



## TEXAS HEALTH AND HUMAN SERVICES COMMISSION

ALBERT HAWKINS  
EXECUTIVE COMMISSIONER

May 16, 2008

Mr. Bill Brooks  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Department of Health and Human Services  
Centers for Medicare & Medicaid Services  
1301 Young Street, Room 714  
Dallas, Texas 75202

Subject: Amendment # 14 to the Texas Home and Community-Based Services (HCS)  
1915(c) Waiver (0110.90.R3)

Dear Mr. Brooks:

The Health and Human Services Commission (HHSC) is requesting approval from the Centers for Medicare and Medicaid Services (CMS) on the enclosed amendment to the Home and Community-based Services waiver program (0110.90.R3). The current 1915(c) waiver is approved from September 1, 2003, to August 31, 2008. HHSC is requesting an effective date of October 15, 2007, for this amendment.

You will note that this effective date for this amendment (October 15, 2007) pre-dates the effective date for amendment # 13 (February 1, 2008). A data error resulted in an undercount of 37 new placements for individuals in target group F, individuals who moved from an institution as result of a closure. This amendment will add the 37 placements, provide cost neutrality calculations for amendment # 14, and revise the cost neutrality calculations for amendment # 13. We apologize for the confusion that may ensue.

This amendment is necessary to revise the reserved capacity for the target groups specified in section 4 (d) of the waiver as follows:

1. Revise the number of placements reserved for individuals in target group F (page 3) by adding 37 new placements for individuals currently residing in an institutional

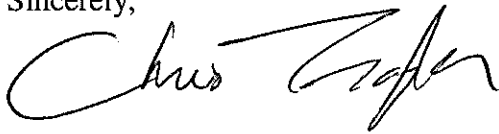
Bill Brooks  
May 16, 2008  
Page 2

community-based program scheduled for closure. With this amendment, the total placements reserved for this target group is 422.

2. Revise the cost neutrality calculations (Appendix G for amendment # 14) to reflect the additional capacity as outlined above.
3. Revise Appendix G for amendment #13 to include this additional capacity. Amendment #13 has an effective date of February 1, 2008. As the State is requesting to increase waiver capacity with an effective date prior to the effective date for amendment # 13, Appendix G for amendment 13 has been revised.
4. Adjust the number of placements targeted for groups described in items A-C, E and G (page 3). These adjustments correspond to the reassignment of placements in one target group for use by individuals in another target group to accurately reflect the allocation of placements across all target groups. These adjustments do not impact the cost neutrality calculations.

Please let me know if you have any questions or need additional information. Betsy Johnson, Policy Analyst in the Medicaid and CHIP Division, serves as the lead staff on this matter and can be reached at (512) 491-1199 or by e-mail at [betsy.johnson@hhsc.state.tx.us](mailto:betsy.johnson@hhsc.state.tx.us).

Sincerely,



Chris Traylor  
State Medicaid Director

Enclosures

cc: Suzette Seng, CMS, Dallas  
Ford Blunt, CMS, Dallas

**Home and Community-Based Services Program (0110.90.R3)**  
**State of Texas**  
**Amendment Fourteen**  
**Page Changes**

