



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES**

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To: 1915(c) Home and Community Based Services (HCBS) Waiver Providers

From: Pam Smith
Director, Division of Community Alternatives

Date: April 22, 2022

Subject: Appendix K Temporary Rate Increases – Provider Attestation

Please note the following updates made to this memo since it was originally issued on April 22, 2022.

Update #1, April 25, 2022: The listing of services eligible to receive a temporary 50% rate increase under Appendix K was updated to include Supervised Residential Levels I, II, and III (ABI and ABI LTC) and Residential Support Level I (SCL).

The Centers for Medicare and Medicaid Services (CMS) recently approved the Commonwealth's amendment to Appendix K of the 1915(c) Home and Community Based Services (HCBS) waiver application. As a reminder, Appendix K allows states to make temporary changes to waiver policy during emergency situations to address programmatic needs and participant health, safety, and welfare for the duration of the emergency.

As discussed during the March 31, 2022, Appendix K Update Webinar, the recent Appendix K amendment modifies provider qualifications, available waiver services, and near-term provider payment relief. **In particular, the Department for Medicaid Services (DMS) will temporarily increase the rates of certain HCBS to accommodate known overtime demands and estimated wage inflation during the public health emergency.**

The temporary rate increase is in response to feedback from stakeholders regarding rate inadequacy to maintain a sufficient provider pool due to the COVID-19 public health emergency and the nature of its extended duration. Increased rates should improve access to services as well as service quality throughout the Commonwealth.

The rates for traditional direct care services specified in the table below will **temporarily increase by 50%** of the most recently approved 1915(c) waiver reimbursement rates. DMS selected the services in the table below with a focus on in-home services with a heavy dependence on direct care workers.



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Please note that **at least 85% of the increased payments must be passed on to direct care workers** in the form of compensation increases and other incentives which may include (but are not limited to) retention bonuses, hiring bonuses, raises in wages, and increased benefit packages. **Providers of the services listed in the table below must complete the provider attestation form at the end of this document to receive the increased rates.**

For the purposes of this effort, the 85% pass-through applies to “direct care workers” who directly provide a Medicaid reimbursable HCBS service to participants as specified in the service definition. The remaining 15% can be used at the agency’s discretion and could include compensation increases or bonuses for support, administrative, or supervisory staff or direct service workers who provide services not included in the temporary rate increase.

Services Eligible for Temporary 50% Increase via Appendix K

Waiver Program	Service	Service Code	Unit	Current Rate	Increased Rate
ABI	Companion	S5135	15 min	\$5.56	\$8.34
ABI	Personal Care	97535	15 min	\$5.56	\$8.34
ABI	Respite	T1005	15 min	\$4.00	\$6.00
ABI	Supervised Residential Level I	T2016 U3	Daily	\$200	\$300
ABI	Supervised Residential Level II	T2033 U3	Daily	\$150	\$225
ABI	Supervised Residential Level III	S5136 U3	Daily	\$75.00	\$112.50
ABI LTC	Community Living Supports	97535 or 589	15 min	\$5.56	\$8.34
ABI LTC	Respite	T1005 or 660	15 min	\$4.00	\$6.00
HCB	Attendant Care	S5108 or 580	15 min	\$6.00	\$9.00
HCB	Conflict Free Case Management	T1016 or 590	Monthly	\$100.00	\$150.00
HCB	Participant Directed Coordination	T2040 HI	Monthly	\$325.00	\$406.25
HCB	Specialized Respite, Level I	T1005 or 662	15 min	\$4.00	\$6.00

Waiver Program	Service	Service Code	Unit	Current Rate	Increased Rate
HCB	Specialized Respite, Level II	T1005 U1 or 660	15 min	\$10.00	\$15.00
MPW	Attendant Care	S5125 or 580	15 min	\$2.90	\$4.35
MPW	Case Management	T2022 or 590	Monthly	\$200	\$300
MPW	Community Living Supports	97535 or 589	15 min	\$5.54	\$8.31
MPW	Homemaker	S5130 or 582	15 min	\$6.50	\$9.75
MPW	Personal Care	T1019 pr 581	15 min	\$7.50	\$11.25
MIIW	Skilled Services by an LPN	559	Hourly	\$29.10	\$43.65
MIIW	Skilled Services by an RN	552	Hourly	\$31.98	\$47.97
MIIW	Skilled Services by an RT	410	Hourly	\$27.42	\$41.13
SCL	Community Access, Individual	97535	15 min	\$8.80	\$13.20
SCL	Community Access, Group	97537	15 min	\$4.40	\$6.60
SCL	Community Guide	H2015	15 min	\$8.80	\$13.20
SCL	Personal Assistance	T1019	15 min	\$6.09	\$9.14
SCL	Residential Support Level I (3 Residents or Less)	T2016 UP U3	Daily	\$189.71	\$284.57
SCL	Residential Support Level I (4 to 8 Residents)	T2016 US U3	Daily	\$143.39	\$215.09
SCL	Respite	T1005	15 min	\$3.05	\$4.58

The temporary rate increases are effective retroactive to January 1, 2022. The rates are effective up to six months after the end of the federal public health emergency declaration. Providers will have a transition period between the end of the public health emergency and the return to normal waiver operations.

Providers can begin billing the temporary rate increase after changes to the Medicaid Waiver Management Application (MWMA), the Medicaid Management Information System (MMIS), and the Netsmart electronic visit verification (EVV) system go into effect on April 29, 2022. To receive payment, provider agencies can submit adjustments to claims for affected services provided since January 1, 2022. Taking the temporary rate increase is optional and providers are not required to submit adjustments for previously provided services unless they want to claim the rate increase.

DMS is facilitating this attestation process to ensure appropriate use of funds and to streamline distribution of funds to eligible providers. At this point, DMS is not aware of federal review or audit processes and is taking proactive steps to comply with any future requirements. Please note that these Appendix K temporary rate increases are not related to other waiver funding activities currently in progress such as the biennial budget or the ongoing HCBS waiver rate study.

If you have questions regarding these updates, rate increases, or other information in this memo, please contact the 1915(c) Waiver Help Desk at 1915cWaiverHelpDesk@ky.gov or (844) 784-5614.

Sincerely,



Pam Smith
Director, Division of Community Alternatives

**APPENDIX K TEMPORARY RATE INCREASES
ACKNOWLEDGEMENT AND ATTESTATION**

My signature below indicates that I have read and understand the information and requirements addressed in this memo. I understand that 85% of the referenced payment increases must be passed on to direct care workers in the form of compensation increases and/or other incentives. I understand that my agency may be required to demonstrate compliance. Further, my signature attests that the agency will comply with the terms and conditions of receiving said funds and will report any discrepancies to DMS.

My provider agency plans to use 85% of the increased payments on the following temporary activities for direct care workers of eligible services:

- Increased wages
- Retention bonuses
- Hiring bonuses
- Increased benefit packages
- Extra training programs
- Extra paid time off
- Other – please specify how funds are being used in the space below.

_____ Agency Name and Address

_____ _Agency Provider Number(s)

_____ CEO/President Printed Name

_____ Printed Title

_____ Signature

_____ Date

Please return the signed document to DMS prior to billing the temporary rate increase by emailing it to CHFS.HCBSWorkGroup@ky.gov.