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Family and Social Services Administration Office of Division of Disability and Rehabilitative Services

DSP Wage Verification Schedule for Providers of Services on the Community Integration and Habilitation Waiver, the Family Supports Waiver, and/or Group Homes

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DSP Wage Verification Schedule is required to be completed for each state fiscal year ending June 30 and shall be made available upon request to FSSA or its designee for a period up to three years after the date of the final payment.

These instructions are for use under the provisions of the DSP Wage Verification process in accordance with IC 12-15-1.3-18 for providers of services on the Community Integration and Habilitation Waiver and/or the Family Supports Waiver and for the 10% DSP Wage Parity Add-on for Group Homes. These instructions are not intended to be comprehensive. In completing the schedule, providers shall rely on these instructions, generally accepted accounting principles and other relevant rules and regulations. In addition, the results of compliance reviews or inquiry by the Office of Medicaid Policy and Planning or its designee should be considered in the preparation of this schedule.

General Instructions

Suggested Format

All financial data, except for percentages or hourly rate information,should be rounded to the nearest whole number or dollar.

Generally Accepted Accounting Principles

Revenues or expenses are expected to be reported on the accrual basis in accordance with generally accepted accounting principles. As such, adherence to GAAP is required unless specific code language is to the contrary. Providers should maintain the records used in

completing the forms for each reporting period for a minimum of three years from the date of final payment in accordance with IC 12-15-1.3-18(i). If accrual adjustments are made between the payroll register and the amounts reported, adequate support of the adjustments should be maintained to crosswalk from the payroll register to the amounts reported.

Agencies NOT Receiving Medicaid Claims Payment During the Current Reporting Period

Agencies that did not provide services in accordance with IC 12-15-1.3-18 on the Community Integration and Habilitation Waiver and/or the Family Supports Waiver Medicaid waiver or group home services during the period are exempt from the requirement to prepare these schedules.

Specific Instructions

While most sections and lines of the form are self-explanatory, the following additional clarification is provided.

Provider Name and Identification Data

Provider Number – If your corporation provides services under various Provider Numbers, you may prepare a consolidated schedule for all of your Provider Numbers or prepare a separate schedule for each Provider Number. If preparing a consolidated schedule, please list each provider name and number included or attach a schedule indicating all of the Provider Numbers included in the report.

Test Period Begin Date - Should be July 1, 2021, or 2022 for most providers unless the provider began operations after July 1, 2021. If new operations, the begin date should be the earliest date the provider became eligible to provide services on the CIH or FSW waiver in accordance with IC 12-15-1.3-18 or the group home(s) became licensed by the Indiana State Department of Health and enrolled to provide Medicaid services.

Test Period End Date - Should be June 30, 2022, or 2023 for most providers unless the provider terminated operations or stopped providing waiver services prior to June 30 of either year. If operations have been terminated or service stopped being provided, the end date should be the last date the provider provided eligible services on the CIH or FSW waiver in accordance with IC 12-15-1.3-18 or the group home(s) closed.

Base Period Begin Date - Should be the first of the fiscal year ending on or before December 31, 2019, for most providers unless the provider began operations after that date. If new operations, the begin date should be the earliest date the provider became eligible to provide services on the CIH or FSW waiver in accordance with IC 12-15-1.3-18 or the group home(s) became licensed by the Indiana State Department of Health and enrolled to provide Medicaid services.

Base Period End Date - Should be the fiscal year ending on or before December 31, 2019 for most providers unless the provider began operations after that date. If new operations, the end date should be the last day of the first fiscal year after December 31, 2019 in which the provider became eligible to provide services on the CIH or FSW waiver in accordance with IC 12-15-1.3-18 or the group home(s) closed.

Medicaid Revenue (Page 1)

This information will be used to calculate the amount of rate increase the facility received per Indiana Code Section 12-15-1.3-18. Revenue should be reported on the accrual basis.