**Amendment # 14 - General Description of Waiver Program** Page 3

**Amendment # 14 - Appendix G: Financial Documentation** *(effective 10/15/2007)*

Appendix G - 1 Composite Overview Pages 85-86

Appendix G -2 Factor D Page 92

Appendix G - 8 Demonstration of Cost Neutrality Pages 104-105  
Pages 111

Appendix G - Phase-In Schedule Pages 116

**Amendment # 13 - Revised Appendix G: Financial Documentation** *(effective 2/1/2008)*

Appendix G-1 Composite Overview Pages 85-86

Appendix G-2 Factor D Page 92

Appendix G- 8 Demonstration of Cost Neutrality Pages 104-105  
Pages 111

- A. Individuals registered as waiting for waiver services in the service area of a Mental Retardation Authority. **5605** waiver placements are reserved for this target group.
- B. Individuals currently served in a community-based program operated by or under contract with a Mental Retardation Authority contracted with the Texas Department of Aging and Disability Services. **1775** waiver placements are reserved for this target group.
- C. Individuals currently served by a state school or campus-based unit of a state center who are recommended for alternative community-based services. **788** waiver placements are reserved for this target group.
- D. Individuals who have chosen waiver services at the time of their discharge from a Multiple Disability Unit of a state hospital operated by the Texas Department of State Health Services. A vacancy resulting from the discharge of an individual in this target group may be filled only by a member of this target group. **679** waiver placements are reserved for this target group.
- E. Individuals currently served in large community-based ICF-MR programs who request waiver services under the state's comprehensive plan to assist persons choosing to live in less restrictive community-based settings. **858** waiver placements are reserved for this target group.
- F. Individuals receiving services in an institutional community-based program that is scheduled for closure or who occupy an out-of-state ICF-MR placement for which the State will discontinue funding. **422** waiver placements are reserved for members of this target group.
- G. Individuals who have been determined by the state to have mental retardation or a related condition, to need specialized services, and to be inappropriately placed in a Medicaid certified nursing facility based on a resident review conducted in accordance with state law. **105** waiver placements have been reserved for members of this target group.

APPENDIX G - FINANCIAL DOCUMENTATION

APPENDIX G-1 COMPOSITE OVERVIEW  
COST NEUTRALITY FORMULA

INSTRUCTIONS: Complete one copy of this Appendix for each level of care in the waiver. If there is more than one level (e.g., hospital and nursing facility), complete an Appendix reflecting the weighted average of each formula value and the total number of unduplicated individuals served.

LEVEL OF CARE:		<u>ICF-MR I and VIII</u>		
YEAR	FACTOR D	FACTOR D'	FACTOR G	FACTOR G'
1	<u>\$36,905.12</u>	<u>\$10,064.02</u>	<u>\$56,446.31</u>	<u>\$6,627.58</u>
2	<u>\$37,632.34</u>	<u>\$10,265.98</u>	<u>\$57,579.00</u>	<u>\$6,760.58</u>
3	<u>\$ 39,668.30</u>	<u>\$ 7,729.27</u>	<u>\$58,809.27</u>	<u>\$5,773.20</u>
4	<u>\$ 40,204.88</u>	<u>\$ 7,558.02</u>	<u>\$60,116.79</u>	<u>\$ 5,861.63</u>
5	<u>\$ 40,804.79</u>	<u>\$ 7,865.04</u>	<u>\$61,541.56</u>	<u>\$ 6,000.55</u>

e

YEAR	UNDUPLICATED INDIVIDUALS
1	9,346
2	9,823
3	11,493
4	13,138
5	<b>14,933</b>

EXPLANATION OF FACTOR C:

Check one:

\_\_\_\_\_ The State will make waiver services available to individuals in the target group up to the number indicated as Factor C for the waiver year.

  X  \_\_\_\_\_ The State will make waiver services available to individuals in the target group up to the lesser of the number of individuals indicated as Factor C for the waiver year, or the number authorized by the State Legislature for that time period.

\_\_\_\_\_ The State will inform HCFA in writing of any limit which is less than Factor C for that waiver year.

**APPENDIX G-2**

**FACTOR D**

**LOC: I and VIII**

Demonstration of Factor D estimates:

