

**RULES
OF THE
TENNESSEE DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES**

**CHAPTER 0465-01-02
METHODOLOGY UTILIZED TO DETERMINE PAYMENTS TO SERVICE PROVIDERS
(RATE STRUCTURE)**

TABLE OF CONTENTS

0465-01-02-.01	Purpose	0465-01-02-.14	Rate Setting Methodologies for Intermittent Employment and Community Participation Wraparound
0465-01-02-.02	Scope		
0465-01-02-.03	Definitions	0465-01-02-.15	Rate Setting Methodologies for Facility-Based Day Services
0465-01-02-.04	Rate Setting Methodologies for Medical, Residential Services	0465-01-02-.16	Rate Setting Methodologies for Residential Special Needs Adjustment-Homebound and Non-Residential Homebound Support Services
0465-01-02-.05	Rate Setting Methodologies for Residential and Supported Living Services	0465-01-02-.17	Rate Setting Methodologies for Clinical Services
0465-01-02-.06	Rate Setting Methodologies for Semi-Independent Living Services	0465-01-02-.18	Rate Setting Methodologies for Respite and Personal Assistance Services
0465-01-02-.07	Special Needs Adjustments	0465-01-02-.19	Rate Setting Methodologies for Dental Services
0465-01-02-.08	Value-Based Rate Setting Methodologies for Supported Employment-Individual Exploration	0465-01-02-.20	Rate Setting Methodologies for Personal Emergency Response Systems
0465-01-02-.09	Value-Based Rate Setting Methodologies for Supported Employment-Individual Discovery	0465-01-02-.21	Rate Setting Methodologies for Specialized Medical Equipment and Supplies
0465-01-02-.10	Value-Based Rate Setting Methodologies for Supported Employment-Individual Job Development	0465-01-02-.22	Rate Setting Methodologies for Environmental Modifications
0465-01-02-.11	Value-Based Rate Setting Methodologies for Supported Employment-Individual Job Coaching	0465-01-02-.23	Rate Setting Methodologies for Independent Support Coordination Services
0465-01-02-.12	Value-Based Rate Setting Methodologies for Supported Employment-Small Group	0465-01-02-.24	Rate Setting Methodologies for Services Funded Exclusively by the State [Non-Waiver, State Funded (NWSF) Services]
0465-01-02-.13	Rate Setting Methodologies for Community Participation Services		

0465-01-02-.01 PURPOSE.

- (1) This chapter establishes a rate setting methodology for Residential Day and other Services that are provided through the Department of Intellectual and Developmental Disabilities.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the “Reimbursement Rate” for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.02 SCOPE.

- (1) All of the rate methodologies used to determine payments to service providers set forth in these rules are subject to the availability of appropriations established in the TennCare budget for home and community based services provided under the State’s approved HCBS waivers for individuals with intellectual disabilities and may be adjusted by the Department or by TennCare as necessary to assure that expenditures for these services are within and do not exceed the budgeted amount for waiver services that year; and also the provisions of

(Rule 0465-01-02-.02, continued)

Title 33 and 34 of the Tennessee Code Annotated; and, Executive Order of the State of Tennessee No. 23, dated October 19, 1999, and Executive Order No. 28, dated June 19, 2013, which established the Tennessee Employment First Initiative which directs state agencies to “coordinate to increase opportunities for integrated and competitive employment for individuals with intellectual and developmental disabilities.”

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the “Reimbursement Rate” for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.03 DEFINITIONS.

(1) As used in these rules:

