

## DIVISION OF DEVELOPMENTAL DISABILITIES

*Sent on Behalf of DES/Business Operations*

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**TRANSMITTAL DATE: October 1, 2015**

**TOPIC: Home and Community Based Services (HCBS) Rate Changes**

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### **All Qualified Vendors**

Effective **October 1, 2015**, the Division of Developmental Disabilities (Division) will be implementing a rate increase for certain Home and Community-Based Services (HCBS).

In order to ensure efficiency and sufficiency in maintaining a provider network capable of meeting the needs of its members, the Division is required by statute to conduct a rebase study every five years. Based on the recommendations of the 2014 Rebase Study, the current adopted rates and structure for several critical needs services is not competitive with the Medicare/Medicaid service delivery systems. According to the report, in order to meet the Medicaid access to care requirements, the Division should increase the adopted rates as some of the current adopted rates are significantly below the proposed benchmarks.

In addition, based on the annual rate certification overview, the adopted to benchmark ratios (difference in ratio between the Division's adopted rates and benchmark rates) for five of the top ten services are below 80 percent, causing serious concerns towards the delivery of quality services to DDD members.

Following are the key highlights of the upcoming rate changes.

1. Targeted rate increase for the following critical needs services.
  - Nursing Services (HNV, HN9, HN1, HNR)
  - Therapy Services (Speech, Physical, and Occupational – SPA, PTA, OTA)
  - Individual Supported Employment (ISE)
  - Habilitation with Music Therapy (HAM)
  - Transportation Services (TRA, TRE)
  - Nursing Supported Group Homes (HAN)

2. 1 % across the board rate increase for services at or below 85% of the benchmark rate and are not the part of the targeted services. Examples of some services in this group include the following.
  - Attendant Care (ATC)
  - Habilitation, Support, Hourly (HAH)
  - Respite (RSP)
  - Habilitation, Individually Designed Living Arrangement, Hourly (HAI)
  - Group Supported Employment (GSE) – Applicable to Ratios of 1:3 and 1:4
  - Center Based Employment, Urban (CBE)
  
3. Targeted rate increase towards services when the current adopted rate is less than 75% of benchmark for most ALTCS covered services. Examples of some services in this group include the following.
  - Group Supported Employment (GSE) – Applicable to Ratios of 1:5 and 1:6
  - Home Health Aide (HHA)
  - Respiratory Therapy (RP1)
  - Day Treatment and Training, Children, Rural (DTT, DTS)
  
4. Reduction in rates for services currently over 100% benchmark to 100% of benchmark rate. Examples of some services in this group include the following.
  - Occupational Therapy Assistant (OTA)
  - Physical Therapy Assistant (PTA)
  - Habilitation, Early Childhood Autism Specialized [BCBA-D, Licensed Behavioral Analyst, Masters Level BCBA, ADHS/OBHL Licensed (ECM)]
  - Transition to Employment (TTE)
  - Group Supported Employment, Rural (GSE) – Applicable to 1:2 Ratio
  - Habilitation, Consultation, [Psychologist - Urban, BCBA-D, Licensed Behavioral Analyst, Masters Level BCBA, DBHS/OBHL Licensed (HCM)]

We are currently in the process of updating the DDD Rate Book. As soon as the updated Rate Book is available, all providers will be informed via a vendor blast. Any questions regarding this communication can be addressed to the Provider Relations Unit at 1-866-229-5553 or [DDDProviderRelations@azdes.gov](mailto:DDDProviderRelations@azdes.gov).

Thank You.