YEAR 5

Waiver Service Component Column A	#Undup Recip. Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	TOTAL
1. Day Habilitation, per day				
Intermittent	3,495	154	\$ 18.47	\$ 9,941,108.10
Limited	5,369	171	\$ 23.10	\$ 21,208,086.90
Extensive	2,188	153	\$ 30.79	\$ 10,307,383.56
Pervasive	1,052	156	\$ 46.18	\$ 7,578,692.16
Pervasive +	118	160	\$ 184.75	\$ 3,488,080.00
2. Residential Assistance, per day				
A. Residential Support				
Intermittent	432	249	\$ 87.97	\$ 9,462,756.96
Limited	1,627	279	\$ 96.52	\$ 43,813,613.16
Extensive	1,052	274	\$ 108.77	\$ 31,352,734.96
Pervasive	628	276	\$ 129.56	\$ 22,456,375.68
Pervasive +	110	239	\$ 211.72	\$ 5,566,118.80
B. Supervised Living, per day				
Intermittent	1,246	294	\$ 87.97	\$ 32,225,522.28
Limited	1,954	285	\$ 96.52	\$ 53,751,022.80
Extensive	835	289	\$ 108.77	\$ 26,247,832.55
Pervasive	344	273	\$ 129.56	\$ 12,167,238.72
Pervasive +	11	231	\$ 211.72	\$ 537,980.52
C. Foster Care, per day				
Intermittent	1,079	265	\$ 44.79	\$ 12,807,028.65
Limited	1,731	269	\$ 48.25	\$ 22,467,081.75
Extensive	443	257	\$ 65.60	\$ 7,468,625.60
Pervasive	284	282	\$ 89.88	\$ 7,198,309.44
Pervasive +	21	209	\$ 117.62	\$ 516,234.18
D. Supported Home Living, per hour	4,663	523	\$ 17.75	\$ 43,287,794.75
3. Respite, per hour	1,498	138	\$ 9.74	\$ 2,013,491.76
4. Supported Employment, per hour	843	41	\$ 23.52	\$ 812,921.76
5. Case Management, per month	14,933	11	\$ 1,160.40	\$ 190,610,785.20
6. Counseling Therapies, per hour				
A. Psychology	3,541	6	\$ 77.58	\$ 1,648,264.68
B. Physical Therapy	448	11	\$ 74.12	\$ 365,263.36
C. Occupational Therapy	432	8	\$ 74.12	\$ 256,158.72
D. Speech/Language Pathology	583	17	\$ 74.12	\$ 734,603.32
E. Audiology	72	1	\$ 74.12	\$ 5,336.64
F. Social Work	166	8	\$ 50.48	\$ 67,037.44
G. Dietary	1,664	2	\$ 49.70	\$ 165,401.60
7. Nursing, per hour	14,436	12	\$ 58.69	\$ 10,166,986.08
8. Adaptive Aids, per item	1,579	8	\$ 59.03	\$ 745,666.96
9. Dental, per visit	8,323	2	\$ 213.43	\$ 3,552,755.78
10. Minor Home Modifications, per item	151	2	\$ 1,545.01	\$ 466,593.02
Extended State Plan: Prescriptions, per prescription	4,972	28	\$ 99.68	\$ 13,877,050.88
<b>GRAND TOTAL (sum of column E):</b>				<b>\$ 609,337,938.72</b>
<b>TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:</b>				<b>14,933</b>
<b>FACTOR D (Divide total by number of recipients):</b>				<b>\$ 40,804.79</b>
<b>AVERAGE LENGTH OF STAY:</b>		<b>341</b>		

APPENDIX - 8

DEMONSTRATION OF COST NEUTRALITY

Year 5

LOC: ICF-MR I and VIII

FACTOR	VALUE	FACTOR	VALUE
C	14,933		
D	\$40,808.98	D'	\$7,865.04
G	\$61,541.56	G'	\$6,000.55
C =	14,933		
D + D' =	\$48,674.02		
G + G' =	\$67,542.11		
	\$48,674.02	≤	\$67,542.11