Line 1 – Report the total accrued Medicaid revenue for the period for services defined in IC 12-15-1.3-18 (c) as follows:

(1) The services are provided to an individual who receives services under a Medicaid waiver under the federal home and community based services program.
(2) The individual is authorized under the Medicaid waiver described in subdivision (1) to receive any of the following services:
  (A) Adult day services.
  (B) Prevocational services.
  (C) Residential habilitation and support.
  (D) Respite.
  (E) Extended services as defined in the family supports Medicaid waiver and the community integration habilitation Medicaid waiver.
  (F) Day habilitation as defined in the family supports Medicaid waiver and the community integration habilitation Medicaid waiver.
  (G) Workplace assistance, as defined in the family supports Medicaid waiver and the community integration habilitation Medicaid waiver.
  (H) Residential habilitation and support (RHS daily).
  (I) Transportation services.
  (J) Participant assistance and care as defined in the family supports Medicaid waiver.
  (K) Facility based support, as defined in the family supports Medicaid waiver and the community integration habilitation Medicaid waiver.

Please note that the above services are not all of the services offered to individuals under a Medicaid waiver under the federal home and community based services program. Therefore, you will need to exclude all services not listed above from this schedule.

Line 2 – This should be 1 plus the percent of increase included in the rates effective with the begin date of the report (14%).

Line 3 – Revenue excluding the rate increase is calculated by dividing Line 1 by Line 2.

Line 4 - The rate increase received is calculated by subtracting Line 3 from Line 1.

Line 5 – DSP Wage Parity Funding for Group Home Providers from Line 251, page 2.

Line 6 – Total DSP Wage Parity Funding for the period is calculate by adding lines 4 and 5.

Line 7 – In accordance with IC 12-15-1.3-18 (e)and the terms of the DSP Wage Parity Funding for Group Home Providers, this should be 95%.

Line 8 – The DSP Wage Threshold is calculated by multiplying Line 6 times Line 7.

Compliance Summary

Lines 9 & 10 – In order to be considered in compliance with IC 12-15-1.3-18 and the terms of the DSP Wage Parity Funding for Group Home Providers, more than 95% of the rate increase received for the period must be spent on increased wages for direct care staff as defined in 460 IAC 6-3-18 and for similar employees in group homes. As such, if the Test Period Wage Increase (Page 3, Line 317) is equal to or greater than the DSP Wage Threshold (Line 8), then the provider is considered in compliance and no amount should be due back to the state assuming adequate documentation has been maintained. However, if the Test Period Wage Increase (Page 3, Line 317) is less than the DSP Wage Threshold (Line 8), then in accordance with IC 12-15-1.3-18(h) and the terms of the DSP Wage Parity Funding for Group Home Providers, the provider is considered not in compliance and the state may recoup the difference between ninety-five percent (95%) of the amount received by a provider as a result of increased reimbursement rates and the amount of the increase that is actually used by the provider to pay an increase in wages to direct care staff.

DSP Wage Parity Funding for Group Home Providers (Page 2)

Column 1 – Enter the name of each group home on a separate line

Column 2 – Enter the provider number of each group home.

Column 3 – Enter the Medicaid days for the period that have been billed and paid by the Medicaid program. These days would include days present in the home at 100% and leave days at 50% consistent with Medicaid policy and claims payments received. This should be done on an accrual basis to match the period of the report.

Column 4 – Enter the DSP Wage Parity Add-on for each group home from the July 1, 2021 Medicaid Rate Setting Printout.

Column 5 – Group Home DSP Wage Parity Funding for the period is Column 3 times Column 4 for each group home reported. Line 251 is the total of the individual group home lines for Column 5.

Payroll Summary (Page 3)

The information in this section should be reported for both the base period and the test period described in the top section of the schedule.

Line 301 – Total Compensation paid to individuals for services defined in IC 12-15-1.3-18 (c) and for certain group home employees for the period per payroll records should include all compensation reported to the employees who are paid on an hourly basis in the payroll register including but not limited to regular pay, overtime, shift differentials, bonuses, hazard pay, etc.

