### 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 a Appendix reflecting the weighted average of each formula value and the total number of unduplicated individuals served.

**LEVEL OF CARE: **ICF/MR

<table>
<thead>
<tr>
<th>YEAR</th>
<th>FACTOR D</th>
<th>FACTOR D'</th>
<th>FACTOR G</th>
<th>FACTOR G'</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$48,931</td>
<td>$5,328</td>
<td>$102,465</td>
<td>$3,694</td>
</tr>
<tr>
<td>2</td>
<td>$50,321</td>
<td>$7,224</td>
<td>$106,564</td>
<td>$3,842</td>
</tr>
<tr>
<td>3</td>
<td>$50,759</td>
<td>$7,229</td>
<td>$110,827</td>
<td>$3,996</td>
</tr>
<tr>
<td>4.</td>
<td>$51,191</td>
<td>$7,352</td>
<td>$115,260</td>
<td>$4,156</td>
</tr>
<tr>
<td>5</td>
<td>$51,284</td>
<td>$7,487</td>
<td>$119,870</td>
<td>$4,322</td>
</tr>
</tbody>
</table>

APPROVED: ______________________  
DATE: ______________________
STATE: PENNSYLVANIA

FACTOR C: NUMBER OF UNDUPPLICATED INDIVIDUALS SERVED

<table>
<thead>
<tr>
<th>YEAR</th>
<th>UNDUPPLICATED INDIVIDUALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>14,587</td>
</tr>
<tr>
<td>2</td>
<td>15,493</td>
</tr>
<tr>
<td>3</td>
<td>16,268</td>
</tr>
<tr>
<td>4</td>
<td>17,081</td>
</tr>
<tr>
<td>5</td>
<td>17,935</td>
</tr>
</tbody>
</table>

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.

X   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 HCFA in writing of any limit which is less than factor C for that waiver year.

APPROVED: ___________________  DATE: ______________
APPENDIX G-2
METHODOLOGY FOR DERIVATION OF FORMULA VALUES

FACTOR D

LOC: ICF/MR

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.
**APPENDIX G-2**

**FACTOR D**

**LOC: ICF/MR**

Demonstration of Factor D estimates:

<table>
<thead>
<tr>
<th>Waiver Service</th>
<th>Column A</th>
<th>Column B</th>
<th>Column C</th>
<th>Column D</th>
<th>Column E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Habitatation</td>
<td>14,587</td>
<td>347 days</td>
<td>$130,17/da</td>
<td>$658,896,207</td>
<td></td>
</tr>
<tr>
<td>Service Management</td>
<td>14,587</td>
<td>11.5 months</td>
<td>$170.19/mo</td>
<td>$28,550,200</td>
<td></td>
</tr>
<tr>
<td>Physical Adaptations</td>
<td>900</td>
<td>1/year</td>
<td>$1,448/yr</td>
<td>$1,303,600</td>
<td></td>
</tr>
<tr>
<td>Respite</td>
<td>1,405</td>
<td>80 hours</td>
<td>$18.91/hr</td>
<td>$2,125,632</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>5,622</td>
<td>278 days</td>
<td>$7.79/da</td>
<td>$12,181,561</td>
<td></td>
</tr>
<tr>
<td>Therapies/Nurse</td>
<td>6,216</td>
<td>129 qtr hrs</td>
<td>$12.98/qtr hr</td>
<td>$10,409,800</td>
<td></td>
</tr>
<tr>
<td>Permanency Planning</td>
<td>24</td>
<td>6 months</td>
<td>2,000/mo</td>
<td>$288,000</td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL (Sum of Column E)</strong></td>
<td></td>
<td></td>
<td></td>
<td>$713,755,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ESTIMATED UNDuplicated Recipients</strong></td>
<td></td>
<td></td>
<td></td>
<td>14,587</td>
<td></td>
</tr>
<tr>
<td><strong>FACTOR D (Divide total by number of recipients)</strong></td>
<td></td>
<td></td>
<td></td>
<td>$48,931</td>
<td></td>
</tr>
</tbody>
</table>

* Estimates may be rounded

**AVERAGE LENGTH OF STAY: 347 days**

APPROVED: ___________________  DATE:
APPENDIX G-3
METHODS USED TO EXCLUDE PAYMENTS FOR ROOM AND BOARD

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, domiciliary care certified homes, supervised living arrangements, assisted living facilities, personal care homes, or other types of congregate living arrangements). (Specify):

Habilitation
Physical Adaptations
Therapies and Visiting Nurse

*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):

Habilitation
Physical Adaptations
Therapies and Visiting Nurse

The following is an explanation of the method used by the state to exclude Medicaid payment for room and board.

The county’s signed supplemental grant agreement excludes room and board as an eligible service except as allowed by HCFA. Single Audit protocols review for the room and board exclusion.
APPENDIX G-4
METHODS USED TO MAKE PAYMENT FOR RENT AND FOOD EXPENSES OF AN UNRELATED LIVE-IN CAREGIVER

Check one:

X 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.
APPENDIX G-5

FACTOR D'

LOC: ICF/MR

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: ICF/MR

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

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

_____ Based on HCFA Form 372 for years 1998/1999 of waiver # 0147.90, 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):

APPROVED: ___________________ DATE: ____________
APPENDIX G-6

FACTOR G

LOC: ICF/MR

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 1998-1999 of waiver #0147.90, 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 (see prior page attachment for 11 ICF/MR recipients).

___ 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):

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

APPROVED: ________________ DATE: __________
APPENDIX G-7

FACTOR G'

LOC: ICF/MR

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'.

APPROVED: _______________ DATE: _____________
APPENDIX G-7

FACTOR G'

LOC: ICF/MR

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

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

____ Based on HCFA Form 372 for years 1998-1999 of waiver #0147.90, 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):

APPROVED: ___________________ DATE: __________
APPENDIX G-8

DEMONSTRATION OF COST NEUTRALITY

LOC: ICF/MR

YEAR 1

FACTOR D: $48,931  FACTOR G: $102,465
FACTOR D': $ 5,328  FACTOR G': $ 3,694
TOTAL: $54,259  <  TOTAL: $106,159

YEAR 2

FACTOR D: $52,419  FACTOR G: $106,564
FACTOR D': $ 5,541  FACTOR G': $ 3,842
TOTAL: $57,960  <  TOTAL: $110,406

YEAR 3

FACTOR D: $52,143  FACTOR G: $110,827
FACTOR D': $ 5,763  FACTOR G': $ 3,996
TOTAL: $57,906  <  TOTAL: $114,823

Value G calculation: $94,735 for FY 1998/99 x 2 COLAs of 4%
Value D’ calculation: $4,926 for FY 1998/99 x 2 COLAs of 4%
Value G’ calculation: $3,415 for FY 1998/99 x 2 COLAs of 4%
APPENDIX G-8

DEMONSTRATION OF COST NEUTRALITY (cont.)

LOC: ICF/MR

YEAR 4

FACTOR D: $52,368       FACTOR G: $115,260
FACTOR D': 5,994       FACTOR G': $4,156
TOTAL: $58,362         TOTAL: $119,416

YEAR 5

FACTOR D: $52,397       FACTOR G: $119,870
FACTOR D': 6,234       FACTOR G': $4,322
TOTAL: $58,631         TOTAL: $124,192

Value G calculation: $94,735 for FY 1998/99 x 2 COLAs of 4%
Value D' calculation: $4,926 for FY 1998/99 x 2 COLAs of 4%
Value G' calculation: $3,415 for FY 1998/99 x 2 COLAs of 4%

APPROVED: ___________________________    DATE: ___________