- (a) “Administrative Costs” are the allowable percentage of the service rate that includes, for example, the costs for administrative salaries and benefits, home office costs, office supplies and printing, phone and other communication, travel and conference, advertising, professional services, licensure and dues, legal and accounting fees, interest, depreciation, occupancy, general liability insurance, equipment and administrative vehicles.
- (b) “Costs” are estimated calculations of the average expense incurred by a provider in 2004 based on information available at that time and are not intended to fully account for every expense that may have been incurred by any particular provider at or since that time in delivering a waiver service. Costs include adjustments based on funding approved by the General Assembly to increase certain components of these calculations, including primarily, wages for direct support staff. Costs may be adjusted as determined by DIDD and TennCare, subject to the availability of funding in each year’s Appropriation Bill.
- (c) “Direct Service Costs” are the costs for direct service such as staff salaries and benefits, overtime, direct supervision wages and benefits, contracted direct service/temporary help, training, recruiting/advertising, drug testing, background checks, Hepatitis B and TB tests, and other costs for direct service staff bonuses and employee appreciation events.
- (d) “Direct Support Professional (DSP) Reimbursement Rate” means the estimated calculation of the cost of wages paid to DSPs employed by providers to deliver services requiring hands-on assistance and supervision including adjustments based on funding approved by the General Assembly to increase DSP wages.
- (e) “Fading” is an essential component of the provision of job coaching services. Fading uses a combination of strategies such as job and task analysis, on-the-job training, including systematic instruction, use of assistive technology or other adaptive aids, and engagement of natural supports (assistance from co-workers or others) to allow the waiver participant to independently perform as much of his/her employment or self-employment roles and responsibilities as possible, without the engagement of paid support. Fading is possible when a waiver participant achieves greater independence and/or inter-dependence performing his/her job, thereby reducing the need for the job coach.

(Rule 0465-01-02-.03, continued)

- (f) "Full Time Equivalent (FTE)" means the total cost for one direct support staff for forty hours. It includes direct service costs, non-direct program costs, administrative costs, and twenty (20) annual days of payment to cover waiver participant absences.
- (g) "Job Coach" is a person employed by a provider agency who meets the additional qualifications specified by DIDD or TennCare and has the skills and competencies needed to identify and provide services and supports that assist a waiver participant in maintaining individualized integrated employment that pays at least minimum wage, but ideally not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals without disabilities, or in maintaining self-employment, and that supports the development of the waiver participant's independence in performing employment or self-employment job functions using a fading plan.
- (h) "Job Developer" is a person employed by a provider agency who meets the additional qualifications specified by DIDD or TennCare and has the skills and competencies needed to support a waiver participant in obtaining an individualized competitive or customized job in an integrated employment setting in the general workforce, for which the waiver participant is compensated at or above the minimum wage, but ideally not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals without disabilities or achievement of individualized self-employment consistent with the waiver participant's personal and career goals.
- (i) "Non-Direct Program Costs" is the allowable percentage of the service rate that includes the costs for multi-site supervisors and benefits, training, off site computer/file storage, depreciation/amortization, internal monitoring, agency case management, personal funds management, healthcare oversight, specific assistance to waiver participants-room and board, specific assistance to waiver participants-non-room and board, transportation of waiver participants, staff travel, facility maintenance, facility supplies, habilitation supplies.
- (j) "Productivity Assumptions" is a calculation which takes into account the amount of a paid job coach or job developer's time that will not be spent providing direct services, including administrative tasks (e.g. documentation, staff meetings), training, holidays, vacation, sick leave, and other emergencies, as well as the absentee rate of waiver participants receiving services which impact the billable hours of support in a typical day.
- (k) "Rate" is the amount paid per person to approved service providers for each unit of a DIDD service that is provided. A rate unit may be a portion of an hour, a day, a month, an item or a job, depending on the type of service.
- (l) "Rate Levels" are the series of rates for residential, day and other services that are based on a waiver participant's needs and the size or site of the service setting.
- (m) "Rate Level Factor" is the multiplier applied to the FTE daily cost that reflects intensity of support need and number of persons receiving services. Rate level factors were based on licensure requirements for staffing and professional judgment of estimated hours of direct support staff assistance required for waiver participants at each rate level.
- (n) "Rate Setting Methodology" is the manner in which the rates for residential, day and other services are calculated or determined.

(Rule 0465-01-02-.03, continued)

- (o) "Special Needs Adjustment" is an additional payment that may, within the discretion of the Department and subject to resource availability, be added to the residential rate for a waiver participant in appropriate circumstances (e.g. periodic crisis that require additional support).
 - (p) "Usual and customary" is the amount paid for a service in a geographic area based on what providers in the area usually charge for the same or similar service.
 - (q) "Value-based adjustment" is an adjustment made to a rate of reimbursement or to one or more components used to calculate a rate of reimbursement that is intended to incentivize (and reward) certain qualitative aspects of the delivery of services or service outcomes (e.g. fading in the provision of job coaching or smaller group size in the provision of supported employment-small group).
- (2) Waiver services (for which rate setting methodologies are set forth in these rules) shall be defined as set for the in the Section 1915(c) waiver application approved by the federal Centers for Medicare and Medicaid Services.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.04 RATE SETTING METHODOLOGIES FOR MEDICAL, RESIDENTIAL SERVICES.

