



EXECUTIVE MEMO

TO: Executive Directors, DSN Boards
Chief Executive Officers, Private Providers
Finance Directors

FROM: CFO Pat Maley

SUBJECT: New Residential Habilitation Daily Rates & Additional Respite Rate Guidance

DATE: September 10, 2021

Daily Residential Habilitation Rate Increases

The Department of Health and Human Services (SCDHHS) advised it will be increasing the daily Residential Habilitation service rates effective July 1, 2021 based upon the \$2.9 million in state appropriations provided to DDSN during the FY 22 legislative process. The following rates were approved:

- ID/RD Daily Residential Habilitation Rate - \$204.78 (3.95% increase from prior rate of \$196.99)
- HASCI Daily Residential Habilitation Rate - \$239.39 (3.85% increase from prior rate of \$230.50)

As residential providers are aware, SCDHHS pays DDSN the above single waiver rates, which DDSN then proportionally allocates to all Board and Private Provider monthly bundled residential payment rates. DDSN's adjustments will show up in providers' October payments. DDSN will coordinate retroactive payments to providers based on their daily residential habilitation utilization back to July 1, 2021.

It should be noted, this residential habilitation rate increase is solely based on the \$2.9 million in new state funds from DDSN's FY22 budget appropriations. These rate increases are independent of any cost or market based rate increases being analyzed in conjunction with the IDR Waiver Renewal as potential pass-through rates when we go to fee for service as soon as 1/1/22.

Additional Respite Rate Guidance

The SCDHHS advised it will be increasing the respite rate to \$4.05/15 minutes (\$16.20/hour) effective July 1, 2021. For consistency, all respite rates will be discussed in terms of the billing unit of 15 minutes rather than an hourly wage rate.

For service providers billing SCDHHS direct, you will be receiving a Medicaid Bulletin directly from SCDHHS. DDSN will not require a minimum rate of pay to caregivers. It will be up to each provider to determine what rate of pay is best to accommodate your Respite Program. Your retroactive rate increase should be forthcoming directly from SCDHHS.

For Boards billing DDSN, the entire SCDHHS \$4.05/15 minutes rate will be passed through. This rate is all-inclusive (includes any applicable employer taxes and fees). It will be up to each Board to adjust the caregivers pay based on whatever rate each Board deems appropriate to accommodate their individual Respite Program. For Boards that have not billed DDSN for August, the Board can adjust its bill rate to \$4.05/15 minute units and submit your billing. The July retroactive billing will be paid to each Board at \$.88/15 minute unit (difference between former \$3.17/unit and the current \$4.05/unit) in the near future.

For self/family directed respite processed through the Charles Lea Center (CLC), the caregiver wage rate will be \$3.67/15 minutes. This rate was determined as follows: \$4.05/15 minute unit less \$0.10 third party processing costs less the employer's Social Security cost of \$0.28 (7.65% on \$3.67/unit). CLC will coordinate any retroactive payment of units since July 1, 2021.

For those few Boards acting as a fiscal agent and processing respite on behalf of their respective families, the rate of pay to the caregiver should be the same as the case with the fiscal agent Charles Lea which is \$3.67/15 minutes. DDSN will not require the full \$4.05/15 minute unit be passed on to the caregiver. Over the next month, DDSN will be in contact with these Boards to discuss options going forward given the anticipated Electronic Visit Verification requirements impact on this Board respite model. Boards billing the new respite unit and retroactive payment for units since July 1, 2021 should be handled as denoted above for Boards.

As an aside, DDSN referenced a minimum caregiver rate of \$12.00 in its budget request. Given DDSN does not have authority to change respite rate requirements for SCDHHS providers serving DDSN, this is not possible at this time.

The point of contact for this respite rate transition is Debbie Punzirudu, Director of Accounting and Contracts, who can be contacted by email debra.punzirudu@ddsn.sc.gov or desk phone (803) 898-9720.

Thank you.