

STATE: PENNSYLVANIA

**APPENDIX G - FINANCIAL DOCUMENTATION**

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**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

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

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FACTOR C: NUMBER OF UNDUPLICATED INDIVIDUALS SERVED

YEAR	UNDUPLICATED INDIVIDUALS
1	<u>14,587</u>
2	<u>15,493</u>
3	<u>16,268</u>
4	<u>17,081</u>
5	<u>17,935</u>

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

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**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.

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**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.

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**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.

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**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'.

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**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):

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**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.

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**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'.

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**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):

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**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%

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**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%

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