- (1) Medical Residential Services.
- (a) For residential services that are shift-staffed, staff coverage is calculated as follows:
 - 1. 168 hours per week - 7 days at 24 hours per day.
 - 2. The unit of service for these residential services is a day.
 - (b) The calculation of the daily cost per person for a Full Time Equivalent (FTE) is:
 - 1. Allowable Hourly direct support staff wages plus % for benefits for the hourly cost for direct support staff.
 - 2. Annual allowable salary for direct supervision plus % for benefits divided by four residents equals the cost per person per year.
 - 3. Divide the cost per person per year by 52 weeks and by 168 hours to arrive at the hourly cost for supervision.
 - 4. Add together the hourly cost for direct support staff and the hourly cost for supervision.
 - 5. Multiply the result from Step four by one and the % allowed for non-direct program costs.

(Rule 0465-01-02-.04, continued)

6. Multiply the result from Step five by one and the % allowed for administrative costs to arrive at the hourly cost for coverage.
 7. Multiply the hourly cost for an FTE by 168 hours to arrive at the weekly cost for coverage.
 8. Divide the weekly cost by 7 days to arrive at the daily cost for coverage.
 9. Divide the daily cost by allowable FTEs to arrive at the daily FTE cost per person.
- (c) Calculation for the daily rate per person is:
1. For each Rate Level and Home Size, multiply the daily per person FTE cost by the rate level factor.
 2. Divide the result of Step one by the facility size.
 3. Multiply the result of Step two by 385 (to allow for 20 absent days).
 4. Divide the result of Step three by 365 to arrive at the daily rate.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.05 RATE SETTING METHODOLOGIES FOR RESIDENTIAL AND SUPPORTED LIVING SERVICES.

- (1) Residential Habilitation and Supported Living (Shift-Staffed) Model.
 - (a) For residential services that are shift-staffed, staff coverage is calculated as follows:
 1. 138 hours per week - 5 days at 18 hours per day and 2 days at 24 hours per day is equal to one week.
 2. The unit of service for these residential services is a day.
 - (b) The calculation of the daily cost per person for a Full Time Equivalent (FTE) is:
 1. Hourly direct support staff wages plus % for benefits for the hourly cost for direct support staff.
 2. Annual salary for direct supervision plus % for benefits divided by four residents equals the cost per person per year.
 3. Divide the cost per person per year by 52 weeks and by 138 hours to arrive at the hourly cost for supervision.
 4. Add together the hourly cost for direct support staff and the hourly cost for supervision.

(Rule 0465-01-02-.05, continued)

5. Multiply the result from Step four by one and the % allowed for non-direct program costs.
6. Multiply the result from Step five by one and the % allowed for administrative costs to arrive at the hourly cost for coverage.
7. Multiply the hourly cost for an FTE by 138 hours to arrive at the weekly cost for coverage.
8. Divide the weekly cost by 7 days to arrive at the daily cost for coverage.
9. Divide the daily cost by allowable FTEs to arrive at the daily FTE cost per person.

(c) Calculation for the daily rate per person is:

1. For each Rate Level and Home Size, multiply the daily per person FTE cost by the rate level factor.
2. Divide the result of Step one by the facility size.
3. Multiply the result of Step two by 385 (to allow for 20 absent days).
4. Divide the result of Step three by 365 to arrive at the daily rate.

(2) Supported Living-Companion Model.

(a) For non-shift staffed, companion model the unit of service is a day. The calculations are as follows:

(b) Calculate the daily rate per person.

1. Multiply the annual stipend by one and the % for benefits.
2. Add the companion room and board allowance.
3. Add the number of hours per year at the hourly rate for relief staff divided by 365 days.
4. Add costs in steps one through three.
5. Multiply the result of step four by one and the % for non-direct program costs.
6. Multiply the result of step five by one and the % for administrative costs.
7. Divide the result of step six by 365.
8. Multiply the result of step seven by 385 (to allow for 20 absent days).
9. Divide the result of step eight by 365 to arrive at the daily rate.

(3) Family Model for Residential Services.

