired outcomes.

Types of Providers-Reasons For Rate Ranges and Customer Selection. All providers used by Brokerage customers must be qualified in the delivery of identified services from the first day of operation. The 3 types of providers do have differences that justify the variations in rate ranges and influence customer decision-making.

1. Individual or Business Co-Worker Employed By the Family. This is a person selected by the customer to provide identified supports paid for with support service or other funds. Persons in this category do not generally serve more than one person supported by the Brokerage. Individuals are employees of the customer, or remain employees of the business, and rate ranges are based upon hourly wages.

Please Note: The use or payment of business co-workers for supported employment requires compliance and documentation of specific conditions. These procedures are outlined in a separate document.

Reasons a customer may choose an individual or co-worker:

- ✓ They know and work well with the customer.
- ✓ They understand the employment expectations of the business
- ✓ They can meet the schedule and other expectations of the customer.
- ✓ Cost

2. Independent Contractor or Independent Provider. An individual in the business of providing services and supports to persons with disabilities or other citizens, who does so without the use of employees, contractors, or volunteers. Independent contractors must meet expectations defined in federal and state law.

Reasons a customer may choose an independent provider:

- ✓ Flexibility or individualization of supports
- ✓ Expertise
- ✓ Administrative ease
- ✓ Cost

3. Provider Organization. An organization in business to support individuals with disabilities using employees, contractors, and or volunteers. Provider organizations must be licensed or certified by SPD. A provider organization may serve multiple customers of a Brokerage, as well as individuals in comprehensive services.

Reasons a customer may choose a provider organization

- ✓ Access to multiple options
- ✓ Range of expertise
- ✓ Stability of organization including staff backup
- ✓ Community presence and recourse to resolve grievances
- ✓ Quality assurance