

# Request for an Amendment to a §1915(c) Home and Community-Based Services

## Waiver

### 1. Request Information

**A.** The **State** of **Alaska** requests approval for an amendment to the following Medicaid home and community-based services waiver approved under authority of §1915(c) of the Social Security Act.

**B. Program Title:**

Alaskans Living Independently

**C. Waiver Number:**AK.0261

Original Base Waiver Number: AK.0261.90.R2

**D. Amendment Number:**

**E. Proposed Effective Date:** (mm/dd/yy)

07/01/20

Approved Effective Date of Waiver being Amended: 07/01/16

### 2. Purpose(s) of Amendment

**Purpose(s) of the Amendment.** Describe the purpose(s) of the amendment:

This amendment makes three changes to the Alaskans Living Independently waiver:

- 1) it removes Chore as a waiver service specified in Appendix C and identified in Appendix J-2, since Chore is being added as a State Plan service within the Community First Choice (CFC) program. A transition plan for removing Chore as a waiver service is included in Main Attachment #1.
- 2) it amends Appendix I-2-a to state that inflation adjustments are made to waiver service rates annually except when inflation is disallowed by the Commissioner’s Office through regulation.
- 3) it amends Appendix J-2 to update the methodology used for estimating Factor D and reflects the chore service removal.

### 3. Nature of the Amendment

**A. Component(s) of the Approved Waiver Affected by the Amendment.** This amendment affects the following component(s) of the approved waiver. Revisions to the affected subsection(s) of these component(s) are being submitted concurrently (*check each that applies*):

Component of the Approved Waiver	Subsection(s)
Waiver Application	<input style="width: 90%; height: 20px;" type="text"/>
Appendix A Waiver Administration and Operation	<input style="width: 90%; height: 20px;" type="text"/>
Appendix B Participant Access and Eligibility	<input style="width: 90%; height: 20px;" type="text"/>
Appendix C Participant Services	<input style="width: 90%; height: 20px;" type="text"/> C-1/C-3
Appendix D Participant Centered Service Planning and	<input style="width: 90%; height: 20px;" type="text"/>

Component of the Approved Waiver	Subsection(s)
Delivery	
Appendix E Participant Direction of Services	
Appendix F Participant Rights	
Appendix G Participant Safeguards	
Appendix H	
Appendix I Financial Accountability	2.a
Appendix J Cost-Neutrality Demonstration	2.c.i, 2.d

**B. Nature of the Amendment.** Indicate the nature of the changes to the waiver that are proposed in the amendment (*check each that applies*):

- Modify target group(s)
  - Modify Medicaid eligibility
  - Add/delete services
  - Revise service specifications
  - Revise provider qualifications
  - Increase/decrease number of participants
  - Revise cost neutrality demonstration
  - Add participant-direction of services
  - Other
- Specify:

## Application for a §1915(c) Home and Community-Based Services Waiver

### 1. Request Information (1 of 3)

**A.** The State of Alaska requests approval for a Medicaid home and community-based services (HCBS) waiver under the authority of §1915(c) of the Social Security Act (the Act).

**B. Program Title** (*optional - this title will be used to locate this waiver in the finder*):

Alaskans Living Independently

**C. Type of Request:** amendment

**Requested Approval Period:** (*For new waivers requesting five year approval periods, the waiver must serve individuals who are dually eligible for Medicaid and Medicare.*)

3 years    5 years

**Original Base Waiver Number:** AK.0261

**Attachment #1: Transition Plan**

Check the box next to any of the following changes from the current approved waiver. Check all boxes that apply.

**Replacing an approved waiver with this waiver.**

**Combining waivers.**

**Splitting one waiver into two waivers.**

**Eliminating a service.**

**Adding or decreasing an individual cost limit pertaining to eligibility.**

**Adding or decreasing limits to a service or a set of services, as specified in Appendix C.**

**Reducing the unduplicated count of participants (Factor C).**

**Adding new, or decreasing, a limitation on the number of participants served at any point in time.**

**Making any changes that could result in some participants losing eligibility or being transferred to another waiver under 1915(c) or another Medicaid authority.**

**Making any changes that could result in reduced services to participants.**

Specify the transition plan for the waiver:

Chore will be removed as a 1915(c) Home and Community-Based waiver service and added as a service in the State's 1915(k) Community First Choice (CFC) program when regulations and waiver amendments become effective.