(a) Family Model Residential Services are those provided in a family home under the supervision of a residential services agency. The unit of service is a day.

(Rule 0465-01-02-.05, continued)

- (b) Calculate the daily rate per person.
 1. Multiply the annual stipend by one and the % for benefits.
 2. Add the number of hours per year at the hourly rate for relief staff divided by 365 days.
 3. Add direct supervision at annual salary plus % for benefits divided by 10 waiver participants divided by 365 days.
 4. Add costs in steps 1 through 3 above.
 5. Multiply the result of step four by one and the percent for non-direct program costs.
 6. Multiply the result of step five by one and the percent for administrative costs.
 7. Divide the result of step six by 365 days.
 8. Multiply the result of step seven by 385 days (to allow for 20 absent days).
 9. Divide the result of step eight by 365 days to arrive at the daily rate.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.06 RATE SETTING METHODOLOGIES FOR SEMI-INDEPENDENT LIVING SERVICES.

- (1) Calculation for Semi-Independent Living Services is:
 - (a) The unit of service for these residential services is a day.
 - (b) The rate is calculated on a monthly basis. For purposes of billing, the monthly rate is converted to a per diem amount. The per diem rate will be billed for each day of the month that the person is enrolled in the services, regardless of whether any direct assistance was provided that day.
 - (c) The rate is calculated using the following factors:
 1. Average monthly hours, inclusive of on-call services;
 2. Personal Assistant services quarter hour reimbursement rate as defined in 0465-01-02-.18;
 3. Transportation cost.
 - (d) Semi-Independent Living Incentive: is a one-time payment of \$2,500 per waiver participant per provider. The waiver participant must have transitioned directly into

(Rule 0465-01-02-.06, continued)

Semi-Independent Living from a twenty-four hour residential service following at least thirty consecutive paid residential days. The waiver participant must then participate in Semi-Independent Living for six (6) consecutive months immediately following the transition to be eligible for the incentive payment.

- (e) Semi-Independent Living Transition Rate: is double that of the semi-independent living daily rate and limited to waiver participants who require additional hours of support during the period immediately following transition. This rate is only available for up to thirty days following the initial transition from a twenty-four hour residential service to Semi-Independent Living and requires thirty consecutive paid residential days immediately prior and adjacent to the claim for the transition rate.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.

Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.07 SPECIAL NEEDS ADJUSTMENTS.

- (1) An adjustment up to an additional thirty-five dollars (\$35.00) per day is available to Residential Habilitation and Supported Living Levels 1-4 for homes with 1-4 persons.
- (2) An adjustment of twenty dollars (\$20.00) per day is available to Residential Habilitation homes with 5 or more people except for reasons of a vacancy in the home.
- (3) This adjustment may be used for additional staff coverage or higher wages for staff.
- (4) A special needs adjustment does not change the rate level designated for the waiver participant, but adjusts the rate level as a result of one or more of the following circumstances:
 - (a) The waiver participant has a history of significant behavioral or psychiatric problems such as DSM-V diagnosis, violent acting out, serious self-injury or danger to others that are now not apparent due to the design or intensity of services being received or the person has a situation that is unique and results in the need for additional resources.
 - (b) Less intensive services will likely result in recurrence of previous problems. The Regional Office must review the special adjustment at least annually.
 - (c) The waiver participant is in circumstances that are time limited but that require support(s) at a higher level than described by the Level. (For example, the person has had a serious illness, injury, or surgery that requires more support while he/she is recovering than the Level describes.) A special adjustment may be approved for up to ninety (90) days and may be extended for an additional ninety (90) days.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.

(Rule 0465-01-02-.07, continued)

Administrative History: *Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.*

0465-01-02-.08 VALUE-BASED RATE SETTING METHODOLOGY FOR SUPPORTED EMPLOYMENT-INDIVIDUAL EXPLORATION.

- (1) Supported employment-individual exploration is paid for on an outcome basis.
- (2) The unit is a complete episode of the service as defined in the approved Section 1915(c) waiver application and includes all of the service required to deliver the expected outcome.
- (3) The outcome-based rate is calculated using the following factors:
 - (a) Average cost of job coach hour of service (as described in 0465-01-02-.11(3)(a)), including these component costs:
 1. DSP reimbursement rate;
 2. Employee-related expenses;
 3. Administrative costs;
 4. Productivity assumptions; and
 5. Travel costs;
 - (b) A value-based incentive of \$4.30/hour above actual cost (rate model) to reward provision of services expected to result in the person identifying a goal of competitive integrated employment;
 - (c) Average number of job coach hours required to complete service; and
 - (d) Billable service adjustment for percentage of waiver participants that do not complete the service due to reasons beyond the purview of the provider's control.