COST FACTORS ADJUSTED FOR INFLATION

	ACTUAL WAIVER YEAR Five (9/02-8/03)	WAIVER RENEWAL YEAR ONE (9/03-8/04)	WAIVER RENEWAL YEAR TWO (9/04-8/05)	WAIVER RENEWAL YEAR THREE (9/05-8/06)	WAIVER RENEWAL YEAR FOUR (9/06-8/07)	WAIVER RENEWAL YEAR FIVE (9/07-8/08)
IPD-PCE		1.70	2.01	2.14	2.22	2.37
G FACTOR	\$55,504.58	\$56,446.31	\$57,579.00	\$58,809.27	\$60,116.79	\$61,541.56
D FACTOR	\$35,906.07	\$36,905.12	\$37,632.34	\$39,668.30	\$40,204.88	\$40,809.98
G* FACTOR *	\$6,517.01	\$6,627.58	\$6,760.58	\$5,773.20	\$5,861.63	\$6,000.55
D* FACTOR *	\$9,896.12	\$10,064.02	\$10,265.98	\$7,729.27	\$7,558.02	\$7,865.04

Calculation of D:				
Base Year:	Sept '05-Aug '06 Year 3	Sept '06-Aug '07 Year 4	Sept '07-Aug '08 Year 5	
inflation: IPD-Medical Care (2000= 100)	1.0296	1.0316	1.0316	
inflation: IPD-Drugs (2000= 100)	1.0392	1.0426	1.0426	
Value (Less drugs) \$	5,670.50			
Value ( 1st 3 drugs)	\$2,705.72			
length-of-stay (days)				
length-of-stay (months)	10.91	11.00	11.12	11.19
cost: D' less Drugs	\$519.75	\$35.13	\$52.04	\$69.48
per month: D' Drug	\$249.00	\$27.72	\$28.7	\$29.15
per month: Total D'	\$767.75	\$792.85	\$820.74	\$849.63
cost: D' less drugs	\$5,896.43	\$6,138.49	\$6,376.00	
annual cost: D' drugs	\$2,834.92	\$2,987.05	\$3,126.15	
Annual cost: total D'	\$8,376.15	\$8,721.35	\$9,126.34	\$9,511.21
Part D adjustment				
% of Population that is Medicare eligible	54.23%	54.23%	54.23%	
% of drugs covered under Part D	96.80%	96.80%	96.80%	
Net % reduction to acute care cost	52.49%	52.49%	52.49%	
Portion of year in effect	0.6667	1	1	
Adjusted D' (drugs)	\$ 1,842.84	\$ 1,419.53	\$ 1,489.98	
Adjusted D' (total)	\$ 7,729.27	\$ 7,558.02	\$ 7,865.04	
Calculation of G:				
inflation: IPD-Medical Care (2000= 100)	1.0296	1.0316	1.0316	
inflation: IPD-Drugs (2000= 100)	1.0392	1.0426	1.0426	
Value (Less drugs)				
G' value (drugs)				
total cost: Original G'	\$6,509.03	\$7,058.55	\$7,225.84	
G' Calculations Only				
% of Acute care costs-drug related	32.3%	32.3%	32.3%	
% of Population that is Medicare eligible	54.2%	54.23%	54.23%	
% of drugs covered under Part D	96.80%	96.80%	96.80%	
Net % reduction to acute care cost	16.96%	16.96%	16.96%	
Adjusted G' (Total)	\$ 5,773.20	\$ 5,861.63	\$ 6,000.55	