Group home employees eligible for the DSP Wage Parity Funding include but are not limited to employees who are paid on an hourly basis that are reported on the following lines of the Medicaid Financial Report for Non-State Owned Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) and Community Residential Facilities for the Developmentally Disabled (CRFs/DD):

Line 312 – Registered Nurses

Line 313 – Licensed Practical Nurses

Line 316 – Residential Supervisor

Line 317 – House Manager/Parent

Line 319 – QMRP

Line 341 – Laundry Personnel

Line 461 – Day Habilitation Services

Line 462 – Day Habilitation Transportation Services

Compensation should only be reported for individuals who are paid on an hourly basis and who spend more than 50% of their time providing these services. The provider may report in this line a pro-rata portion of compensation paid for vacation, holiday and sick pay, continuing education, staff training and other non-direct care activities only if hours associated with such activities are also reported in Line 313. For example, if a direct care staff works 66% of their direct care time on covered services and 33% of their direct care time in other services (e.g., third party group home day services), the provider may include 66% of their non-direct care compensation on this line only if they also pick up 66% of their non-direct care hours in line 313.

Both compensation and hours reported must be supported by payroll documentation (such as the payroll register), including tax forms W-2 and 941. Pool, contracted and outside consultant positions that **are not** obtained from related parties are not considered employees and should not be included on the schedule. Pool, contracted and outside consultant positions that **are** obtained from related parties and are employed by that related party are considered employees and should be included on the schedule.

Line 302 – Report the amount of overtime premium included in Line 301. For example, if your organization pays 1.5 times the normal rate for overtime, report compensation for the .5 rate difference. If the organization pays direct care staff $10 per hour but increases it to $15 per hour for overtime, $5 per hour for each overtime hour should be reported on this line. The amount on this line will be removed to compute base hourly compensation not including overtime premium and shift differentials.

Line 303 – Report the amount of shift differential included in Line 301. For example, if your organization pays a shift differential of $2 per hour over base compensation for a particular shift, report compensation for the $2 per hour rate difference. The amount on this line will be removed to compute base hourly compensation not including overtime premium and shift differentials.

Line 304 – Total compensation excluding overtime premium and shift differential is calculated by subtracting Lines 302 and 303 from Line 301.

Lines 305 – 311 – Report the amounts spent for payroll taxes and employee benefits in accordance with IC 12-15-1.3-18 and the terms of the DSP Wage Parity Funding for Group Home Providers in association with the wages reported on line 301. Amounts may be computed in aggregate or by a detailed calculation by employee. If utilizing an aggregate calculation, divide Line 304 by total compensation for all services of your organization and multiply the result times each total benefit or payroll taxes for your organization. In other words, if line 304 is 20% of your organization's total compensation, you may multiply the total company benefit expense for each category times 20% to report on these lines.

If utilizing an individual employee approach, compute each individual's share of employee

benefits by dividing the allowable compensation reported in line 304 for each employee by the total compensation of that employee times that employee's specific payroll taxes or benefits. Sum the payroll taxes and benefits for each employee to report on lines 305 – 311.

Line 312 – Total allowable compensation, payroll taxes and employee benefits is computed by summing lines 304 – 311.

Line 313 – Report the total number of hours paid associated with the total compensation reported on line 301. Total payroll hours may include in this line a pro-rata portion of hours paid for vacation, holiday and sick pay, continuing education, staff training and other nondirect care activities only if compensation associated with such activities are also reported in Line 301.

Line 314 – DSP Hourly Wage for Threshold Computation is calculated by dividing Line 312 by Line 313.

Line 315 – Report the amount computed in line 314 for the base period.

Line 316 – The variance in hourly wage is calculated by subtracting Line 315 from Line 314.

Line 317 – Test Period Wage Increase is calculated by multiplying Line 316 times Line 313 for the current period.