Authority: *T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.*
Administrative History: *Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.*

0465-01-02-.09 VALUE-BASED RATE SETTING METHODOLOGY FOR SUPPORTED EMPLOYMENT-INDIVIDUAL DISCOVERY.

- (1) Supported employment-individual discovery is paid for on an outcome basis.
- (2) The unit is a complete episode of the service as defined in the approved Section 1915(c) waiver application and includes all of the service required to deliver the expected outcome.
- (3) The outcome-based rate is calculated using the following factors:
 - (a) Average cost of job developer hour of service, including these component costs:

(Rule 0465-01-02-.09, continued)

1. DSP reimbursement rate;
 2. Adjustment of \$2.75/hour to increase DSP reimbursement rate to account for additional qualifications required for discovery;
 3. Employee-related expenses;
 4. Administrative costs;
 5. Productivity assumptions; and
 6. Travel costs;
- (b) Average number of job developer hours required to complete service; and
- (c) Billable service adjustment for percentage of waiver participants that do not complete the service due to reasons beyond the purview of the provider's control.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.10 VALUE-BASED RATE SETTING METHODOLOGY FOR SUPPORTED EMPLOYMENT-INDIVIDUAL JOB DEVELOPMENT.

- (1) Supported employment-individual job development is paid for on an outcome basis.
- (2) The unit is a complete episode of the service as defined in the approved Section 1915(c) waiver application and includes all of the service required to deliver the expected outcome.
- (3) The outcome-based rate is calculated using the following factors:
 - (a) Average cost of job developer hour of service, including these component costs:
 1. DSP reimbursement rate;
 2. Adjustment of \$2.75/hour to increase DSP reimbursement rate to account for additional qualifications required for job developer;
 3. Employee-related expenses;
 4. Administrative costs;
 5. Productivity assumptions; and
 6. Travel costs;

(Rule 0465-01-02-.10, continued)

- (b) Rate level factor based on average number of job developer hours required to complete service and secure outcome adjusted for intensity of support needs of the individual; and
- (c) Billable service adjustment for percentage of waiver participants that do not complete the service due to reasons beyond the purview of the provider's control.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare; and Tennessee Public Chapter 1100, June 23, 2010. **Administrative History:** Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.11 VALUE-BASED RATE SETTING METHODOLOGY FOR SUPPORTED EMPLOYMENT-INDIVIDUAL JOB COACHING.

- (1) Supported employment-individual job coaching is reimbursed on a fee-for-service basis.
- (2) The unit of service is 15 minutes.
- (3) The fee-for-service rate is calculated using the following factors:
 - (a) Average cost of job coach hour of service divided by four (4), including these component costs:
 - 1. DSP reimbursement rate;
 - 2. Employee-related expenses;
 - 3. Administrative costs;
 - 4. Productivity assumptions, including projected average waiver participant absentee rate of 12 percent; and
 - 5. Travel cost; and
 - (b) A value-based incentive of \$3/hour above actual cost (rate model) to reward the provision of services to support waiver participant success in competitive, integrated employment - so long as fading expectations are met (see below);
 - (c) Value-based adjustments beginning six months after initiation of individual job coaching to incentivize fading of services, based on a combination of: the intensity of support needs of the waiver participant, the length of time the waiver participant has held the current job or self-employment position, and the effectiveness of job coaching services as demonstrated by fading achieved.
- (4) Additionally, where an waiver participant has a need for job coaching that is equal to or less than one hour per week, a monthly "Stabilization and Monitoring" payment will be used to encourage ongoing, effective monitoring of the waiver participant's employment situations, with minimum monthly contact requirements that will allow for prevention of otherwise avoidable job losses or reductions in work hours.