RENEWAL YEAR FIVE, 9/07-8/08  
 UTILIZATION BY SERVICE

<u>Service Area</u>	<u>Rates</u>	<u>Total Service Cost</u>	<u>Number of Individuals</u>	<u>Average Annual Units</u>	<u>Average Monthly Units</u>	<u>Client Utilization Rate</u>
Day Habilitation						
Intermittent	18.47	\$9,941,108.10	3,495	154	13	23.40%
Limited	23.10	\$21,208,086.90	5,369	171	15	35.95%
Extensive	30.79	\$10,307,383.56	2,188	153	13	14.65%
Pervasive	46.18	\$7,578,692.16	1,052	156	13	7.04%
Pervasive +	184.75	\$3,488,080.00	118	160	14	0.79%
Residential Assistance						
Residential Support						
Intermittent	87.97	\$9,462,756.96	432	249	21	2.89%
Limited	96.52	\$43,813,613.16	1,627	279	24	10.89%
Extensive	108.77	\$31,352,734.96	1,052	274	23	7.04%
Pervasive	129.56	\$22,456,375.68	628	276	23	4.20%
Pervasive +	211.72	\$5,566,118.80	110	239	20	0.73%
Supervised Living						
Intermittent	87.97	\$32,225,522.28	1,246	294	25	8.34%
Limited	96.52	\$53,751,022.80	1,954	285	24	13.08%
Extensive	108.77	\$26,247,832.55	835	289	25	5.59%
Pervasive	129.56	\$12,167,238.72	344	273	23	2.30%
Pervasive +	211.72	\$537,980.52	11	231	20	0.07%
Foster Care						
Intermittent	44.79	\$12,807,028.65	1,079	265	23	7.22%
Limited	48.25	\$22,467,081.75	1,731	269	23	11.59%
Extensive	65.60	\$7,468,625.60	443	257	22	2.96%
Pervasive	89.88	\$7,198,309.44	284	282	24	1.90%
Pervasive +	117.62	\$516,234.18	21	209	18	0.14%
Supported Home Living	17.75	\$43,287,794.75	4,663	523	44	31.22%
Respite	9.74	\$2,013,491.76	1,498	138	12	10.03%
Supported Employment	23.52	\$812,921.76	843	41	4	5.64%
Case Management	1,160.40	\$190,610,785.20	14,933	11	1	100.00%
Counseling/Therapies						
Psychology	77.58	\$1,648,264.68	3,541	6	1	23.71%
PT	74.12	\$365,263.36	448	11	1	3.00%
OT	74.12	\$256,158.72	432	8	1	2.89%
Speech	74.12	\$734,603.32	583	17	2	3.90%
Audiology	74.12	\$5,336.64	72	1	1	0.48%
Social Work	50.48	\$67,037.44	166	8	1	1.11%
Dietary	49.70	\$165,401.60	1,664	2	1	11.14%
Nursing	58.69	\$10,166,986.08	14,436	12	1	96.67%
Adaptive Aids	59.03	\$755,584.00	1,600	8		10.71%
Dental	213.43	\$3,599,283.52	8,432	2		56.46%
Minor Home Modifications	1,545.01	\$472,773.06	153	2		1.02%
Extended State Plan: Prescriptions	99.68	\$13,877,050.88	4,972	28	2	33.29%
Total Unduplicated						
<b>Total Expenditures</b>		<b>\$609,400,563.54</b>				
<b>Unduplicated Count</b>			<b>14,933</b>			
<b>Average Cost</b>		<b>\$40,808.98</b>				

Notes:

The rate for Case Management is monthly.

The rates for Day Habilitation, Residential Support, Supervised Living and Foster Care are daily.

All other rates are hourly.

The rates for Adaptive Aids and Minor Home Modifications are per item.

The rates for Dental are per visit.

The "rate" for Extended State Plan Prescriptions is the estimated cost per prescription.

RENEWAL YEAR FIVE

PHASE IN/PHASE OUT SCHEDULE

		MONTHS OF SERVICE												
		CARRYOVER	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08
	CARRYOVER	12,946	12,946	12,946	12,946	12,946	12,946	12,946	12,946	12,946	12,946	12,946	12,946	12,946
	EXITS		16	16	16	16	16	16	16	16	16	16	16	16
	TOTAL EXITS		16	32	48	64	80	96	112	128	144	160	176	192
MONTH OF ENTRY	Sep-07		162	16	16	16	16	16	16	16	16	16	16	16
	Oct-07			199	16	16	16	16	16	16	16	16	16	16
	Nov-07				162	16	16	16	16	16	16	16	16	16
	Dec-07					162	16	16	16	16	16	16	16	16
	Jan-08						162	16	16	16	16	16	16	16
	Feb-08							162	16	16	16	16	16	16
	Mar-08								163	16	16	16	16	16
	Apr-08									163	16	16	16	16
	May-08										163	16	16	16
	Jun-08											163	16	16
	Jul-08												163	16
	Aug-08													163
	TOTAL	12,946	13,092	13,275	13,421	13,567	13,713	13,859	14,006	14,153	14,300	14,447	14,594	14,741
	TOTAL MONTHS			167,168										
	TOTAL CARRYOVER		12,946											
	NEW UNDUP RECIPS			1,987										
	TOTAL UNDUP RECIPS (FACTOR C)			14,933										
	ALOS IN MONTHS			11.19										
	MULT BY 30.4			30.4										
	ALOS IN DAYS			340.31										
	ROUNDED ALOS			341										

