North Carolina
Division of Medical Assistance

Community Alternatives Program for Children
(CAP/C)

Waiver Renewal Request for
Home and Community Based Services #4141.90.R2

Approved and Effective Date 7/1/2005 – 6/30/2010

SECTION 1915(c) HOME AND COMMUNITY-BASED SERVICES WAIVER APPLICATION

STATE: North Carolina DATE: 4/2005

1. The State of _North Carolina____ requests a Medicaid home and community-based services waiver under the authority of section 1915(c) of the Social Security Act. The administrative authority under which this waiver will be operated is contained in Appendix A.

   This is a request for a model waiver.

   a.____ Yes   b.__√___ No

   If Yes, the State assures that no more than 200 individuals will be served by this waiver at any one time.

   This waiver is requested for a period of (check one):

   a.____ 3 years (initial waiver)

   b._√__ 5 years (renewal waiver)

2. This waiver is requested in order to provide home and community-based services to individuals who, but for the provision of such services, would require the following levels (s) of care, the cost of which could be reimbursed under the approved Medicaid State plan:

   a._√___ Nursing facility (NF)

   b.____ Intermediate care facility for mentally retarded persons (ICF/MR)

   c._√___ Hospital

   d.____ NF (served in hospital)

   e.____ ICF/MR (served in hospital)

3. A waiver of section 1902(a)(10)(B) of the Act is requested to target waiver services to one of the select group(s) of individuals who would be otherwise eligible for waiver services:

a.____ aged (age 65 and older)

b.__√__ disabled

c.____ aged and/or disabled

d.____ mentally retarded

e.____ developmentally disabled

f.____ mentally retarded and/or developmentally disabled

g.____ chronically mentally ill

4. A waiver of section 1902(a)(10)(B) of the Act is also requested to impose the following additional targeting restrictions (specify):

a.__√_ Waiver services are limited to the following age groups (specify):
18 years or younger

b.____ Waiver services are limited to individuals with the following disease(s) or condition(s) (specify):

c.____ Waiver services are limited to individuals who are mentally retarded or developmentally disabled, who currently reside in general NFs, but who have been shown, as a result of the Pre-Admission Screening and Annual Resident Review process mandated by P.L. 100-203 to require active treatment at the level of an ICF/MR.

d.____ Other criteria. (Specify):

e.____ Not applicable.

5. Except as specified in item 6 below, an individual must meet the Medicaid eligibility criteria set forth in Appendix C-1 in addition to meeting the targeting criteria in items 2 through 4 of this request.

6. This waiver program includes individuals who are eligible under medically needy groups.

a.__√___ Yes b.____ No

7. A waiver of 1902(a)(10)(C)(i)(III) of the Social Security Act has been requested in order to use institutional income and resource rules for the medically needy.

   a.__√__ Yes   b.____ No   c.____ N/A

8. The State will refuse to offer home and community-based services to any person for whom it can reasonably be expected that the cost of home or community-based services furnished to that individual would exceed the cost of a level of care referred to in item 2 of this request.

   a.__√__ Yes   b.____ No

9. A waiver of the "statewideness" requirements set forth in section 1902(a)(1) of the Act is requested.

   a.____ Yes   b.__√__ No

   If yes, waiver services will be furnished only to individuals in the following geographic areas or political subdivisions of the State (Specify):

10. A waiver of the amount, duration and scope of services requirements contained in section 1902(a)(10)(B) of the Act is requested, in order that services not otherwise available under the approved Medicaid State plan may be provided to individuals served on the waiver.

11. The State requests that the following home and community-based services, as described and defined in Appendix B.1 of this request, be included under this waiver:

   a.__√__ Case management

   b.____ Homemaker

   c.____ Home health aide services

   d.__√__ Personal care services

   e.__√__ Respite care

   f.____ Adult day health

g.____ Habilitation

____ Residential habilitation

____ Day habilitation

____ Prevocational services

____ Supported employment services

____ Educational services

h.____ Environmental accessibility adaptations

i.____ Skilled nursing

j.____ Transportation

k.____ Specialized medical equipment and supplies

l.____ Chore services

m.____ Personal Emergency Response Systems

n.____ Companion services

o.____ Private duty nursing

p.____ Family training

q.____ Attendant care

r.____ Adult Residential Care

____ Adult foster care

____ Assisted living

s.____ Extended State plan services (Check all that apply):

____ Physician services

____ Home health care services

____ Physical therapy services

____ Occupational therapy services

____ Speech, hearing and language services

____ Prescribed drugs

____ Other (specify):

t.__√__ Other services (specify):

Nursing Services, Home Mobility Aids, Waiver Supplies

u.____ The following services will be provided to individuals with chronic mental illness:

____ Day treatment/Partial hospitalization

____ Psychosocial rehabilitation

____ Clinic services (whether or not furnished in a facility)

12. The state assures that adequate standards exist for each provider of services under the waiver. The State further assures that all provider standards will be met.

13. An individual written plan of care will be developed by qualified individuals for each individual under this waiver. This plan of care will describe the medical and other services (regardless of funding source) to be furnished, their frequency, and the type of provider who will furnish each. All services will be furnished pursuant to a written plan of care. The plan of care will be subject to the approval of the Medicaid agency. FFP will not be claimed for waiver services furnished prior to the development of the plan of care. FFP will not be claimed for waiver services which are not included in the individual written plan of care.

14. Waiver services will not be furnished to individuals who are inpatients of a hospital, NF, or ICF/MR.

15. FFP will not be claimed in expenditures for the cost of room and board, with the following exception(s) (Check all that apply):

Note: Case Management may be provided to NF and hospital patients up to 30 days prior to discharge – see Appendix B-1

a.____ When provided as part of respite care in a facility approved by the State that is not a private residence (hospital, NF, foster home, or community residential facility).

b.____ Meals furnished as part of a program of adult day health services.

c.____ When a live-in personal caregiver (who is unrelated to the individual receiving care) provides approved waiver services, a portion of the rent and food that may be reasonably attributed to the caregiver who resides in the same household with the waiver recipient. FFP for rent and food for a live-in caregiver is not available if the recipient lives in the caregiver's home, or in a residence that is owned or leased by the provider of Medicaid services. An explanation of the method by which room and board costs are computed is included in Appendix G-3.

For purposes of this provision, "board" means 3 meals a day, or any other full nutritional regimen.

16. The Medicaid agency provides the following assurances to CMS (formerly HCFA):

    a. Necessary safeguards have been taken to protect the health and welfare of persons receiving services under this waiver. Those safeguards include:

        1. Adequate standards for all types of providers that furnish services under the waiver (see Appendix B);

        2. Assurance that the standards of any State licensure or certification requirements are met for services or for individuals furnishing services that are provided under the waiver (see Appendix B). The State assures that these requirements will be met on the date that the services are furnished; and

        3. Assurance that all facilities covered by section 1616(e) of the Social Security Act, in which home and community-based services will be provided, are in compliance with applicable State standards that meet the requirements of 45 CFR Part 1397 for board and care facilities.

    b. The agency will provide for an evaluation (and periodic reevaluations, at least annually) of the need for a level of care indicated in item 2 of this request, when there is a reasonable indication that individuals might need such services in the near future (one month or less), but for the availability of home and community-based services. The requirements for such evaluations and reevaluations are detailed in Appendix D.

    c. When an individual is determined to be likely to require a level of care indicated in item 2 of this request, and is included in the targeting criteria included in items 3 and 4 of this request, the individual or his or her legal representative will be:

        1. Informed of any feasible alternatives under the waiver; and

        2. Given the choice of either institutional or home and community-based services.

    d. The agency will provide an opportunity for a fair hearing, under 42 CFR Part 431, subpart E, to persons who are not given the choice of home or community-based services as an alternative to institutional care indicated in item 2 of this request, or who are denied the service(s) of their choice, or the provider(s) of their choice.

e. The average per capita expenditures under the waiver will not exceed 100 percent of the average per capita expenditures for the level(s) of care indicated in item 2 of this request under the State plan that would have been made in that fiscal year had the waiver not been granted.

f. The agency's actual total expenditure for home and community-based and other Medicaid services under the waiver and its claim for FFP in expenditures for the services provided to individuals under the waiver will not, in any year of the waiver period, exceed 100 percent of the amount that would be incurred by the State's Medicaid program for these individuals in the institutional setting(s) indicated in item 2 of this request in the absence of the waiver.

g. Absent the waiver, persons served in the waiver would receive the appropriate type of Medicaid-funded institutional care that they require, as indicated in item 2 of this request.

h. The agency will provide CMS annually with information on the impact of the waiver on the type, amount and cost of services provided under the State plan and on the health and welfare of the persons served on the waiver. The information will be consistent with a data collection plan designed by CMS.

i. The agency will assure financial accountability for funds expended for home and community-based services, provide for an independent audit of its waiver program (except as CMS may otherwise specify for particular waivers), and it will maintain and make available to HHS, the Comptroller General, or other designees, appropriate financial records documenting the cost of services provided under the waiver, including reports of any independent audits conducted.