Thirty days prior to the effective date of corresponding regulations that shift Chore to CFC, waiver participants who have the Chore service approved in their person-centered support plans will be notified that they will be automatically enrolled in the CFC program in order to continue receiving Chore services. This notification will be done by mail, with a copy of the notification letter sent to the participant's care coordinator.

After receiving notification, participants will be able to indicate if they do not want to receive CFC services. If they opt out from a CFC program, they will no longer be eligible to receive Chore services.

The terms and conditions of the Chore service (eligibility for, limits of, and provider certification requirements) will remain the same under CFC. Participants currently receiving Chore services will continue to receive those services from the same provider. Providers providing Chore services after the effective date of the regulations will use a billing code modifier that identifies Chore as a CFC service.

**Attachment #2: Home and Community-Based Settings Waiver Transition Plan**

Specify the state's process to bring this waiver into compliance with federal home and community-based (HCB) settings requirements at 42 CFR 441.301(c)(4)-(5), and associated CMS guidance.

*Consult with CMS for instructions before completing this item. This field describes the status of a transition process at the point in time of submission. Relevant information in the planning phase will differ from information required to describe attainment of milestones.*

*To the extent that the state has submitted a statewide HCB settings transition plan to CMS, the description in this field may reference that statewide plan. The narrative in this field must include enough information to demonstrate that this waiver complies with federal HCB settings requirements, including the compliance and transition requirements at 42 CFR 441.301(c)(6), and that this submission is consistent with the portions of the statewide HCB settings transition plan that are germane to this waiver. Quote or summarize germane portions of the statewide HCB settings transition plan as required.*

*Note that Appendix C-5 HCB Settings describes settings that do not require transition; the settings listed there meet federal HCB setting requirements as of the date of submission. Do not duplicate that information here.*

*Update this field and Appendix C-5 when submitting a renewal or amendment to this waiver for other purposes. It is not necessary for the state to amend the waiver solely for the purpose of updating this field and Appendix C-5. At the end of the state's HCB settings transition process for this waiver, when all waiver settings meet federal HCB setting requirements, enter "Completed" in this field, and include in Section C-5 the information on all HCB settings in the waiver.*

The state assures that this waiver amendment will be subject to any provisions or requirements included in the state's most recent and/or approved home and community—based settings Statewide Transition Plan. The state will implement any required changes by the end of the transition period as outlined in the home and community-based settings Statewide Transition Plan.

- e. safe food handling and storage, and nutritious meal preparation;
- f. circumstances that could result in emergency, appropriate responses to such emergencies.

**Verification of Provider Qualifications**

**Entity Responsible for Verification:**

Certification: SDS Provider Certification Unit

**Frequency of Verification:**

Every two years.

**Appendix C: Participant Services**

**C-1/C-3: Service Specification**

State laws, regulations and policies referenced in the specification are readily available to CMS upon request through the Medicaid agency or the operating agency (if applicable).

**Service Type:**

Other Service

As provided in 42 CFR §440.180(b)(9), the State requests the authority to provide the following additional service not specified in statute.

**Service Title:**

Chore

**HCBS Taxonomy:**

**Category 1:**

**Sub-Category 1:**

**Category 2:**

**Sub-Category 2:**

**Category 3:**

**Sub-Category 3:**

**Service Definition (Scope):**

**Category 4:**

**Sub-Category 4:**

Upon approval by CMS of the 1915(k) State Plan Amendment adding Chore as a Community First Choice service in FY21, this waiver no longer includes Chore services.

This change is reflected in Appendix J-2 “Derivation of Estimates” where the Chore service average units of service estimates are zero for WY5.

Chore services assist the participant to maintain a clean, sanitary and safe environment. Chore services consist of regular cleaning of the residence used by the participant including washing floors, windows and walls, tacking down loose rugs and tiles, moving heavy items of furniture, snow shoveling or snow plowing in order to provide safe access and egress, hauling water, hauling or disposing of human excreta, collecting and chopping firewood, if firewood is used as a heat source for the participants home, and other services that the state determines necessary to maintain a healthy and safe residence.

Payment for chore services will not be made if any other relative or caregiver, or any community or volunteer agency or third-party payer is capable of or responsible for the provision of chore services, or if the participants residence is a rental property, and the state determines those services to be the responsibility of the landlord under the lease or applicable law. In addition, the state will not authorize chore services if the certified chore provider resides in the same residence as the recipient of chore services.

All chore services must be prior authorized.

**Specify applicable (if any) limits on the amount, frequency, or duration of this service:**

Alaska regulations at 7 AAC 130.245 limit chore services to 10 hours per week, up to a maximum of 520 hours for a one-year plan of care, for individuals on the ALI waiver.