APPENDIX G - FINANCIAL DOCUMENTATION

APPENDIX G-1 COMPOSITE OVERVIEW  
COST NEUTRALITY FORMULA

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EXPLANATION OF FACTOR C:

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APPENDIX G-2

FACTOR D  
LOC: I and VIII

Demonstration of Factor D estimates:

YEAR 5

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Limited	5,369	171	\$ 23.10	\$ 21,208,086.90
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Pervasive	284	282	\$ 89.88	\$ 7,198,309.44
Pervasive +	21	209	\$ 117.62	\$ 516,234.18
D. Supported Home Living, per hour	4,336	523	\$ 17.26	\$ 39,140,985.28
Supported Home Living-CDS	327	523	\$23.49	\$4,017,283.29
3. Respite, per hour	1,393	138	\$ 9.27	\$ 1,762,456.16
Respite - CDS	106	138	\$13.52	\$197,770.56
4. Supported Employment, per hour	830	41	\$ 23.52	\$ 800,385.60
5. Case Management (CM)	14,933	11	\$ 221.78	\$ 36,430,248.14
Monthly Admin Fee - Non-CDS	12,440	10	\$ 938.62	\$ 140,257,620.54
Monthly Admin Fee - CDS	327	1	\$ 528.62	\$ 172,858.74
6. Counseling Therapies, per hour				
A. Psychology	3,541	6	\$ 77.58	\$ 1,648,264.68
B. Physical Therapy	448	11	\$ 74.12	\$ 365,263.36
C. Occupational Therapy	432	8	\$ 74.12	\$ 256,158.72
D. Speech/Language Pathology	583	17	\$ 74.12	\$ 734,603.32
E. Audiology	72	1	\$ 74.12	\$ 5,336.64
F. Social Work	166	8	\$ 50.48	\$ 67,037.44
G. Dietary	1,664	2	\$ 49.70	\$ 165,401.60
7. Nursing, per hour	14,436	12	\$ 58.69	\$ 10,166,986.08
8. Adaptive Aids Per Item	1,579	8	\$ 59.03	\$ 745,666.96
9. Dental Per Visit	8,323	2	\$ 213.43	\$ 3,552,755.78
10. Minor Home Modifications Per Item	151	2	\$ 1,545.01	\$ 466,593.02
11. Extended State Plan: Prescriptions	4,972	28	\$ 99.68	\$ 13,877,050.88
12. Support Consultation per hour	327	16	\$ 15.37	\$80,415.84
13. Financial Management per month	327	8	\$ 110.00	\$287,760.00
GRAND TOTAL (sum of column E):				\$ 595,760,729.40
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				14,933
FACTOR D (Divide total by number of recipients):				\$ 39,895.58
AVERAGE LENGTH OF STAY:	341			

APPENDIX - 8

DEMONSTRATION OF COST NEUTRALITY

Year 5

LOC: ICF-MR I and VIII

FACTOR	VALUE	FACTOR	VALUE
C	14,933		
D	\$39,895.58	D'	\$7,865.04
G	\$61,541.56	G'	\$6,000.55
C =	14,933		
D + D' =	\$47,760.62		
G + G' =	\$67,542.11		
	\$47,760.62	≤	\$67,542.11

