

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	13852.00	6503.00	20355.00	89071.14	2821.24	91892.38	71537.38
2	13852.00	6548.00	20400.00	89961.85	2849.45	92811.30	72411.30
3	13852.00	6594.00	20446.00	90861.47	2877.95	93739.42	73293.42
4	13852.00	6640.00	20492.00	91770.09	2906.73	94676.82	74184.82
5	13852.00	6687.00	20539.00	92687.79	2935.79	95623.58	75084.58

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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	1440		1440
Year 2	1440		1440
Year 3	1440		1440
Year 4	1440		1440
Year 5	1440		1440

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- 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 estimate of the average length of stay is based on the actual as reported on the most recent CMS 372 report of the Waiver (the second year).

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- 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 children enrolled in the Children and Young Adult with Developmental Disabilities Support Waiver. Factor D is based on analysis of data for FY2010 - FY2014 costs for participants who received waiver services in a home environment.

- 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:

Factor D' is based on analysis of data for FY2010 - FY2014 (estimated) Medicaid ancillary costs for participants who would be receiving waiver services in a home environment. The 0.69% increase is based upon the historical average percent of change, which is comprised of rate increases and case mix changes for FY2010 - FY2014 (estimated).

- 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 upon historical data for FY2010 - FY2014 (estimated) and includes data for all age groups. Factor G estimated for FY2015 through FY 2019 is based upon historical percent changes trended forward for all years. The average historical percent change an increase of 1%.

- 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 upon historical Medicaid Ancillary services for those individuals in an ICF/IDD setting for FY2010 - FY2014 (estimated). The data incorporates individuals of all age groups. Factor G' estimated for FY2011 through – FY2015 is based upon historical percent changes trended forward for all years. The average historical percent change was an increase of 1%.

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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	
Information and Assistance in Support of Participant Direction	
Adaptive Equipment	
Assistive Technology	
Behavior Intervention and Treatment	
Home Accessibility Modifications	
Personal Support	
Temporary Assistance	
Training and Counseling Services for Unpaid Caregivers	
Vehicle Modifications	

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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
Information and Assistance in Support of Participant Direction Total:						2246400.00
Information and Assistance in Support of Participant Direction	Hour	1440	39.00	40.00	2246400.00	
Adaptive Equipment Total:						70000.00
Adaptive Equipment	Per Item	50	2.00	700.00	70000.00	
Assistive Technology Total:						1000.00
Assistive Technology	Per Item	10	1.00	100.00	1000.00	
Behavior Intervention and Treatment Total:						441000.00
Behavior Intervention and Treatment	Per Hour	175	36.00	70.00	441000.00	
Home Accessibility Modifications Total:						162500.00
Home Accessibility Modifications	Per Item	25	1.00	6500.00	162500.00	
Personal Support Total:						16864000.00
Personal Support	Hour	1360	800.00	15.50	16864000.00	
Temporary Assistance Total:						100000.00
Temporary Assistance	Hour	20	250.00	20.00	100000.00	
Training and Counseling Services for Unpaid Caregivers Total:						2000.00
Training and Counseling Services for Unpaid Caregivers	Per Event or Hourly	10	1.00	200.00	2000.00	
Vehicle Modifications Total:						60000.00
Vehicle Modifications	Per Item	10	1.00	6000.00	60000.00	
GRAND TOTAL:						19946900.00
Total Estimated Unduplicated Participants:						1440
Factor D (Divide total by number of participants):						13852.00
Average Length of Stay on the Waiver:						300

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J-2: Derivation of Estimates (6 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 2

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Information and Assistance in Support of Participant Direction Total:						2246400.00
Information and Assistance in Support of Participant Direction	Hour	1440	39.00	40.00	2246400.00	
Adaptive Equipment Total:						70000.00
Adaptive Equipment	Per Item	50	2.00	700.00	70000.00	
Assistive Technology Total:						1000.00
Assistive Technology	Per Item	10	1.00	100.00	1000.00	
Behavior Intervention and Treatment Total:						441000.00
Behavior Intervention and Treatment	Per Hour	175	36.00	70.00	441000.00	
Home Accessibility Modifications Total:						162500.00
Home Accessibility Modifications	Per Item	25	1.00	6500.00	162500.00	
Personal Support Total:						16864000.00
Personal Support	Hour	1360	800.00	15.50	16864000.00	
Temporary Assistance Total:						100000.00
Temporary Assistance	Hour	20	250.00	20.00	100000.00	
Training and Counseling Services for Unpaid Caregivers Total:						2000.00
Training and Counseling Services for Unpaid Caregivers	Per Event or Hourly	10	1.00	200.00	2000.00	
Vehicle Modifications Total:						60000.00
Vehicle Modifications	Per Item	10	1.00	6000.00	60000.00	
GRAND TOTAL:						19946900.00
Total Estimated Unduplicated Participants:						1440
Factor D (Divide total by number of participants):						13852.00
Average Length of Stay on the Waiver:						300