The State conducts a single audit in conformance with the Single Audit Act of 1984, P.L. 98-502.

a.__√__ Yes b.____ No

17. The State will provide for an independent assessment of its waiver that evaluates the quality of care provided, access to care, and cost-neutrality. The results of the assessment will be submitted to CMS at least 90 days prior to the expiration of the approved waiver period and cover the first 24 months (new waivers) or 48 months (renewal waivers) of the waiver.

a.__√__ Yes b.____ No

18. The State assures that it will have in place a formal system by which it ensures the health and welfare of the individuals served on the waiver, through monitoring of the quality control procedures described in this waiver document (including Appendices). Monitoring will ensure that all provider standards and health and welfare assurances are continuously met, and that plans of care are periodically reviewed to ensure that the services furnished are consistent with the identified needs of the individuals. Through these procedures, the State will ensure the quality of services furnished under the waiver and the State plan to waiver persons served on the waiver. The State further assures that all problems identified by this monitoring will be addressed in an appropriate and timely manner, consistent with the severity and nature of the deficiencies.

19. An effective date of **July 1, 2005** is requested.

20. The State contact person for this request is **Teresa Piezzo RN**, who can be reached by telephone at **(919) 855-4385**.

21. This document, together with Appendices A through G, and all attachments, constitutes the State's request for a home and community-based services waiver under section 1915(c) of the Social Security Act. The State affirms that it will abide by all terms and conditions set forth in the waiver (including Appendices and attachments), and certifies that any modifications to the waiver request will be submitted in writing by the State Medicaid agency. Upon approval by CMS, this waiver request will serve as the State's authority to provide home and community services to the target group under its Medicaid plan. Any proposed changes to the approved waiver will be formally requested by the State in the form of waiver amendments.

The State assures that all material referenced in this waiver application (including standards, licensure and certification requirements) will be kept on file at the Medicaid agency.

Signature: ________________________
Print Name: Mark Benton
Title: Interim Director
Division of Medical Assistance
Date: March 29, 2005

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0449. The time required to complete this information collection is estimated to average 160 hours for each new and renewed waiver request and an average of 30 hours for each amendment, including the time to review instructions, searching existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimates or suggestions for improving this form, please write to: CMS, P.O. Box 26684, Baltimore, Maryland 21207 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

APPENDIX A - ADMINISTRATION

LINE OF AUTHORITY FOR WAIVER OPERATION

CHECK ONE:

_√_ The waiver will be operated directly by the Medical Assistance Unit of the Medicaid agency.

____ The waiver will be operated by ___________, a separate agency of the State, under the supervision of the Medicaid agency. The Medicaid agency exercises administrative discretion in the administration and supervision of the waiver and issues policies, rules and regulations related to the waiver. A copy of the interagency agreement setting forth the authority and arrangements for this policy is on file at the Medicaid agency.

____ The waiver will be operated by ___________, a separate division within the Single State agency. The Medicaid agency exercises administrative discretion in the administration and supervision of the waiver and issues policies, rules and regulations related to the waiver. A copy of the interagency agreement setting forth the authority and arrangements for this policy is on file at the Medicaid agency.

APPENDIX B - SERVICES AND PROVIDER STANDARDS

APPENDIX B-1 - DEFINITION OF SERVICES

The State requests that the following home and community-based services, as described and defined herein, be included under this waiver. Provider qualifications/standards for each service are set forth in Appendix B-2.

a. _√_ Case Management

_√_ Services which will assist individuals who receive waiver services in gaining access to needed waiver and other State plan services, as well as needed medical, social, educational and other services, regardless of the funding source for the services to which access is gained.

Case managers shall be responsible for ongoing monitoring of the provision of services included in the individual's plan of care.

1._√_Yes 2.___No

Case managers shall initiate and oversee the process of assessment and reassessment of the individual's level of care and the review of plans of care at such intervals as are specified in Appendices C & D of this request.

1._√_Yes 2.___No

_√_ Other Service Definition (Specify):

Note: Case Management that does not duplicate discharge planning may be provided up to 30 days prior to discharge from a hospital or nursing facility.

Educational and professional qualifications of case managers are specified in Appendix B-2.

b.____ Homemaker:

___ Services consisting of general household activities (meal preparation and routine household care) provided by a trained homemaker, when the individual regularly responsible for these activities is temporarily absent or unable to manage the home and care for him or herself or others in the home. Homemakers shall meet such standards of education and training as are established by the State for the provision of these activities.

___ Other Service Definition (Specify):

c.____ Home Health Aide services:

___ Services defined in 42 CFR 440.70, with the exception that limitations on the amount, duration and scope of such services imposed by the State's approved Medicaid plan shall not be applicable. The amount, duration and scope of these services shall instead be in accordance with the estimates given in Appendix G of this waiver request. Services provided under the waiver shall be in addition to any available under the approved State plan.

___ Other Service Definition (Specify):

d.√__ Personal care services:

__√ Assistance with eating, bathing, dressing, personal hygiene, activities of daily living. This service may include assistance with preparation of meals, but does not include the cost of the meals themselves. When specified in the plan of care, this service may also include such housekeeping chores as bedmaking, dusting and vacuuming, which are incidental to the care furnished, or which are essential to the health and welfare of the individual, rather than the individual's family. Personal care providers must meet State standards for this service.

1. Services provided by family members (Check one):

_√_ Payment will not be made for personal care services furnished by a member of the individual's family.

___ Personal care providers may be members of the individual's family. Payment will not be made for services furnished to a minor by the child's parent (or step-parent), or to an individual by that person's spouse.

Justification attached. (Check one):

___ Family members who provide personal care services must meet the same standards as providers who are unrelated to the individual.

___ Standards for family members providing personal care services differ from those for other providers of this service. The different standards are indicated in Appendix B-2.

2. Supervision of personal care providers will be furnished by (Check all that apply):

_√_ A registered nurse, licensed to practice nursing in the State.

___ A licensed practical or vocational nurse, under the supervision of a registered nurse, as provided under State law.

___ Case managers

___ Other (Specify):

3. Frequency or intensity of supervision (Check one):

___ As indicated in the plan of care

_√_ Other (Specify)**:** Every 60 days

4. Relationship to State plan services (Check one):

___ Personal care services are not provided under the approved State plan.

___ Personal care services are included in the State plan, but with limitations. The waivered service will serve as an extension of the State plan service, in accordance with documentation provided in Appendix G of this waiver request.

_√_ Personal care services under the State plan differ in service definition or provider type from the services to be offered under the waiver.

___ Other service definition (Specify):

e. √ Respite care:

√ Services provided to individuals unable to care for themselves; furnished on a short-term basis because of the absence or need for relief of those persons normally providing the care.

___ Other service definition (Specify):

FFP will not be claimed for the cost of room and board except when provided as part of respite care furnished in a facility approved by the State that is not a private residence.

Respite care will be provided in the following location(s) (Check all that apply):

√ Individual's home or place of residence

___ Foster home

√ Medicaid certified Hospital

√ Medicaid certified NF

___ Medicaid certified ICF/MR

___ Group home

___ Licensed respite care facility

___ Other community care residential facility approved by the State that is not a private residence (Specify type):

___ Other service definition (Specify):
Qualifications of the providers of respite care services are included in Appendix B-2 Applicable Keys amendment standards are included in Appendix B-3.

f.____ Adult day health:

___ Services furnished 4 or more hours per day on a regularly scheduled basis, for one or more days per week, in an outpatient setting, encompassing both health and social services needed to ensure the optimal functioning of the individual. Meals provided as part of these services shall not constitute a "full nutritional regimen" (3 meals per day).Physical, occupational and speech therapies indicated in the individual's plan of care will be furnished as component parts of this service.

Transportation between the individual's place of residence and the adult day health center will be provided as a component part of adult day health services. The cost of this transportation is included in the rate paid to providers of adult day health services. (Check one):

1.___Yes 2.___No

___ Other service definition (Specify):

g.____ Habilitation:

___ Services designed to assist individuals in acquiring, retaining and improving the self-help, socialization and adaptive skills necessary to reside successfully in home and community-based settings. This service includes:

___ Residential habilitation: assistance with acquisition, retention, or improvement in skills related to activities of daily living, such as personal grooming and cleanliness, bed making and household chores, eating and the preparation of food, and the social and adaptive skills necessary to enable the individual to reside in a non-institutional setting. Payments for residential habilitation are not made for room and board, the cost of facility maintenance, upkeep and improvement, other than such costs for modifications or adaptations to a facility required to assure the health and safety of residents, or to meet the requirements of the applicable life safety code. Payment for residential habilitation does not include payments made, directly or indirectly, to members of the individual's immediate family. Payments will not be made for the routine care and supervision which would be expected to be provided by a family or group home provider, or for activities or supervision for which a payment is made by a source other than Medicaid. Documentation which shows that Medicaid payment does not cover these components is attached to Appendix G.

___ Day habilitation: assistance with acquisition, retention, or improvement in self-help, socialization and adaptive skills which takes place in a non-residential setting, separate from the home or facility in which the individual resides. Services shall normally be furnished 4 or more hours per day on a regularly scheduled basis, for 1 or more days per week unless provided as an adjunct to other day activities included in an individual's plan of care.

Day habilitation services shall focus on enabling the individual to attain or maintain his or her maximum functional level and shall be coordinated with any physical, occupational, or speech therapies listed in the plan of care. In addition, day habilitation services may serve to reinforce skills or lessons taught in school, therapy, or other settings.

