

Appendix J: Cost Neutrality Demonstration

J-1: Composite Overview and Demonstration of Cost-Neutrality Formula

Composite Overview. Complete the fields in Cols. 3, 5 and 6 in the following table for each waiver year. The fields in Cols. 4, 7 and 8 are auto-calculated based on entries in Cols 3, 5, and 6. The fields in Col. 2 are auto-calculated using the Factor D data from the J-2-d Estimate of Factor D tables. Col. 2 fields will be populated ONLY when the Estimate of Factor D tables in J-2-d have been completed.

Level(s) of Care: ICF/IID

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Year	Factor D	Factor D'	Total: D+D'	Factor G	Factor G'	Total: G+G'	Difference (Col 7 less Column4)
1	39951.94	2715.92	42667.86	108247.49	2812.50	111059.99	68392.13
2	42756.84	2793.75	45550.59	111665.09	2703.95	114369.04	68818.45
3	45874.46	2873.81	48748.27	115190.60	2599.59	117790.19	69041.92
4	48460.97	2956.17	51417.14	118827.41	2499.26	121326.67	69909.53
5	52332.64	3040.89	55373.53	122579.05	2402.80	124981.85	69608.32

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (1 of 9)

- a. **Number Of Unduplicated Participants Served.** Enter the total number of unduplicated participants from Item B-3-a who will be served each year that the waiver is in operation. When the waiver serves individuals under more than one level of care, specify the number of unduplicated participants for each level of care:

Table: J-2-a: Unduplicated Participants

Waiver Year	Total Unduplicated Number of Participants (from Item B-3-a)	Distribution of Unduplicated Participants by Level of Care (if applicable)	
		Level of Care:	
		ICF/IID	
Year 1	23049		23049
Year 2	23049		23049
Year 3	23049		23049
Year 4	23049		23049
Year 5	23049		23049

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (2 of 9)

- b. **Average Length of Stay.** Describe the basis of the estimate of the average length of stay on the waiver by participants in item J-2-a.

The average length of stay is estimated based on the actual length of stay for current waiver participants for State Fiscal Years 2018 through 2022.

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (3 of 9)

- c. **Derivation of Estimates for Each Factor.** Provide a narrative description for the derivation of the estimates of the following factors.

- i. **Factor D Derivation.** The estimates of Factor D for each waiver year are located in Item J-2-d. The basis for these estimates is as follows:

Estimates are based on the current utilization and costs among adults enrolled in the Adults with Developmental Disabilities Waiver. Factor D is based on analysis of data for FY2011 - FY2015 costs for participants who received waiver services.

- ii. **Factor D' Derivation.** The estimates of Factor D' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Ancillary service data was pulled for those people with a DD waiver provider for WY'11 - WY'15. Factor D Prime cost per capita is estimated to increase by 1.89% for WY'18 - WY'22. This percentage is based upon the average historical percent change for WY'11 - WY'15 actual ancillary expenditures for Adults with Developmentally Disabled Waiver participants and carried forward to WY'18 - WY'22.

- iii. **Factor G Derivation.** The estimates of Factor G for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor G is based on historical ICF/IID data for ICF/IID recipients of all ages for State Fiscal Years 2010 - 2014. Factor G estimated for WY2018 - FY2022 is based on the historical percent changes trended forward for all years. The average historical cost per capita decrease was 2.96%.

- iv. **Factor G' Derivation.** The estimates of Factor G' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor G' is based on historical Medicaid ancillary services for those individuals in an ICF/IID setting for FY2010 - FY2014. Factor G' estimated for FY2018 to FY2022 is based upon historical percent changes trended forward for all years. The average historical cost per capita decrease was .17%.

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (4 of 9)

Component management for waiver services. If the service(s) below includes two or more discrete services that are reimbursed separately, or is a bundled service, each component of the service must be listed. Select “*manage components*” to add these components.

Waiver Services	
Adult Day Care	
Community Day Services	
Residential Habilitation	
Occupational Therapy (Extended Medicaid State Plan)	
Physical Therapy (Extended Medicaid State Plan)	
Speech Therapy (Extended Medicaid State Plan)	
Information and Assistance in Support of Participant Direction	
24-Hour Stabilization Services	
Adaptive Equipment	
Behavior Intervention and Treatment	
Behavioral Services (Psychotherapy and Counseling)	
Emergency Home Response Services (EHRS)	
Home Accessibility Modifications	
Non-Medical Transportation	
Personal Support	
Skilled Nursing	
Supported Employment - Individual Employment Support	
Supported Employment – Small Group Supports	
Temporary Assistance	
Training and Counseling Services for Unpaid Caregivers	
Vehicle Modification	

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (5 of 9)

d. Estimate of Factor D.

i. **Non-Concurrent Waiver.** Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 1

Waiver Service/Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Adult Day Care Total:						79889.16
Adult Day Care	Hour	13	498.00	12.34	79889.16	
Community Day Services Total:						184367884.29
Community Day Services	Hour	19280	878.92	10.88	184367884.29	
Residential Habilitation Total:						528458175.00
Residential Habilitation	Varies	13005	387.00	105.00	528458175.00	
Occupational Therapy (Extended Medicaid State Plan) Total:						103968.00
Occupational Therapy (Extended Medicaid State Plan)	Hour	152	19.00	36.00	103968.00	
Physical Therapy (Extended Medicaid State Plan) Total:						20736.00
Physical Therapy (Extended Medicaid State Plan)	Hour	16	36.00	36.00	20736.00	
Speech Therapy (Extended Medicaid State Plan) Total:						18432.00
Speech Therapy (Extended Medicaid State Plan)	Hour	256	2.00	36.00	18432.00	
Information and Assistance in Support of Participant Direction Total:						16886957.00
Information and Assistance in Support of Participant Direction	Hour	9830	41.00	41.90	16886957.00	
24-Hour Stabilization Services Total:						3726720.00
24-Hour Stabilization Services	Day	64	90.00	647.00	3726720.00	
Adaptive Equipment Total:						18000.00
Adaptive Equipment	Per Item	36	1.00	500.00	18000.00	
Behavior Intervention and Treatment Total:						23439080.70
					23439080.70	

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Behavior Intervention and Treatment	Hour	8213	35.00	81.54		
Behavioral Services (Psychotherapy and Counseling) Total:						1868751.66
Behavioral Services- Psychotherapy-Individual	Hour	2063	14.00	40.02	1155857.64	