(Rule 0465-01-02-.11, continued)

- (5) Quality Payment for Hours Worked Milestone under Supported Employment-Individual Employment Support: Payment earned and paid for additional/atypical effort of provider that results in a waiver participant working in competitive integrated employment achieving above average hours worked in a six-month period. There are two quality payment levels available:
 - (a) The base tier payment is \$1,500 and is made based on the waiver participant working in competitive integrated employment between three-hundred ninety (390) and five-hundred nineteen (519) hours in the prior six (6) calendar month period. This is average hourly employment that is at least 15 but less than 20 hours/week.
 - (b) The top tier payment is \$2,000 and is made based on the waiver participant working five-hundred and twenty (520) or more hours in the prior six (6) calendar month period. This is average hourly employment that is 20 hours/week or more.
 - (c) A provider may earn the quality payment up to twice a year.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.12 VALUE-BASED RATE SETTING METHODOLOGY FOR SUPPORTED EMPLOYMENT-SMALL GROUP.

- (1) Supported employment-small group is reimbursed on a fee-for-service basis.
- (2) The unit of service is 15 minutes.
- (3) The fee-for-service rate is calculated using the following factors:
 - (a) Average cost of job coach hour of service divided by four (4), including these component costs:
 1. DSP reimbursement rate;
 2. Employee-related expenses;
 3. Administrative costs;
 4. Productivity assumptions, including projected average waiver participant absentee rate of 8.23 percent; and
 5. Travel costs;
 - (b) Participant transportation cost per unit per person;
 - (c) Administrative adjustment based on the number of waiver participants in the small group and the expected job coach-to-waiver participant staffing ratio (one job coach for a group of two, three, or four waiver participants); and
 - (d) Value-based adjustment to incentivize smaller group size.

(Rule 0465-01-02-.12, continued)

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the “Reimbursement Rate” for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.13 RATE SETTING METHODOLOGY FOR COMMUNITY PARTICIPATION SERVICES.

- (1) Community participation services are reimbursed on a fee-for-service basis.
- (2) The unit of service is 15 minutes.
- (3) The fee-for-service rate is calculated using the following factors:
 - (a) DSP reimbursement rate.
 - (b) Non-direct program costs;
 - (c) Administrative costs;
 - (d) Transportation costs per unit per person;
 - (e) Projected average waiver participant absentee rate of 8.23 percent; and
 - (f) Rate Level Factor as defined in 0465-01-02-.03.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the “Reimbursement Rate” for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.14 RATE SETTING METHODOLOGY FOR INTERMITTENT EMPLOYMENT AND COMMUNITY PARTICIPATION WRAPAROUND.

- (1) Intermittent employment and community participation wraparound services are reimbursed on a fee-for-service basis.
- (2) The unit of service is 15 minutes.
- (3) The fee-for-service rate is calculated using the following factors:
 - (a) DSP reimbursement rate;
 - (b) Non-direct program costs;
 - (c) Administrative costs;

(Rule 0465-01-02-.14, continued)

- (d) Projected average waiver participant absentee rate of 8.23 percent; and
- (e) Rate Level Factor as defined in 0465-01-02-.03.
- (f) This service is provided in a waiver participant's home and has no transportation cost included.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.15 RATE SETTING METHODOLOGY FOR FACILITY-BASED DAY SERVICES.

- (1) Facility-based day services are reimbursed on a fee-for-service basis.
- (2) The unit of service is 15 minutes.
- (3) The fee-for-service rate is calculated using the following factors:
 - (a) DSP reimbursement rate;
 - (b) Non-direct program costs;
 - (c) Administrative costs;
 - (d) Transportation costs per unit per person;
 - (e) Projected average waiver participant absentee rate of 8.23 percent; and
 - (f) Rate Level Factor as defined in 0465-01-02-.03.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.16 RATE SETTING METHODOLOGY FOR RESIDENTIAL SPECIAL NEEDS ADJUSTMENT-HOMEBOUND AND NON-RESIDENTIAL HOMEBOUND SUPPORT SERVICES.

- (1) Residential special needs adjustment-homebound and non-residential homebound support service are reimbursed on a fee-for-service basis.
- (2) The unit of service is a day, constituting staff coverage for 6 hours each day.
- (3) The fee-for-service rate is calculated using the following factors:

(Rule 0465-01-02-.16, continued)

- (a) DSP reimbursement rate;
- (b) Non-direct program costs at the allowable percentage;
- (c) Administrative costs;
- (d) Projected average waiver participant absentee rate percentage based on 20 leave days per year; and
- (e) Rate level factor as defined in 0465-01-02-.03.
- (f) This setting is provided in a waiver participant's home and has no transportation cost included.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.17 RATE SETTING METHODOLOGIES FOR CLINICAL SERVICES.