___ Prevocational services not available under a program funded under section 110 of the Rehabilitation Act of 1973 or section 602(16) and (17) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(16 and 17)). Services are aimed at preparing an individual for paid or unpaid employment, but are not job-task oriented. Services include teaching such concepts as compliance, attendance, task completion, problem solving and safety. Prevocational services are provided to persons not expected to be able to join the general work force or participate in a transitional sheltered workshop within one year (excluding supported employment programs). Prevocational services are available only to individuals who have previously been discharged from a SNF, ICF, NF or ICF/MR.

Check one:

___ Individuals will not be compensated for prevocational services.

___ When compensated, individuals are paid at less than 50 percent of the minimum wage.

Activities included in this service are not <u>primarily</u> directed at teaching specific job skills, but at underlying habilitative goals, such as attention span and motor skills. All prevocational services will be reflected in the individual's plan of care as directed to habilitative, rather than explicit employment objectives.

Documentation will be maintained in the file of each individual receiving this service that:

1. The service is not otherwise available under a program funded under the Rehabilitation Act of 1973, or P.L. 94-142; and

2. The individual has been deinstitutionalized from a SNF, ICF, NF, or ICF/MR at some prior period.

___ Educational services, which consist of special education and related services as defined in section s (15) and (17) of the Individuals with Disabilities Education Act, to the extent to which they are not available under a program funded by IDEA. Documentation will be maintained in the file of each individual receiving this service that:

1. The service is not otherwise available under a program funded under the Rehabilitation Act of 1973, or P.L. 94-142; and

2. The individual has been deinstitutionalized from a SNF, ICF, NF, or ICF/MR at some prior period.

___ Supported employment services, which consist of paid employment for persons for whom competitive employment at or above the minimum wage is unlikely, and who, because of their disabilities, need intensive ongoing support to perform in a work setting. Supported employment is conducted in a variety of settings, particularly work sites in which persons without disabilities are employed. supported employment includes activities needed to sustain paid work by individuals receiving waiver services, including supervision and training. When supported employment services are provided at a work site in which persons without disabilities are employed, payment will be made only for the adaptations, supervision and training required by individuals receiving waiver services as a result of their disabilities, and will not include payment for the supervisory activities rendered as a normal part of the business setting.

Supported employment services furnished under the waiver are not available under a program funded by either the Rehabilitation Act of 1973 or P.L. 94-142. Documentation will be maintained in the file of each individual receiving this service that:

1. The service is not otherwise available under a program funded under the Rehabilitation Act of 1973, or P.L. 94-142; and

2. The individual has been deinstitutionalized from a SNF, ICF, NF, or ICF/MR at some prior period.

FFP will not be claimed for incentive payments, subsidies, or unrelated vocational training expenses such as the following:

1. Incentive payments made to an employer to encourage or subsidize the employer's participation in a supported employment program;

2. Payments that are passed through to users of supported employment programs; or

3. Payments for vocational training that is not directly related to an individual's supported employment program.

Transportation will be provided between the individual's place of residence and the site of the habilitation services, or between habilitation sites (in cases where the individual receives habilitation services in more than one place) as a component part of habilitation services. The cost of this transportation is included in the rate paid to providers of the appropriate type of habilitation services.

1.___Yes 2.___No

___ Other service definition (Specify):

The State requests the authority to provide the following additional services, not specified in the statute. The State assures that each service is cost-effective and necessary to prevent institutionalization. The cost neutrality of each service is demonstrated in Appendix G. Qualifications of providers are found in Appendix B-2.

h.____ Environmental accessibility adaptations:

___ Those physical adaptations to the home, required by the individual's plan of care, which are necessary to ensure the health, welfare and safety of the individual, or which enable the individual to function with greater independence in the home, and without which, the individual would require institutionalization. Such adaptations may include the installation of ramps and grab-bars, widening of doorways, modification of bathroom facilities, or installation of specialized electric and plumbing systems which are necessary to accommodate the medical equipment and supplies which are necessary for the welfare of the individual. Excluded are those adaptations or improvements to the home which are of general utility, and are not of direct medical or remedial benefit to the individual, such as carpeting, roof repair, central air conditioning, etc. Adaptations which add to the total square footage of the home are excluded from this benefit. All services shall be provided in accordance with applicable State or local building codes.

___ Other service definition (Specify):

i.____ Skilled nursing:

___ Services listed in the plan of care which are within the scope of the State's Nurse Practice Act and are provided by a registered professional nurse, or licensed practical or vocational nurse under the supervision of a registered nurse, licensed to practice in the State.

___ Other service definition (Specify):

j.____ Transportation:

___ Service offered in order to enable individuals served on the waiver to gain access to waiver and other community services, activities and resources, specified by the plan of care. This service is offered in addition to medical transportation required under 42 CFR 431.53 and transportation services under the State plan, defined at 42 CFR 440.170(a) (if applicable), and shall not replace them. Transportation services under the waiver shall be offered in accordance with the individual's plan of care. Whenever possible, family, neighbors, friends, or community agencies which can provide this service without charge will be utilized.

___ Other service definition (Specify):

k.____ Specialized Medical Equipment and Supplies:

___ Specialized medical equipment and supplies to include devices, controls, or appliances, specified in the plan of care, which enable individuals to increase their abilities to perform activities of daily living, or to perceive, control, or communicate with he environment in which they live.

This service also includes items necessary for life support, ancillary supplies and equipment necessary to the proper functioning of such items, and durable and non-durable medical equipment not available under the Medicaid State plan. Items reimbursed with waiver funds shall be in addition to any medical equipment and supplies furnished under the State plan and shall exclude those items which are not of direct medical or remedial benefit to the individual. All items shall meet applicable standards of manufacture, design and installation.

___ Other service definition (Specify):

l.____ Chore services:

___ Services needed to maintain the home in a clean, sanitary and safe environment. This service includes heavy household chores such as washing floors, windows and walls, tacking down loose rugs and tiles, moving heavy items of furniture in order to provide safe access and egress. These services will be provided only in cases where neither the individual, nor anyone else in the household, is capable of performing or financially providing for them, and where no other relative, caregiver, landlord, community/volunteer agency, or third party payor is capable of or responsible for their provision. In the case of rental property, the responsibility of the landlord, pursuant to the lease agreement, will be examined prior to any authorization of service.

___ Other service definition (Specify):

m.____ Personal Emergency Response Systems (PERS)

___ PERS is an electronic device which enables certain individuals at high risk of institutionalization to secure help in an emergency. The individual may also wear a portable "help" button to allow for mobility. The system is connected to the person's phone and programmed to signal a response center once a "help" button is activated. The response center is staffed by trained professionals, as specified in Appendix B-2. PERS services are limited to those individuals who live alone, or who are alone for significant parts of the day, and have no regular caregiver for extended periods of time, and who would otherwise require extensive routine supervision.

___ Other service definition (Specify):

n.____ Adult companion services:

___ Non-medical care, supervision and socialization, provided to a functionally impaired adult. Companions may assist or supervise the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. The provision of companion services does not entail hands-on nursing care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the individual. This service is provided in accordance with a therapeutic goal in the plan of care, and is not purely diversional in nature.

___ Other service definition (Specify):

o.____ Private duty nursing:

___ Individual and continuous care (in contrast to part time or intermittent care) provided by licensed nurses within the scope of State law. These services are provided to an individual at home.

___ Other service definition (Specify):

p.____ Family training:

___ Training and counseling services for the families of individuals served on this waiver. For purposes of this service, "family" is defined as the persons who live with or provide care to a person served on the waiver, and may include a parent, spouse, children, relatives, foster family, or in-laws. "Family" does not include individuals who are employed to care for the consumer. Training includes instruction about treatment regimens and use of equipment specified in the plan of care, and shall include updates as necessary to safely maintain the individual at home. All family training must be included in the individual's written plan of care.

___ Other service definition (Specify):

q.____ Attendant care services:

___ Hands-on care, of both a supportive and health-related nature, specific to the needs of a medically stable, physically handicapped individual. Supportive services are those which substitute for the absence, loss, diminution, or impairment of a physical or cognitive function. this service may include skilled or nursing care to the extent permitted by State law. Housekeeping activities which are incidental to the performance of care may also be furnished as part of this activity.

Supervision (Check all that apply):

___ Supervision will be provided by a Registered Nurse, licensed to practice in the State. The frequency and intensity of supervision will be specified in the individual's written plan of care.

___ Supervision may be furnished directly by the individual, when the person has been trained to perform this function, and when the safety and efficacy of consumer-provided supervision has been certified in writing by a registered nurse or otherwise as provided in State law. This certification must be based on direct observation of the consumer and the specific attendant care provider, during the actual provision of care. Documentation of this certification will be maintained in the consumer's individual plan of care.

___ Other supervisory arrangements (Specify):

___ Other service definition (Specify):

r.____ Adult Residential Care (Check all that apply):

___ Adult foster care: Personal care and services, homemaker, chore, attendant care and companion services medication oversight (to the extent permitted under State law) provided in a licensed (where applicable) private home by a principal care provider who lives in the home. Adult foster care is furnished to adults who receive these services in conjunction with residing in the home. The total number of individuals (including persons served in the waiver) living in the home, who are unrelated to the principal care provider. Separate payment will not be made for homemaker or chore services furnished to an individual receiving adult foster care services, since these services are integral to and inherent in the provision of adult foster care services.