COST FACTORS ADJUSTED FOR INFLATION

	ACTUAL WAIVER YEAR Five (9/02-8/03)	WAIVER RENEWAL YEAR ONE (9/03-8/04)	WAIVER RENEWAL YEAR TWO (9/04-8/05)	WAIVER RENEWAL YEAR THREE (9/05-8/06)	WAIVER RENEWAL YEAR FOUR (9/06-8/07)	WAIVER RENEWAL YEAR FIVE (9/07-8/08)
IPD-PCE		1.70	2.01	2.14	2.22	2.37
G FACTOR	\$55,504.58	\$56,446.31	\$57,579.00	\$58,809.27	\$60,116.79	\$61,541.56
D FACTOR	\$35,906.07	\$36,905.12	\$37,632.34	\$39,668.30	\$40,204.88	\$39,895.58
G' FACTOR *	\$6,517.01	\$6,827.58	\$6,760.58	\$5,773.20	\$5,861.63	\$6,000.55
D' FACTOR *	\$9,896.12	\$10,064.02	\$10,265.98	\$7,729.27	\$7,559.02	\$7,865.04

	Base Year	Sept '05-Aug '06 Year 3	Sept '06-Aug '07 Year 4	Sept '07-Aug '08 Year 5
inflation: IPD-Medical Care (2000= 100)		1.0296	1.0316	1.0316
inflation: IPD-Drugs (2000= 100)		1.0392	1.0426	1.0426
value (Less drugs) \$	5,870.50			
value ( 1st 3 drugs)	\$2,705.72			
length-of-stay (days)				
length-of-stay (months)	10.91	11.00	11.12	11.19
length: D' less Drugs	\$519.75	\$35.13	\$52.04	\$69.48
per month: G' Drug	\$249.00	\$27.72	\$39.7	\$30.15
per month: Total D'	\$767.75	\$792.85	\$820.74	\$849.63
cost: D' less drugs		\$5,886.43	\$6,138.49	\$6,375.00
annual cost: D' drugs		\$2,834.02	\$2,987.85	\$3,138.15
Annual cost total D'	\$8,376.15	\$8,721.35	\$9,126.34	\$9,511.21
Part D adjustment				
% of Population that is Medicare eligible		54.23%	54.23%	54.23%
% of drugs covered under Part D		96.80%	96.80%	96.80%
Net % reduction to acute care cost		52.49%	52.49%	52.49%
Portion of year in effect		0.6667	1	1
Adjusted D' (drugs)	\$	1,642.84	\$ 1,419.53	\$ 1,489.88
Adjusted D' (total)	\$	7,729.27	\$ 7,559.02	\$ 7,865.04
Calculation of G:				
inflation: IPD-Medical Care (2000= 100)		1.0296	1.0316	1.0316
inflation: IPD-Drugs (2000= 100)		1.0392	1.0426	1.0426
value (Less drugs)				
G' value (drugs)				
cost: Original G'	\$6,500.03	\$7,058.55	\$7,225.84	
G' Calculation Only:				
% of Acute care costs-drug related		32.3%	32.3%	32.3%
% of Population that is Medicare eligible		54.2%	54.23%	54.23%
% of drugs covered under Part D		96.80%	96.80%	96.80%
Net % reduction to acute care cost		16.96%	16.96%	16.96%
Adjusted G' (Total)	\$	5,773.20	\$ 5,861.63	\$ 6,000.55