- (1) The unit for all types of therapy services and nursing services is a quarter hour.
- (2) The unit for behavioral services is one quarter (1/4) of an hour.
- (3) The rate for clinical services is based on comparison with national rates of payment and comparable rates of payment within the State for like services.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.18 RATE SETTING METHODOLOGIES FOR RESPITE AND PERSONAL ASSISTANCE SERVICES.

- (1) The unit for respite services may be one quarter (1/4) of an hour or daily rates as determined by DIDD based on the duration of services provided. The unit for personal assistance services is a quarter hour.
- (2) The determination of rates in this section (.18) is calculated based on units of one quarter (1/4) of an hour for one (1) staff person or of one day of allowable direct service costs for one (1) staff person and a percentage of administrative costs. Reimbursement for two (2) staff to deliver services to one (1) waiver participant at the same time is not covered under any circumstances.
- (3) There will be one (1) maximum rate for one-quarter (1/4) of an hour of Personal Assistance.

(Rule 0465-01-02-.18, continued)

- (4) There will be one (1) maximum rate for one-quarter (1/4) of an hour of Respite services.

Authority: T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.19 RATE SETTING METHODOLOGIES FOR DENTAL SERVICES.

- (1) Dental Services rates are those set by TennCare for reimbursement of Medicaid funded dental care.

Authority T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rule filed December 12, 2013; effective March 12, 2014. Amendments filed October 7, 2019; effective January 5, 2020.

0465-01-02-.20 RATE SETTING METHODOLOGIES FOR PERSONAL EMERGENCY RESPONSE SYSTEMS.

- (1) Rates paid are the usual and customary rates for installation and monitoring set by the company providing the service.

Authority T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rules filed October 7, 2019; effective January 5, 2020.

0465-01-02-.21 RATE SETTING METHODOLOGIES FOR SPECIALIZED MEDICAL EQUIPMENT AND SUPPLIES.

- (1) Rates paid are the usual and customary costs for the equipment or supplies.

Authority T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the "Reimbursement Rate" for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rules filed October 7, 2019; effective January 5, 2020.

0465-01-02-.22 RATE SETTING METHODOLOGIES FOR ENVIRONMENTAL MODIFICATIONS.

- (1) Rates paid are the usual and customary costs for the modification.

Authority T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the “Reimbursement Rate” for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rules filed October 7, 2019; effective January 5, 2020.

0465-01-02-.23 RATE SETTING METHODOLOGIES FOR INDEPENDENT SUPPORT COORDINATION SERVICES.

- (1) Current rates were derived after consideration of provider input, resource availability as well as system service requirements. Future changes in amounts paid for this service will be made utilizing such tools as: consultation with stake-holders (e.g. Independent Support Coordinators, Independent Support Coordination Agencies/Organizations), review of similar services in other states, market conditions, and system needs.

Authority T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the “Reimbursement Rate” for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rules filed October 7, 2019; effective January 5, 2020.

0465-01-02-.24 RATE SETTING METHODOLOGIES FOR SERVICES FUNDED EXCLUSIVELY BY THE STATE [NON-WAIVER; STATE FUNDED (NWSF) SERVICES].

- (1) Rates paid are discretionary and based upon waiver participant need, limited by system and service requirements and subject to DIDD funding and resource availability.

Authority T.C.A. §§ 4-3-2701, 4-3-2707, 4-4-103, 4-5-201, et seq., 4-5-208, et seq. and its applicable regulations concerning emergency rules, 33-1-201, 33-1-202, 33-1-203(1) and (6), 33-1-204, 33-1-301, 33-1-302, 33-1-302(a)(3) and (a)(4), 33-1-303, 33-1-303(3) and (11), 33-1-304, 33-1-305(1), and 33-1-309(d); Executive Order of the State of Tennessee No. 23, dated October 19, 1999; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; and the “Reimbursement Rate” for Medical Services under DIDD federal waiver(s) for provision of services as administered by TennCare.
Administrative History: Original rules filed October 7, 2019; effective January 5, 2020.