___ Assisted living: Personal care and services, homemaker, chore, attendant care, companion services, medication oversight (to the extent permitted under State law), therapeutic social and recreational programming, provided in a home-like environment in a licensed (where applicable) community care facility, in conjunction with residing in the facility. This service includes 24 hour on-site response staff to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence, and to provide supervision, safety and security. Other individuals or agencies may also furnish care directly, or under arrangement with the community care facility, but the care provided by these other entities supplements that provided by the community care facility and does not supplant it.

Personalized care is furnished to individuals who reside in their own living units (which may include dually occupied units when both occupants consent to the arrangement) which may or may not include kitchenette and/or living rooms and which contain bedrooms and toilet facilities. The consumer has a right to privacy. Living units may be locked at the discretion of the consumer, except when a physician or mental health professional has certified in writing that the consumer is sufficiently cognitively impaired as to be a danger to self or others if given the opportunity to lock the door. (This requirement does not apply where it conflicts with fire code.) Each living unit is separate and distinct from each other. The facility must have a central dining room, living room or parlor, and common activity center(s) (which may also serve as living rooms or dining rooms). The consumer retains the right to assume risk, tempered only by the individual's ability to assume responsibility for that risk. Care must be furnished in a way which fosters the independence of each consumer to facilitate aging in place. Routines of care provision and service delivery must be consumer-driven to the maximum extent possible, and treat each person with dignity and respect.

Assisted living services may also include (Check all that apply):

___ Home health care

___ Physical therapy

___ Occupational therapy

___ Speech therapy

___ Medication administration

___ Intermittent skilled nursing services

___ Transportation specified in the plan of care

___ Periodic nursing evaluations

___ Other (Specify)

However, nursing and skilled therapy services (except periodic nursing evaluations if specified above) are incidental, rather than integral to the provision of assisted living services. Payment will not be made for 24-hour skilled care or supervision. FFP is not available in the cost of room and board furnished in conjunction with residing in an assisted living facility.

___ Other service definition (Specify):

Payments for adult residential care services are not made for room and board, items of comfort or convenience, or the costs of facility maintenance, upkeep and improvement. Payment for adult residential care services does not include payments made, directly or indirectly, to members of the consumer's immediate family. The methodology by which payments are calculated and made is described in Appendix G.

s.__√__ Other waiver services which are cost-effective and necessary to prevent institutionalization (Specify): Please see list of services and definitions in Appendix B-1.

t.____ Extended State plan services:

The following services, available through the approved State plan, will be provided, except that the limitations on amount, duration and scope specified in the plan will not apply. Services will be as defined and described in the approved State plan. The provider qualifications listed in the plan will apply, and are hereby incorporated into this waiver request by reference. These services will be provided under the State plan until the plan limitations have been reached. Documentation of the extent of services and cost-effectiveness are demonstrated in Appendix G. (Check all that apply):

___ Physician services

___ Home health care services

___ Physical therapy services

___ Occupational therapy services

___ Speech, hearing and language services

___ Prescribed drugs

___ Other State plan services (Specify):

u.____ Services for individuals with chronic mental illness, consisting of (Check one):

___ Day treatment or other partial hospitalization services (Check one):

___ Services that are necessary for the diagnosis or treatment of the individual's mental illness. These services consist of the following elements:

a. individual and group therapy with physicians or psychologists (or other mental health professionals to the extent authorized under State law),

b. occupational therapy, requiring the skills of a qualified occupational therapist,

c. services of social workers, trained psychiatric nurses, and other staff trained to work with individuals with psychiatric illness,

d. drugs and biologicals furnished for therapeutic purposes,

e. individual activity therapies that are not primarily recreational or diversionary,

f. family counseling (the primary purpose of which is treatment of the individual's condition),

g. training and education of the individual (to the extent that training and educational activities are closely and clearly related to the individual's care and treatment), and

h. diagnostic services.

Meals and transportation are excluded from reimbursement under this service. The purpose of this service is to maintain the individual's condition and functional level and to prevent relapse or hospitalization.

___ Other service definition (Specify):

___ Psychosocial rehabilitation services (Check one):

___ Medical or remedial services recommended by a physician or other licensed practitioner under State law, for the maximum reduction of physical or mental disability and the restoration of maximum functional level. Specific services include the following:

a. restoration and maintenance of daily living skills (grooming, personal hygiene, cooking, nutrition, health and mental health education, medication management, money management and maintenance of the living environment);

b. social skills training in appropriate use of community services;

c. development of appropriate personal support networks, therapeutic recreational services (which are focused on therapeutic intervention, rather than diversion); and

d. telephone monitoring and counseling services.

The following are specifically excluded from Medicaid payment for psychosocial rehabilitation services:

a. vocational services,

b. prevocational services,

c. supported employment services, and

d. room and board.

___ Other service definition (Specify):

___ Clinic services (whether or not furnished in a facility) are services defined in 42 CFR 440.90.

Check one:

___ This service is furnished only on the premises of a clinic.

___ Clinic services provided under this waiver may be furnished outside the clinic facility. Services may be furnished in the following locations (Specify):

APPENDIX B-1 - WAIVER SERVICES

s.1.
CAP/C Nursing Services (accepted by Amendment 8/12/2004)
CAP/C Nursing Services are continuous, complex and substantial nursing care ordered by the physician. Nursing care to monitor for potential complications is not covered. The service may include performance of specialized procedures, preparation of equipment and material for treatment, assistance in learning appropriate self-care techniques, and other medical tasks performed on an ongoing, daily basis. The nurse may also assist the child with eating or feeding, transfers, ambulation, and other personal care tasks when needed as an integral part of the child's day-to-day treatment plan. In addition to providing care in the home, the nurse may accompany a child outside the home when the child's normal life activities (such as attending school during the day) take the child away from the home during the day. If the care is to be provided in another private residence, such another relative's home, the setting must be assessed and approved by the case manager prior to the delivery of the service.

Qualifications: An agency providing this service must be a home care agency licensed by the North Carolina Division of Facility Services to provide nursing services. Individuals providing care must be licensed nurses who are qualified and supervised according to Home Care Licensure rules. The requirements are found in North Carolina Administrative Code Title 10, Chapter 3, Subchapter 3L.

Hospital Level of Care
Hospital level of care is for children with medical conditions who require continuous, complex and substantial skilled nursing care that could not otherwise be provided in a skilled nursing facility. These children typically have multiple serious illnesses, medical conditions and/or injuries – to the degree that the necessary interventions and supervision can only be met by continuous skilled nursing care rather than intermittent home health nursing. Nursing care to monitor for potential complications will not meet the criteria for this level of care. In most cases, children who are approved for this level of care have continuous skilled nursing needs in one or more of the following areas.

- Dependent on mechanical ventilators
- Require substantial and complex nursing care due to AIDS or AIDS-related conditions, or
- Require a combination of two or more of the following services
    - Device based respiratory support requiring on-going intervention including: tracheostomy tube care along with frequent suctioning or tracheostomy care with continuous oxygen therapy for long term respiratory dysfunction
    - Nutritional management requiring tube feeding;
    - Intravenous administration of drugs, nutritional substances, or fluids over extended periods (great than four hours daily) secondary to a complex or terminal medical condition;
    - Intensive pain control management through intravenous or epidermal/intrathecal analgesic drug administration

s.2.
Waiver Supplies
The following Waiver Supplies are provided to the waiver participant to promote the health and well-being of the individual. The service is necessary to avoid institutionalization. Its cost-effectiveness is demonstrated in Appendix G. The following items are included in this service. They are not covered under the State Plan.

a. Nutritional supplements taken by mouth when ordered by a physician.
b. Reusable incontinence undergarments and the disposable liners for the undergarments.

s.3.
Home Mobility Aids (accepted by Amendment 6/18/2001)
Home Mobility Aids are items provided to give the client mobility, safety and independence in the home. It is essential that homes of waiver participants who are non-ambulatory or very physically disabled contain the adaptations necessary to enable the individual to possess some degree of mobility, and remain at home, while maintaining the health and safety of the participant. The service is necessary to avoid institutionalization. Though the aids often require minor renovations or physical adaptation of the client's home, this service may not be used to pay for major home renovations or repairs. The service is limited to those needed to adapt the individual's home environment to his/her specific disabilities, and are not room and board type items that have general utility to non-impaired individuals. The specific items covered as home mobility aids are:

a. Wheelchair ramps
b. Safety rails
c. Grab bars
d. Non-skid surfaces (rough surfaced strips of adhesive material that adhere to non-carpeted areas such as concrete, linoleum, wood, tile, porcelain, or fiberglass)
e. Handheld showers
f. Widening of doorways for wheelchair access for waiver participants

The items must be provided by individuals capable of constructing or installing the needed apparatus, with any constructions/installation completed in accordance with state and local building codes.

APPENDIX B-2 - PROVIDER QUALIFICATIONS

A. LICENSURE AND CERTIFICATION CHART

The following chart indicates the requirements for the provision of each service under the waiver. Licensure, Regulation, State Administrative Code are referenced by citation. Standards not addressed under uniform State citation are attached.