**Service Delivery Method** *(check each that applies):*

**Participant-directed as specified in Appendix E**

**Provider managed**

**Specify whether the service may be provided by** *(check each that applies):*

**Legally Responsible Person**

**Relative**

**Legal Guardian**

**Provider Specifications:**

Provider Category	Provider Type Title
Agency	Certified home and community-based service agency

**Appendix C: Participant Services**

**C-1/C-3: Provider Specifications for Service**

**Service Type: Other Service**

**Service Name: Chore**

**Provider Category:**

Agency

**Provider Type:**

Certified home and community-based service agency

**Provider Qualifications**

**License** *(specify):*

Please provide a detailed strategy for assuring Financial Accountability, the specific timeline for implementing identified strategies, and the parties responsible for its operation.

## Appendix I: Financial Accountability

---

### I-2: Rates, Billing and Claims (1 of 3)

**a. Rate Determination Methods.** In two pages or less, describe the methods that are employed to establish provider payment rates for waiver services and the entity or entities that are responsible for rate determination. Indicate any opportunity for public comment in the process. If different methods are employed for various types of services, the description may group services for which the same method is employed. State laws, regulations, and policies referenced in the description are available upon request to CMS through the Medicaid agency or the operating agency (if applicable).

The department's Office of Rate Review is responsible for setting and reviewing Medicaid rates for home and community-based (HCB) waiver services.

The public has regular opportunity to participate in and comment on the ratesetting process. The department has worked very closely with the public to design the rate methods described in this waiver. This process includes:

- Numerous publicly noticed work sessions and webinars on all aspects of the methods described in this Waiver
- Numerous meetings with provider trade associations that represent both providers and recipients that live and work throughout the entire state of Alaska, including:
  - o Alaska Association on Developmental Disabilities
  - o Community Care Coalition
  - o AgeNet
  - o Assisted Living Association of Alaska
  - o Governor's Council on Disabilities and Special Education
  - o Alaska Mental Health Trust
  - o Alaska PCA Association
  - o Alaska Care Coordination Network
- Regular updates with the public through the department's E-Alert system
- Making information available on the department's website, including rate charts, policy documents, and regulations

Medicaid waiver rates are rebased at least every four years and are inflation-adjusted in non-rebase years unless the Commissioner determines no inflation adjustment will occur in a specific fiscal year. The inflation factor is determined using the CMS Home Health Agency Market Basket in Global Insight's Healthcare Cost Review. Enhanced care coordination services are not inflation adjusted.

The remainder of Appendix I-2-a is unchanged.

## 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: Nursing Facility**

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	31274.14	23764.15	55038.29	159843.65	6748.01	166591.66	111553.37
2	32013.99	24334.49	56348.48	163360.21	6909.96	170270.17	113921.69
3	32856.40	24918.52	57774.92	166954.14	7075.80	174029.94	116255.02
4	32191.32	25516.56	57707.88	170627.13	7245.62	177872.75	120164.87
5	32957.59	26128.96	59086.55	174380.93	7419.51	181800.44	122713.89

## 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:	
		Nursing Facility	
Year 1	2672		2672
Year 2	2763		2763
Year 3	2857		2857
Year 4	2954		2954
Year 5	3054		3054

## 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.

An individual count of days was conducted for all waiver participants in FY2015 based on the beginning and ending dates associated with their Medicaid waiver eligibility status. The sum of the individual day counts was divided by the number of individuals on the program during FY2015. The average length of stay in FY2015 was 290 days.

## 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 and methodology for these estimates is as follows:

FY2015 average ALI waiver cost per participant was utilized as the starting point. A 2.6% increase was applied for the first year and 2.4% increase for each subsequent year to reflect inflation together with the effect of increase in waiver participants at 3.4% each year (average growth of similar waiver for the last 5 years. **In general, Factor D assumes that rates will receive annual inflation adjustments; the Commissioner of the Department of Health and Social Services determines through regulation when an inflation adjustment cannot be made in a specific fiscal year.**

**Inflation Rates:** The State provides as evidence for using a 2.4% inflation rate annually the CMS Home Health Agency Market Basket contained in the most recent quarterly publication of IHS Global Insight’s Healthcare Cost Review, which is available 60 days before July 1. Three HIS Global Insights Market Baskets books were used as evidence of continued inflation at the 2.4% rate: Q4 of 2008, on page 59/96, shows 3.1 - 3.5% inflation during 2006-2008; Q1 of 2012, on page 54/78, indicates 2.4 - 2.9% inflation during 2013-2014; and more recently, Q1 of 2016, on page 61/90, indicates 2.1 - 2.9% inflation.