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J-2: Derivation of Estimates (7 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 3

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Information and Assistance in Support of Participant Direction Total:						2246400.00
Information and Assistance in Support of Participant Direction	Hour	1440	39.00	40.00	2246400.00	
Adaptive Equipment Total:						70000.00
Adaptive Equipment	Per Item	50	2.00	700.00	70000.00	
Assistive Technology Total:						1000.00
Assistive Technology	Per Item	10	1.00	100.00	1000.00	
Behavior Intervention and Treatment Total:						441000.00
Behavior Intervention and Treatment	Per Hour	175	36.00	70.00	441000.00	
Home Accessibility Modifications Total:						162500.00
Home Accessibility Modifications	Per Item	25	1.00	6500.00	162500.00	
Personal Support Total:						16864000.00
Personal Support	Hour	1360	800.00	15.50	16864000.00	
Temporary Assistance Total:						100000.00
Temporary Assistance	Hour	20	250.00	20.00	100000.00	
Training and Counseling Services for Unpaid Caregivers Total:						2000.00
Training and Counseling Services for Unpaid Caregivers	Per Event or Hourly	10	1.00	200.00	2000.00	
Vehicle Modifications Total:						60000.00
Vehicle Modifications	Per Item	10	1.00	6000.00	60000.00	
GRAND TOTAL:						19946900.00
Total Estimated Unduplicated Participants:						1440
Factor D (Divide total by number of participants):						13852.00
Average Length of Stay on the Waiver:						300

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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 4

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Information and Assistance in Support of Participant Direction Total:						2246400.00
Information and Assistance in Support of Participant Direction	Hour	1440	39.00	40.00	2246400.00	
Adaptive Equipment Total:						70000.00
Adaptive Equipment	Per Item	50	2.00	700.00	70000.00	
Assistive Technology Total:						1000.00
Assistive Technology	Per Item	10	1.00	100.00	1000.00	
Behavior Intervention and Treatment Total:						441000.00
Behavior Intervention and Treatment	Per Hour	175	36.00	70.00	441000.00	
Home Accessibility Modifications Total:						162500.00
Home Accessibility Modifications	Per Item	25	1.00	6500.00	162500.00	
Personal Support Total:						16864000.00
Personal Support	Hour	1360	800.00	15.50	16864000.00	
Temporary Assistance Total:						100000.00
Temporary Assistance	Hour	20	250.00	20.00	100000.00	
Training and Counseling Services for Unpaid Caregivers Total:						2000.00
Training and Counseling Services for Unpaid Caregivers	Per Event or Hourly	10	1.00	200.00	2000.00	
Vehicle Modifications Total:						60000.00
Vehicle Modifications	Per Item	10	1.00	6000.00	60000.00	
GRAND TOTAL:						19946900.00
Total Estimated Unduplicated Participants:						1440
Factor D (Divide total by number of participants):						13852.00
Average Length of Stay on the Waiver:						300

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J-2: Derivation of Estimates (9 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 5

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Information and Assistance in Support of Participant Direction Total:						2246400.00
Information and Assistance in Support of Participant Direction	Hour	1440	39.00	40.00	2246400.00	
Adaptive Equipment Total:						70000.00
Adaptive Equipment	Per Item	50	2.00	700.00	70000.00	
Assistive Technology Total:						1000.00
Assistive Technology	Per Item	10	1.00	100.00	1000.00	
Behavior Intervention and Treatment Total:						441000.00
Behavior Intervention and Treatment	Per Hour	175	36.00	70.00	441000.00	
Home Accessibility Modifications Total:						162500.00
Home Accessibility Modifications	Per Item	25	1.00	6500.00	162500.00	
Personal Support Total:						16864000.00
Personal Support	Hour	1360	800.00	15.50	16864000.00	
Temporary Assistance Total:						100000.00
Temporary Assistance	Hour	20	250.00	20.00	100000.00	
Training and Counseling Services for Unpaid Caregivers Total:						2000.00
Training and Counseling Services for Unpaid Caregivers	Per Event or Hourly	10	1.00	200.00	2000.00	
Vehicle Modifications Total:						60000.00
Vehicle Modifications	Per Item	10	1.00	6000.00	60000.00	
GRAND TOTAL:						19946900.00
Total Estimated Unduplicated Participants:						1440
Factor D (Divide total by number of participants):						13852.00
Average Length of Stay on the Waiver:						300