Service	Provider	License	Certification	Other Standard
Case Management	Agency capable of providing Case Management by both nurse and social work staff as described in "Other Standard"	Nurse case manager must be licensed by the N.C. Board of Nursing		Must meet the standards established by the NC Office of State Personnel fo either a Public Health Nurse I or highe or a Social Worker I or higher, experienced in home and community long term care needs, assessment and case management
Personal Care Servic	Home Care Agency licensed for provision of in-home aide services	Licensed by Division of Facility Services under N.C. Administrative Code Title 10, Chpt.3. Subchapter 3L to provide in-home aide services		
Respite- In Home Aides In Home Nursing	Home Care Agency licensed for provision of in-home aides services and/or nursing services	Licensed by Division of Facility Services under N.C. Administrative Code Title 10, Chpt.3. Subchapter 3L to provide in-home aide services and/or nursing services		
Respite – Institutiona	Medicaid certified nursing facilities and hospitals with swing beds	Nursing facilities licensed under N.C. Administrative Code Title 10, Chapter 3, Subchapter 3H. Hospitals licensed under N.C. Administrative Code Title 10, Chpt 3, Subchapter 3L to provide nursing services	Certified by Division of Facility Services	
Waiver Supplies	Medical suppliers			Supplies must be of sufficient quality and appropriate to needs of client as determined by case manager
Nursing Services	Home Care Agencies licensed for provision of nursing services	Home Care agencies licensed by Division of Facility Services under N.C. Administrative Code Title 10, Chpt 3, Subchapter 3L to provide nursing services		
Home Mobility Aids				Modification made and equipment installed according to applicable State and local building codes

B. ASSURANCE THAT REQUIREMENTS ARE MET

The State assures that the standards of any State licensure or certification requirements are met for services or for individuals furnishing services provided under the waiver.

C. PROVIDER REQUIREMENTS APPLICABLE TO EACH SERVICE

For each service for which standards other than, or in addition to State licensure or certification must be met by providers, the applicable educational, professional, or other standards for service provision or for service providers are attached to this Appendix, tabbed and labeled with the name of the service(s) to which they apply.

When the qualifications of providers are set forth in State or Federal law or regulation, it is not necessary to provide copies of the applicable documents. However, the documents must be on file with the State Medicaid agency, and the licensure and certification chart at the head of this Appendix must contain the precise citation indicating where the standards may be found.

Case Manager Requirements
See Attachment B-2-1 Public Health Nurse I
See Attachment B-2-2 Social Worker I

D. FREEDOM OF CHOICE

The State assures that each individual found eligible for the waiver will be given free choice of all qualified providers of each service included in his or her written plan of care.

APPENDIX B-3 - KEYS AMENDMENT STANDARDS FOR BOARD AND CARE FACILITIES

KEYS AMENDMENT ASSURANCE:

The State assures that all facilities covered by section 1616(e) of the Social Security Act, in which home and community-based services will be provided are in compliance with applicable State standards that meet the requirements of 45 CFR Part 1397 for board and care facilities.

APPLICABILITY OF KEYS AMENDMENT STANDARDS:

Check one:

_√_ Home and community-base services will not be provided in facilities covered by section 1616(e) of the Social Security Act. Therefore, no standards are provided.

___ A copy of the standards applicable to each type of facility identified above is maintained by the Medicaid agency.

APPENDIX C - ELIGIBILITY AND POST-ELIGIBILITY

Appendix C-1 - Eligibility

MEDICAID ELIGIBILITY GROUPS SERVED

Individuals receiving services under this waiver are eligible under the following eligibility group(s) in your State plan. The State will apply all applicable FFP limits under the plan. **(Check all that apply.)**

1.____ Low income families with children as described in section 1931 of the Social Security Act.

2.__√__ SSI recipients (SSI Criteria States and 1634 States).

3.____ Aged, blind or disabled in 209(b) States who are eligible under 435.121 (aged, blind or disabled who meet requirements that are more restrictive than those of the SSI program).

4.____ Optional State supplement recipients

5.__√__ Optional categorically needy and disabled who have income at (Check one):

a.__√__ 100% of the Federal poverty level (FPL)

b.____% Percent of FPL which is lower than 100%.

6.____ The special home and community-based waiver group under 42 CFR 435.217 (Individuals who would be eligible for Medicaid if they were in an institution, who have been determined to need home and community-based services in order to remain in the community, and who are covered under the terms of this waiver).

Spousal impoverishment rules are used in determining eligibility for the special home and community-based waiver group at 42 CFR 435.217.

____ A. Yes ___B. No

Check one:

a.____ The waiver covers all individuals who would be eligible for Medicaid if they were in a medical institution and who need home and community-based services in order to remain in the community; or

b.____ Only the following groups of individuals who would be eligible for Medicaid if they were in a medical institution and who need home and community-based services in order to remain in the community are included in this waiver: (check all that apply):

(1)___ A special income level equal to:

___ 300% of the SSI Federal benefit (FBR)

___% of FBR, which is lower than 300% (42 CFR 435.236)

$____ which is lower than 300%

(2)___ Aged, blind and disabled who meet requirements that are more restrictive than those of the SSI program. (42 CFR 435.121)

(3)___ Medically needy without spenddown in States which also provide Medicaid to recipients of SSI. (42 CFR 435.320, 435.322, and 435,324.)

(4)___ Medically needy without spenddown in 209(b) States. (42 CFR 435.330)

(5)___ Aged and disabled who have income at:

a.____ 100% of the FPL

b.___% which is lower than 100%.

(6)___ Other (Include statutory reference only to reflect additional groups included under the State plan.)

7.__√__ Medically needy (42 CFR 435.320, 435.322, 435.324 and 435.330)

8.__√__ Other (Include only statutory reference to reflect additional groups under your plan that you wish to include under this waiver.)
Children receiving foster care or adoption assistance who are covered under 42 CFR 435.145.

APPENDIX C-2 - POST-ELIGIBILITY

This section does apply to this waiver.

APPENDIX D - ENTRANCE PROCEDURES AND REQUIREMENTS

APPENDIX D-1

a. EVALUATION OF LEVEL OF CARE

The agency will provide for an evaluation (and periodic reevaluations) of the need for the level(s) of care indicated in the Executive Summary of this request, when there is a reasonable indication that individuals might need such services in the near future, but for the availability of home and community-based services.

b. QUALIFICATIONS OF INDIVIDUALS PERFORMING INITIAL EVALUATION

The educational/professional qualifications of persons performing initial evaluations of level of care for waiver participants are (check all that apply):

________ Discharge planning team

___√___ Physician (MD or DO)

___√___ Registered nurse, licensed in the state

________ Licensed social worker

________ Qualified mental retardation professional, as defined in 42 CFR 483.430(a)

________ Other (specify):
____
____
____

APPENDIX D-2

a. REEVALUATIONS OF LEVEL OF CARE

Reevaluations of the level of care required by the individual will take place (at a minimum) according to the following schedule (specify):

_______ Every 3 months

_______ Every 6 months

__√__ Every 12 months

_______ Other (specify):
____
____
____

b. QUALIFICATIONS OF PERSONS PERFORMING REEVALUATIONS

Check one:

__√__ The educational/professional qualifications of person(s) performing reevaluations of level of care are the same as those for persons performing initial evaluations.

_____ The educational/professional qualifications of persons performing reevaluations of level of care differ from those of persons performing initial evaluations. The following qualifications are met for all individuals performing reevaluations of level of care (specify):

_______ Physician (MD or DO)

_______ Registered nurse, licensed in the state

_______ Licensed social worker

_______ Qualified mental retardation professional, as defined in 42 CFR 483.430(a)

_______ Other (specify):
____
____
____

c. PROCEDURES TO ENSURE TIMELY REEVALUATIONS

The state will employ the following procedures to ensure timely reevaluations of level of care (check below):

___√__ "Tickler" file

______ Edits in computer system

__√___ Component part of case management

_______ Other (specify):
____
____
____

APPENDIX D-3

a. MAINTENANCE OF RECORDS

1. Records of evaluations and reevaluations of level of care will be maintained in the following location(s) (check all that apply):

_√_____ By the Medicaid Agency in its central office

________ By the Medicaid Agency in district/local offices

________ By the agency designated in Appendix A as having primary authority for the daily operation of the waiver program

_√_____ By the case managers

________ By the persons or agencies designated as responsible for the performance of evaluations and reevaluations

________ By service providers

________ Other (specify):
____
____
____

2. Written documentation of all evaluations and reevaluations will be maintained as described in this Appendix for a minimum period of 3 years.

b. COPIES OF FORMS AND CRITERIA FOR EVALUATION/ASSESSMENT

A copy of the written assessment instrument(s) to be used in the evaluation and reevaluation and screening procedures for individuals need for a level of care indicated in the Executive Summary of this request is attached to this Appendix.

Attachment D-3-1 (FL-2 Form)
Attachment D-3-2 (Level of Care Criteria)
Attachment D-3-3 (Physician's Request Form)

For persons diverted rather than deinstitutionalized, the state's evaluation process must provide for a more detailed description of their evaluation and screening procedures for individuals to ensure that waiver services will be limited to persons who would otherwise receive the level of care specified in the Executive Summary of this request.

Check one:

__√__ The process for evaluating and screening diverted individuals is the same as that used for deinstitutionalized persons.

___ The process for evaluating and screening diverted individuals differs from that used for deinstitutionalized persons. Attached is a description of the process used for evaluating and screening diverted individuals.

APPENDIX D-4

a. FREEDOM OF CHOICE AND FAIR HEARING

1. When an individual is determined to be likely to require a level of care indicated in the Executive Summary of this request, the individual or his or her legal representative will be:

   a. Informed of any feasible alternatives under the waiver; and
   b. Given the choice of either institutional or home and community-based services.