**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:

FY2015 average cost for Medicaid non-waiver services per ALI waiver participant was utilized as the starting point. A 2.4% increase was applied for each subsequent year to reflect inflation.

**Prescribed Drugs:** The SDS Research and Analysis Unit set up the MMIS query to estimate factor D'. The query for the calculation of D' was set up to exclude the costs of prescribed drugs by excluding the claims with the category of services and procedure codes designated as prescribed drugs. In this manner, only non-waiver claims (excluding prescribed drugs) were utilized in D' calculation and estimates.

The State confirms that WY1 Factor D' numbers are based on FY2015 average cost for Medicaid non-waiver services (not data reported in the FY14 372s). The following table presents FY2015 average cost data for each waiver:

Waiver claims data	FY2015 Medicaid non-waiver services retrieved from MMIS	D' in WY1
0260 (IDD)	\$11,377.38	\$11,930.05
0261 (ALI)	\$22,663.26	\$23,714.15
0262 (APDD)	\$42,547.69	\$44,614.49
0263 (CCMC)	\$50,468.58	\$52,920.14

WY1 estimates for D' inflate the FY15 actuals by 2.4% for two years.

**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:

This estimate was calculated based on average cost of skilled nursing facility care and intermediate care nursing facility care. FY2015 average cost of nursing facility care was utilized as the starting point. A 2.2% increase was applied for each subsequent year to reflect the rate increase for these types of facilities.

**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:

Waiver Service/Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Meals	per meal	778	232.00	23.84	4303024.64	
<b>Residential Supported Living Services Total:</b>						60058350.00
Residential Supported Living Services	per diem	1320	275.00	165.45	60058350.00	
<b>Specialized Medical Equipment and supplies Total:</b>						117592.92
Specialized Medical Equipment and supplies	per item	93	2.00	632.22	117592.92	
<b>Specialized Private Duty Nursing Total:</b>						1172067.75
Specialized Private Duty Nursing	15 minutes	5	10631.00	22.05	1172067.75	
<b>Transportation Total:</b>						3096455.68
Transportation	per ride	1187	128.00	20.38	3096455.68	
<b>GRAND TOTAL:</b>					95093164.16	
Total Estimated Unduplicated Participants:					2954	
Factor D (Divide total by number of participants):					32191.32	
Average Length of Stay on the Waiver:						290

## Appendix J: Cost Neutrality Demonstration

### 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
<b>Adult Day Services Total:</b>						5916419.67
Adult Day Services	1/2 day	491	105.00	95.55	4926080.25	
Adult Day Services	15 minutes	287	578.00	5.97	990339.42	
<b>Care Coordination Total:</b>						10389708.00
Care Coordination	1 month	3054	12.00	283.50	10389708.00	
<b>GRAND TOTAL:</b>					100652478.12	
Total Estimated Unduplicated Participants:					3054	
Factor D (Divide total by number of participants):					32957.59	
Average Length of Stay on the Waiver:						290

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
<b>Respite Total:</b>						10471352.55
Respite	per diem	298	10.00	336.92	1004021.60	
Respite	15 minute	1067	1255.00	7.07	9467330.95	
<b>Chore Total:</b>						0.00
Chore	15 minutes	0	0.00	0.01	0.00	
<b>Environmental Modifications Total:</b>						1122224.64
Environmental Modifications	per project	141	2.00	3979.52	1122224.64	
<b>Meals Total:</b>						4553148.48
Meals	per meal	804	232.00	24.41	4553148.48	
<b>Residential Supported Living Services Total:</b>						63596032.50
Residential Supported Living Services	per diem	1365	275.00	169.42	63596032.50	
<b>Specialized Medical Equipment and supplies Total:</b>						125593.66
Specialized Medical Equipment and supplies	per item	97	2.00	647.39	125593.66	
<b>Specialized Private Duty Nursing Total:</b>						1200239.90
Specialized Private Duty Nursing	15 minutes	5	10631.00	22.58	1200239.90	
<b>Transportation Total:</b>						3277758.72
Transportation	1 ride	1227	128.00	20.87	3277758.72	
<b>GRAND TOTAL:</b>						100652478.12
Total Estimated Unduplicated Participants:						3054
Factor D (Divide total by number of participants):						32957.59
Average Length of Stay on the Waiver:						290