RENEWAL YEAR FIVE, 9/07-8/08  
 UTILIZATION BY SERVICE

<u>Service Area</u>	<u>Rates</u>	<u>Total Service Cost</u>	<u>Number of Individuals</u>	<u>Average Annual Units</u>	<u>Average Monthly Units</u>	<u>Client Utilization Rate</u>
<b>Day Habilitation</b>						
Intermittent	18.47	\$9,941,108.10	3,495	154	13	23.40%
Limited	23.10	\$21,208,086.90	5,369	171	15	35.95%
Extensive	30.79	\$10,307,383.56	2,188	153	13	14.65%
Pervasive	46.18	\$7,578,692.16	1,052	156	13	7.04%
Pervasive +	184.75	\$3,488,080.00	118	160	14	0.79%
<b>Residential Assistance</b>						
<b>Residential Support</b>						
Intermittent	87.97	\$9,462,756.96	432	249	183	2.89%
Limited	96.52	\$43,813,613.16	1,627	279	24	10.89%
Extensive	108.77	\$31,352,734.96	1,052	274	23	7.04%
Pervasive	129.56	\$22,456,375.68	628	276	23	4.20%
Pervasive +	211.72	\$5,566,118.80	110	239	20	0.73%
<b>Supervised Living</b>						
Intermittent	87.97	\$32,225,522.28	1,246	294	25	8.34%
Limited	96.52	\$53,751,022.80	1,954	285	24	13.08%
Extensive	108.77	\$26,247,832.55	835	289	25	5.59%
Pervasive	129.56	\$12,167,238.72	344	273	23	2.30%
Pervasive +	211.72	\$537,980.52	11	231	20	0.07%
<b>Foster Care</b>						
Intermittent	44.79	\$12,807,028.65	1,079	265	23	7.22%
Limited	48.25	\$22,467,081.75	1,731	269	23	11.59%
Extensive	65.60	\$7,468,625.60	443	257	22	2.96%
Pervasive	89.88	\$7,198,309.44	284	282	24	1.90%
Pervasive +	117.62	\$516,234.18	21	209	18	0.14%
Supported Home Living	17.26	\$39,140,985.28	4,336	523	44	29.03%
Supported Home Living - CDS	\$23.49	\$4,017,283.29	327	523	44	2.19%
<b>Respite</b>						
Respite - CDS	9.27	\$1,762,456.16	1,393	138	12	9.33%
Respite - CDS	\$13.52	\$197,770.56	106	138	12	0.70%
Supported Employment	23.52	\$800,385.60	830	41	4	5.64%
Case Management (CM) - All Participar	221.78	\$36,430,248.14	14,933	11	1	100.00%
<b>Administration and Operations per month</b>						
Non-CDS	938.62	\$140,257,620.54	14,607	10	1	97.82%
CDS	528.62	\$172,858.74	327	1	1	2.19%
<b>Counseling/Therapies</b>						
Psychology	77.58	\$1,648,264.68	3,541	6	1	23.71%
PT	74.12	\$365,263.36	448	11	1	3.00%
OT	74.12	\$256,158.72	432	8	1	2.89%
Speech	74.12	\$734,603.32	583	17	2	3.90%
Audiology	74.12	\$5,336.64	72	1	1	0.48%
Social Work	50.48	\$67,037.44	166	8	1	1.11%
Dietary	49.70	\$165,401.60	1,664	2	1	11.14%
Nursing	58.69	\$10,166,986.08	14,436	12	1	96.67%
Adaptive Aids Per Item	59.03	745,666.96	1,579	8		10.71%
Dental Per Visit	213.43	3,552,755.78	8,323	2		56.46%
Minor Home Modifications Per Item	1,545.01	466,593.02	151	2		1.02%
Extended State Plan: Prescriptions	99.68	\$13,877,050.88	4,972	28	2	33.29%
<b>Support Consultation</b>	15.37	\$80,415.84	327	16	2	2.19%
<b>Financial Management</b>	110.00	\$287,760.00	327	8	1	2.19%
Total Unduplicated						
<b>Total Expenditures</b>		<b>\$595,760,729.40</b>				
<b>Unduplicated Count</b>			<b>14,933</b>			
<b>Average Cost</b>		<b>\$39,895.58</b>				

Notes:

- The rate for Case Management is monthly.
- The rates for Day Habilitation, Residential Support, Supervised Living and Foster Care are daily.
- All other rates are hourly.
- The rates for Adaptive Aids and Minor Home Modifications are per item.
- The rates for Dental are per visit.
- The rate for Extended State Plan Prescriptions is the estimated cost per prescription.