2. The agency will provide an opportunity for a fair hearing under 42 CFR Part 431, subpart E, to individuals who are not given the choice of home or community-based services as an alternative to the institutional care indicated in the Executive Summary of this request or who are denied the service(s) of their choice, or the provider(s) of their choice.

3. The following are attached to this Appendix:

   a. A copy of the form(s) used to document freedom of choice and to offer a fair hearing:

   b. A description of the agency's procedure(s) for informing eligible individuals (or their legal representatives) of the feasible alternatives available under the waiver;

   c. A description of the State's procedures for allowing individuals to choose either institutional or home and community-based services; and

   d. A description of how the individual (or legal representatives) is offered the opportunity to request a fair hearing under 42 CFR Part 431, Subpart E.

b. FREEDOM OF CHOICE DOCUMENT

Specify where copies of this form are maintained:
In the case manager's records and by the State Medicaid agency

Individuals seeking nursing facility placement are informed of the availability of waiver participation as part of the eligibility process at the county department of social services. Information about the availability of waiver services is also disseminated through case managers, hospital discharge planners, home care agencies and advocacy groups.

Following the individual's assessment for wavier services and the development of a potential plan of care, the individual is informed of the feasible alternatives under the waiver and provided choice of either waiver participation or institutional care. The individual's choice is documented on the Plan of Care. The individual is also informed at the time of appeal rights, which is also documented on the Plan of Care. This process is repeated each time the individual is asked to sign a revised Plan of Care and at the time of the annual reassessment.

See Attachment E-2-1 Plan of Care page # 6

The individual is informed of fair hearing rights whenever an adverse action is proposed. A copy of the text of the termination notice is Attachment D-4-2 Similar text is used for other adverse actions.

APPENDIX E - PLAN OF CARE

APPENDIX E-1

a. PLAN OF CARE DEVELOPMENT

1. The following individuals are responsible for the preparation of the plans of care:

   __ Registered nurse, licensed to practice in the State

   __ Licensed practical or vocational nurse, acting within the scope of practice under State law

   ___ Physician (M.D. or D.O.) licensed to practice in the State

   ___ Social Worker (qualifications attached to this Appendix)

   _√_ Case Manager **(The assessment and plan of care may be totally completed by an Registered Nurse, or as an option, may utilize a Social Worker to complete certain portions as designated)**

   ___ Other (specify):

2. Copies of written plans of care will be maintained for a minimum period of 3 years. Specify each location where copies of the plans of care will be maintained.

   _√_ At the Medicaid agency central office

   ___ At the Medicaid agency county/regional offices

   ___ By case managers

   _√_ By the agency specified in Appendix A

   ___ By consumers

   ___ Other (specify)**:**

3. The plan of care is the fundamental tool by which the State will ensure the health and welfare of the individuals served under this waiver. As such, it will be subject to periodic review and update. These reviews will take place to determine the appropriateness and adequacy of the services, and to ensure that the services furnished are consistent with the nature and severity of the individual's disability. The minimum schedule under which these reviews will occur is:

   ___ Every 3 months

   ___ Every 6 months

   _√_ Every 12 months

   _√_ Other (specify): **The service plan is also reviewed, revised and updated as needed after each hospitalization. Monitoring contacts are made monthly with child/family to inquire about the adequacy of the waiver services and any needed changes to the service plan.**

APPENDIX E-2

a. MEDICAID AGENCY APPROVAL

The following is a description of the process by which the plan of care is made subject to the approval of the Medicaid agency:

Plans of care are reviewed for approval by the Division of Medical Assistance (DMA) according to the following procedure:

- **The case manager develops the initial plan of care and submits it to DMA along with the written client assessment and other supporting documentation, as appropriate.**
- **The DMA consultant reviews this plan and makes telephone contact with the case manager about any issues that require clarification. If needed, the consultant makes a visit to the client's home prior to making the decision.**
- **Once the decision is reached, the consultant notifies the case managers of the decision in writing and the case manager, in turn, notifies the client's responsible party.**
- **All subsequent plans of care for the client are submitted to the DMA program consultant for review and approval according to this procedure. This includes annual reevaluations as well as any revisions to the plan that may be needed due to changes in the child's condition and needs.**

b. STATUTORY REQUIREMENTS AND COPY OF PLAN OF CARE

1. The plan of care will contain, at a minimum, the type of services to be furnished, the amount, the frequency and duration of each service, and the type of provider to furnish each service.

2. A copy of the plan of care form to be utilized in this waiver is attached to this Appendix. **Refer to Attachment E-2-1**

APPENDIX F - AUDIT TRAIL

a. DESCRIPTION OF PROCESS

1. As required by sections 1905(a) and 1902(a)(32) of the Social Security Act, payments will be made by the Medicaid agency directly to the providers of waiver and State plan services.

2. As required by section 1902(a)(27) of the Social Security Act, there will be a provider agreement between the Medicaid agency and each provider of services under the waiver.

3. Method of payments (check one):

__√__ Payments for all waiver and other State plan services will be made through an approved Medicaid Management Information System (MMIS).

____ Payments for some, but not all, waiver and State plan services will be made through an approved MMIS. A description of the process by which the State will maintain an audit trail for all State and Federal funds expended, and under which payments will be made to providers is attached to this Appendix

____ Payment for waiver services will not be made through an approved MMIS. A description of the process by which payments are made is attached to this Appendix, with a description of the process by which the State will maintain an audit trail for all State and Federal funds expended.

____ Other (Describe in detail):

b. BILLING AND PROCESS AND RECORDS RETENTION

1. Attached (inserted below) is a description of the billing process. This includes a description of the mechanism in place to assure that all claims for payment of waiver services are made only:

   a. When the individual was eligible for Medicaid waiver payment on the date of service;

   b. When the service was included in the approved plan of care;

   c. In the case of supported employment, prevocational or educational services included as part of habilitation services, when the individual was eligible to receive the services and the services were not available to the individual through a program funded under section 602(16) or (17) of the Individuals with Disabilities Education Act (P.L. 94-142) or section 110 of the Rehabilitation Act of 1973.

   ____ Yes

   __√_ No. These services are not included in this waiver.

2. The following is a description of all records maintained in connection with an audit trail. Check one:

   __√_ All claims are processed through an approved MMIS.

   ____ MMIS is not used to process all claims. Attached is a description of records maintained with an indication of where they are to be found.

3. Records documenting the audit trail will be maintained by the Medicaid agency, the agency specified in Appendix A (if applicable), and providers of waiver services for a minimum period of 3 years.

APPENDIX F – AUDIT TRAIL

Description of Billing Process

Payment of wavier claims is controlled by a waiver participation indicator in the eligibility information system (EIS). When a client is determined to be eligible for waiver participation, an indicator with an effective date is place in EIS to show waiver eligibility. It is terminated with a date if termination entered when waiver eligibility ceases. Claims for date of service outside of the dates of waiver eligibility are denied.

Claims for waiver services are processed as follows:

1. **The provider agency prepares the claim on a CMS 1500 or prepares the claim for electronic transmission in the CMS 1500 format.**
2. **The claim is sent to the case manager for approval before being sent to the fiscal agency. The case manager reviews the claim to ensure the services match the approved plan of care. Discrepancies are resolved with the provider.**
3. **The claims processing system looks for the EIS waiver participation indicator before paying the claim. The system also subjects the claim to a number of audits to prevent duplication of services as well as payment of wavier services for dates of service while the client is institutionalized.**

Post payment reviews by DMA look at the complete audit trail, the approval of the plan of care, the case manager's authorization to the provider to render approved services, service provision, service documentation and the case manager's authorization for claims submission.

c. PAYMENT ARRANGEMENTS

1. Check all that apply:

_√___ The Medicaid agency will make payments directly to providers of waiver services.

_√___ The Medicaid agency will pay providers through the same fiscal agent used in the rest of the Medicaid program.

____ The Medicaid agency will pay providers through the use of a limited fiscal agent who functions only to pay waiver claims.

____ Providers may *voluntarily* reassign their right to direct payments to the following governmental agencies (specify):

Providers who choose not to voluntarily reassign their right to direct payments will not be required to do so. Direct payments will be made using the following method:

2. Interagency agreement(s) reflecting the above arrangements are on file at the Medicaid agency.

APPENDIX G - FINANCIAL DOCUMENTATION

APPENDIX G-1
COMPOSITE OVERVIEW
COST NEUTRALITY FORMULA

INSTRUCTIONS: Complete one copy of this Appendix for each level of care in the waiver. If there is more than one level (e.g. hospital and nursing facility), complete an Appendix reflecting the weighted average of each formula value and the total number of unduplicated individuals served.

LEVEL OF CARE: **Nursing Facility and Hospital Combined**

YEAR	FACTOR D	FACTOR D'	FACTOR G	FACTOR G'
1	$33,584	$31,267	$233,047	$8,741
2	$34,806	$32,460	$241,903	$9,073
3	$36, 143	$33,692	$251,095	$9,418
4	$37,547	$34,969	$260,636	$9,776
5	$38,949	$36,299	$270,541	$10,148

FACTOR C: NUMBER OF UNDUPLICATED INDIVIDUALS SERVED

YEAR	UNDUPLICATED INDIVIDUALS		
	NF	Hospital	Combined
1	715	159	874
2	743	166	909
3	771	172	943
4	800	178	978
5	831	185	1016

EXPLANATION OF FACTOR C:

Check one:

__√__ The State will make waiver services available to individuals in the target group up to the number indicated as factor C for the waiver year.

___ The State will make waiver services available to individuals in the target group up to the lesser of the number of individuals indicated as factor C for the waiver year, or the number authorized by the State legislature for that time period.

The State will inform CMS in writing of any limit which is less than factor C for that waiver year.

APPENDIX G-2
METHODOLOGY FOR DERIVATION OF FORMULA VALUES

FACTOR D

LOC: Nursing Facility (NF)

The July 25, 1994 final regulation defines Factor D as:

> "The estimated annual average per capita Medicaid cost for home and community-based services for individuals in the waiver program."

The demonstration of Factor D estimates is on the following page.

The D Value estimates are based on North Carolina's experience in its current waiver in the HCFA-372S data as the primary source. The utilization figures (Column B and C) were developed from the utilization experience in the current waiver. The costs were developed by taking the average costs for Year 4 of the current waiver, inflating by 3.8% to project the value for year five of the current waiver and the five years of the new renewal.

Home Mobility Aids and Waiver Medical Supplies cover a variety of items at different costs: therefore, there is no specific cost per unit. The Column C is shown as "1 year' to reflect the total cost for the year. The average unit cost in Column D is the average annual cost per user.

LOC: Hospital

The D values estimates for the hospital level of care are determined on the same basis as the NF level.

APPENDIX G-2
FACTOR D
LOC: Nursing Facility

Demonstration of Factor D estimates:

Waiver Year 1_√_ 2___ 3___ 4___ 5___

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	701	107 ¼ hour units	$11.46	$ 86,391
Waiver Personal Care	645	3,134 ¼ hour units	$3.75	$7,583,933
Home Mobility Aids	44	1 year	$580.01	$25,622
Respite-In Home Aide	212	261 ¼ hour units	$3.75	$207,719
Respite Institutional	0	0 days	0	0
Hourly Nursing	65	3,685 ¼ hour units	$9.52	$2,268,979
Waiver Supplies	270	1 year	$1,133.75	$306,610
GRAND TOTAL (sum of Column E):				$11,253,252
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				715
FACTOR D (Divide total by number of recipients):				$15,730
AVERAGE LENGTH OF STAY:				309

APPENDIX G-2
FACTOR D
LOC: Nursing Facility

Demonstration of Factor D estimates:

Waiver Year 1__ 2_√__ 3__ 4__ 5__

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	728	107 ¼ hour units	$11.90	$927,023
Waiver Personal Care	670	3,134 ¼ hour units	$3.89	$8,171,263
Home Mobility Aids	4646	1 year	$602.05	$27,606
Respite In Home	220	261 ¼ hour units	$3.89	$223,805
Respite Institutional	0	0 days	0	0
Hourly Nursing	67	3,685 ¼ hour units	$9.89	$2,444,698
Waiver Supplies	281	1year	$1,176.83	$330,355

GRAND TOTAL (sum of Column E):	$12,124,749
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:	743
FACTOR D (Divide total by number of recipients):	$16,327
AVERAGE LENGTH OF STAY:	309 days

APPENDIX G-2
FACTOR D
LOC: Nursing Facility

Demonstration of Factor D estimates:

Waiver Year 1__ 2__ 3_√_ 4__ 5__

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	756	107 ¼ hour units	$12.35	$998,815
Waiver Personal Care	695	3,134 ¼ hour units	$4.04	$8,804,078
Home Mobility Aids	48	1 year	$624.92	$29,744
Respite In Home	229	261 1/4 hour units	$4.04	$241,138
Respite Institutional	0	0 days	0	0
Hourly Nursing	70	3,685 ¼ hour unit	$10.26	$2,634,025
Waiver Supplies	291	1 year	$1,221.55	$355,939
GRAND TOTAL (sum of Column E):				$13,063,738
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				771
FACTOR D (Divide total by number of recipients):				$ 16,948
AVERAGE LENGTH OF STAY:				309 days

STATE: North Carolina DATE: 4/2005

APPENDIX G-2
FACTOR D
LOC: Nursing Facility

Demonstration of Factor D estimates:

Waiver Year 1__ 2__ 3__ 4_√_ 5__

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	784	107 ¼ hour units	$12.82	$1,076,168
Waiver Personal Care	722	3,134 ¼ hour units	$4.19	$9,485,901
Home Mobility Aids	49	1 year	$648.67	$32,048
Respite In Home	237	261 ¼ hour units	$4.19	$259,812
Respite Institutional	0	0 days	0	0
Hourly Nursing	72	3,685 ¼ hour units	$10.65	$2,838,014
Waiver Supplies	302	1 year	$1,267.97	$383,504
GRAND TOTAL (sum of Column E):				$14,075,447
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				800
FACTOR D (Divide total by number of recipients):				$17,592
AVERAGE LENGTH OF STAY:				309 days

STATE: North Carolina DATE: 4/2005

APPENDIX G-2
FACTOR D
LOC: Nursing Facility

Demonstration of Factor D estimates:

Waiver Year 1__ 2__ 3__ 4__ 5_√_

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	814	107 ¼ hour units	$13.31	$1,159,510
Waiver Personal Care	749	3,134 ¼ hour units	$4.35	$107,220,527
Home Mobility Aids	51	1 year	$673.32	$34,529
Respite In Home Aide	246	261 ¼ hour units	$4.35	$279,933
Respite Institutional	0	0 days	0	0
Hourly Nursing	75	3,685 ¼ hour units	$11.06	$3,057,801
Waiver Supplies	314	1 year	$1,316.15	$413,204
GRAND TOTAL (sum of Column E):				$15,165,505
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				831
FACTOR D (Divide total by number of recipients):				$18,260
AVERAGE LENGTH OF STAY:				309 days

APPENDIX G-2
FACTOR D
LOC: **Hospital**

Demonstration of Factor D estimates:

Waiver Year 1 √ 2___ 3___ 4___ 5___

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	153	150 ¼ hour units	$11.46	$263,094
Waiver Personal Care	28	2,335 ¼ hour units	$3.75	$245,261
Home Mobility Aids	8	1 year	$786.23	$5,930
Respite In Home Aide	10	207 ¼ hour units	$3.75	$7,526
Respite In Home Nursing	10	672 ¼ hour units	$9.52	$63,974
Respite Institutional	1	2 days	$1,097.52	$2,195
Hourly Nursing	150	12,156 ¼ hour units	$9.52	$17,339,923
Waiver Supplies	83	1 year	$2,143.41	$177,824
GRAND TOTAL (sum of Column E):				$18,105,728
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				159
FACTOR D (Divide total by number of recipients):				$113,873
AVERAGE LENGTH OF STAY:				341 days

APPENDIX G-2
FACTOR D
LOC**: Hospital**

Demonstration of Factor D estimates:

Waiver Year 1__ 2√__ 3__ 4__ 5__

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	159	150 ¼ hour units	$11.90	$283,469
Waiver Personal Care	29	2,335 ¼ hour units	$3.89	$264,255
Home Mobility Aids	8	1 year	$816.10	$6,389
Respite In Home Aide	10	207 ¼ hour units	$3.89	$8,109
Respite In Home Nursing	10	672 ¼ hour units	$9.89	$66,461
Respite Institutional	2	2 days	$1,139.23	$4557
Hourly Nursing	155	12,156 ¼ hour units	$9.89	$18,682,796
Waiver Supplies	86	1 year	$2,224.86	$191,596
GRAND TOTAL (sum of Column E):				$19,507,630
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				166
FACTOR D (Divide total by number of recipients):				$117,516
AVERAGE LENGTH OF STAY:				341 days

APPENDIX G-2
FACTOR D
LOC: **Hospital**

Demonstration of Factor D estimates:

Waiver Year 1__ 2___ 3_√_ 4___ 5__

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	165	150 ¼ hour units	$12.35	$305,422
Waiver Personal Care	30	2,335 ¼ hour units	$4.04	$284,720
Home Mobility Aids	8	1 year	$847.11	$6,884
Respite In Home Aide	10	207 ¼ hour units	$4.04	$8,737
Respite In Home Nursing	10	672 ¼ hour units	$10.26	$68,947
Respite Institutional	2	2 days	$1,182,52	$4,730
Hourly Nursing	161	12,156 ¼ hour units	$10.26	$20,129,667
Waiver Supplies	89	1 year	$2,309.41	$206,434
GRAND TOTAL (sum of Column E):				$21,015,541
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				172
FACTOR D (Divide total by number of recipients):				$122,183
AVERAGE LENGTH OF STAY:				341 days

APPENDIX G-2
FACTOR D
LOC**: Hospital**

Demonstration of Factor D estimates:

Waiver Year 1__ 2___ 3___ 4_√__ 5__

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	171	150 ¼ hour units	$12.82	$329,075
Waiver Personal Care	31	2,335 ¼ hour units	$4.19	$306,770
Home Mobility Aids	8	1 year	$879.31	$7,417
Respite In Home	11	207 ¼ hour units	$4.19	$9,414
Respite In Home Nursing	11	672 ¼ hour hours	$10.65	$78,725
Respite Institutional	2	2 days	$1,227.46	$4,910
Hourly Nursing	167	12,156 ¼ hour units	$10.65	$21,688,589
Waiver Supplies	93	1 year	$2,397.17	$222,421
GRAND TOTAL (sum of Column E):				$22,647,318
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				178
FACTOR D (Divide total by number of recipients):				$127,232
AVERAGE LENGTH OF STAY:				341 days

APPENDIX G-2
FACTOR D
LOC: **Hospital**

Demonstration of Factor D estimates:

Waiver Year 1__ 2__ 3__ 4__ 5_√__

Waiver Service Column A	#Undup. Recip. (users) Column B	Avg. # Annual Units/User Column C	Avg. Unit Cost Column D	Total Column E
Case Management	178	150 ¼ hour units	$13.31	$354,560
Waiver Personal Care	33	2,335 ¼ hour units	$4.35	$330,528
Home Mobility Aids	9	1 year	$912.72	$7,991
Respite In Home	11	207 ¼ hour units	$4.35	$10,143
Respite In Home Nursing	11	672 ¼ hour units	$11.06	$81,756
Respite Institutional	2	2 days	$1274.10	$5,096
Hourly Nursing	174	12,156 ¼ hour units	$11.06	$23,368,240
Waiver Supplies	96	1year	$2,488.26	$239,646
GRAND TOTAL (sum of Column E):				$24,397,958
TOTAL ESTIMATED UNDUPLICATED RECIPIENTS:				185
FACTOR D (Divide total by number of recipients):				$131,881
AVERAGE LENGTH OF STAY:				341 days

STATE: North Carolina DATE: 4/2005

APPENDIX G-3
METHODS USED TO EXCLUDE PAYMENTS FOR ROOM AND BOARD

This appendix is not applicable for this waiver. The target population for the waiver is limited to individuals residing in private residential settings.

The purpose of this Appendix is to demonstrate that Medicaid does not pay the cost of room and board furnished to an individual under the waiver.

A. The following service(s), other than respite care*, are furnished in residential settings other than the natural home of the individual(e.g., foster homes, group homes, supervised living arrangements, assisted living facilities, personal care homes, or other types of congregate living arrangements). (Specify):

*NOTE: FFP may be claimed for the cost of room and board when provided as part of respite care in a Medicaid certified NF or ICF/MR, or when it is provided in a foster home or community residential facility that meets State standards specified in this waiver.)

B. The following service(s) are furnished in the home of a paid caregiver. (Specify):

Attached is an explanation of the method used by the State to exclude Medicaid payment for room and board.

APPENDIX G-4
METHODS USED TO MAKE PAYMENT FOR RENT AND FOOD EXPENSES OF AN UNRELATED LIVE-IN CAREGIVER

Check one:

__√__ The State will not reimburse for the rent and food expenses of an unrelated live-in personal caregiver who lives with the individual(s) served on the waiver.

____ The State will reimburse for the additional costs of rent and food attributable to an unrelated live-in personal caregiver who lives in the home or residence of the individual served on the waiver. The service cost of the live-in personal caregiver and the costs attributable to rent and food are reflected separately in the computation of factor D (cost of waiver services) in Appendix G-2 of this waiver request.

Attached is an explanation of the method used by the State to apportion the additional costs of rent and food attributable to the unrelated live-in personal caregiver that are incurred by the individual served on the waiver.

APPENDIX G-5

FACTOR D'

LOC:

NOTICE: On July 25, 1994, HCFA published regulations which changed the definition of factor D'. The new definition is:

> "The estimated annual average per capita Medicaid cost for all other services provided to individuals in the waiver program."

Include in Factor D' the following:

> The cost of all State plan services (including home health, personal care and adult day health care) furnished in addition to waiver services WHILE THE INDIVIDUAL WAS ON THE WAIVER.
>
> The cost of short-term institutionalization (hospitalization, NF, or ICF/MR) which began AFTER the person's first day of waiver services and ended BEFORE the end of the waiver year IF the person returned to the waiver.

Do NOT include the following in the calculation of Factor D':

> If the person did NOT return to the waiver following institutionalization, do NOT include the costs of institutional care.
>
> Do NOT include institutional costs incurred BEFORE the person is first served under the waiver in this waiver year.

If institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor D'.

APPENDIX G-5

FACTOR D' (cont.)

LOC: Nursing Facility

Factor D' is computed as follows (check one):

____ Based on HCFA Form 2082 (relevant pages attached).

____ Based on HCFA Form 372 for years ____ of waiver
____, which serves a similar target population.

____ Based on a statistically valid sample of plans of care for individuals with the disease or condition specified in item 3 of this request.

_√___ Other (specify): Based on the CMS Form 372S for Year 4 of the current renewal period for this waiver. A 3.8% inflation factor is applied to project the value for year 5 of the current waiver and each of the five years of the new renewal.

LOC: Hospital

Factor D' is computed as follows (check one):

____ Based on HCFA Form 2082 (relevant pages attached).

____ Based on HCFA Form 372 for years ____ of waiver
____, which serves a similar target population.

____ Based on a statistically valid sample of plans of care for individuals with the disease or condition specified in item 3 of this request.

_√___ Other (specify): Based on the CMS Form 372S for Year 4 of the current renewal period for this waiver. A 3.8% inflation factor is applied to project the value for year 5 of the current waiver and each of the five years of the new renewal.

APPENDIX G-6

FACTOR G

LOC: **Nursing Facility**

The July 25, 1994 final regulation defines Factor G as:

> "The estimated annual average per capita Medicaid cost for hospital, NF, or ICF/MR care that would be incurred for individuals served in the waiver, were the waiver not granted."

Provide data ONLY for the level(s) of care indicated in item 2 of this waiver request.

Factor G is computed as follows:

____ Based on institutional cost trends shown by HCFA Form 2082 (relevant pages attached). Attached is an explanation of any adjustments made to these numbers.

____ Based on trends shown by HCFA Form 372 for years ____of waiver #____, which reflect costs for an institutionalized population at this LOC. Attached is an explanation of any adjustments made to these numbers.

____ Based on actual case histories of individuals institutionalized with this disease or condition at this LOC. Documentation attached.

____ Based on State DRGs for the disease(s) or condition(s) indicated in item 3 of this request, plus outlier days. Descriptions, computations, and an explanation of any adjustments are attached to this Appendix.

√ Other (specify):

Based on the claims information for Year 4 of the current renewal period for this waiver. The Information is collected while preparing the CMS 372S. A 3.8% inflation factor is applied to project the value for year 5 of the current waiver and each of the five years of the renewal.

If institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor G.

APPENDIX G-7

FACTOR G'

LOC:____ **Hospital**

The July 25, 1994 final regulation defines Factor G' as:

> "The estimated annual average per capita Medicaid costs for all services other than those included in Factor G for individuals served in the waiver, were the waiver not granted.

Include in Factor G' the following:

> The cost of all State plan services furnished WHILE THE INDIVIDUAL WAS INSTITUTIONALIZED.
>
> The cost of short-term hospitalization (furnished with the expectation that the person would return to the institution) which began AFTER the person's first day of institutional services.

If institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor G'.

G is estimated by multiplying the average length of stay on the waiver times the average daily hospital cost for selected children receiving inpatient services in one of the State's six tertiary caser hospitals in North Carolina in Year 4 of the current renewal. These hospitals service the most medically involved children within the State. They are where the hospital level waiver children would be institutionalized if the waiver did not exist. The children were selected based on being in the same Medicaid eligibility categories as those on the waiver and not being served in any HCBS waiver program. In addition, the children had at least one 30
day or longer hospital stay or combined stays totally 60 days or more. These types of stays usually represent long-term/chronic conditions typical of the children served by the waiver. A 3.8% inflation factor is applied to project the value for Year 5 of the current waiver and each of the five years of the renewal.

APPENDIX G-7

FACTOR G'

LOC: **Nursing Facility and Hospital Combined**

Factor G' is computed as follows (check one):

____ Based on HCFA Form 2082 (relevant pages attached).

__√__ Based on HCFA Form 372 for year # 4 __ of this current waiver which serves a similar target population.

____ Based on a statistically valid sample of plans of care for individuals with the disease or condition specified in item 3 of this request.

____ Other (specify):

APPENDIX G-8

DEMONSTRATION OF COST NEUTRALITY

LOC: **Nursing Facility and Hospital Combined**

YEAR 1

FACTOR D:	$33,584		FACTOR G:	$233,047
FACTOR D':	$31,267		FACTOR G':	$8.741
TOTAL:	$64, 851	≤	TOTAL:	$241, 788

YEAR 2

FACTOR D:	$34,806		FACTOR G:	$241,903
FACTOR D':	$32,460		FACTOR G':	$9,073
TOTAL:	$67,266	≤	TOTAL:	$250,976

YEAR 3

FACTOR D:	$36,143		FACTOR G:	$251, 095
FACTOR D':	$33,692		FACTOR G':	$9,418
TOTAL:	$69,835	≤	TOTAL:	$260,513

YEAR 4

FACTOR D:	$37,547		FACTOR G:	$260,636
FACTOR D':	$34,969		FACTOR G':	$9,776
TOTAL:	$72,516	≤	TOTAL:	$270,412

YEAR 5

FACTOR D:	$38,949		FACTOR G:	$270,541
FACTOR D':	$36,299		FACTOR G':	$10,148
TOTAL:	$75,248	≤	TOTAL:	$280,689