

DEVELOPMENTAL DISABILITIES ADMINISTRATION
Olympia, Washington

TITLE: RATES AND OTHER COVERED COSTS 6.02
FOR SUPPORTED LIVING, GROUP TRAINING HOMES, AND GROUP HOMES

Authority: [Title 71A RCW](#) *Developmental Disabilities*
[Chapter 388-101 WAC](#) *Certified Community Residential Services and Supports*
[Chapter 388-101D WAC](#) *Requirements for Providers of Residential Services and Supports*

PURPOSE

This policy defines the roles, responsibilities, and processes for establishing rates for clients who are approved for Developmental Disabilities Administration (DDA) contracted community residential services in supported living, group training homes, and group homes. A tiered rate methodology is utilized for all current and future clients.

SCOPE

This policy applies to DDA, the DDA Rates Unit in the Office of Rates Management, and the following DDA-contracted residential service programs:

- Supported Living
- Group Homes
- Group Training Homes

DEFINITIONS

Case resource manager means the case-carrying DDA case manager who performs the annual DDA assessment, collaborates on the development of the person-centered service plan, and is the liaison with the client.

Client means a person who has an intellectual or developmental disability and is:

1. Eligible under [chapter 388-823 WAC](#); and

2. Authorized by DDA to receive residential services under chapters [388-101](#) and [388-101D](#) WAC.

Cluster means a group of households, typically within a close geographic area, that share support services or staff time for some portion of the day or night.

Contract means a contract between the Department and a service provider for certified community residential services under chapters [388-101](#) and [388-101D](#) WAC.

Economies of scale (EOS) means an adjustment made during the rate assessment process to convert predicted individual support to take into account instructions and support services shared within a multiple person household or a cluster.

Group home program means a certified residential service under chapters [388-101](#) and [388-101D](#) WAC, which is also licensed as an adult family home or assisted living facility.

Group training home means a certified non-profit residential program under [RCW 71A.22.020](#) and chapters [388-101](#) and [388-101D](#) WAC.

Habilitation means those services delivered by residential service providers intended to assist persons with developmental disabilities acquire, retain, or improve upon the self-help, socialization, and adaptive skills necessary to reside successfully in home and community-based settings.

Household means all people receiving support from the same residential provider and living in a single residence.

Instruction and support services (ISS) staff means employees (including counselors or trainers) of the service provider whose primary job function is the provision of instruction and support services to clients. ISS staff shall include employees (e.g., program managers and supervisors) of the service provider whose primary job function is the supervision of ISS staff.

Live-in model means an atypical service delivery model approved by DDA that includes nighttime support by staff authorized by the agency to sleep in the client's home during the night and are available to respond throughout the night. The supported living agency provides a bedroom for staff to stay in the client's home and covers the cost of their accommodation.

Metropolitan statistical area means a relatively freestanding metropolitan area that is not closely associated with other metropolitan areas. These areas are typically surrounded by non-metropolitan counties. A metropolitan statistical area must include at least:

1. One city with 50,000 or more inhabitants; or

2. A Census Bureau-defined urbanized area (of at least 50,000 inhabitants) and a total metropolitan population of at least 100,000.

King County is recognized as having unique characteristics relative to other metropolitan statistical area counties for purposes of determining reimbursement rates as stated in this policy.

DSHS currently recognizes the following counties as metropolitan statistical area counties in Washington: Asotin, Benton, Chelan, Clark, Cowlitz, Douglas, Franklin, Island, Kitsap, Mason, Pierce, Skagit, Snohomish, Spokane, Thurston, Whatcom, and Yakima. Final determination for metropolitan statistical area designations are made by DSHS. All other counties are considered non-metropolitan statistical areas.

Non-SIS supports are determined by an algorithm in the rate assessment. Non-SIS supports are client-centered and not administrative in nature. They include client program planning, staff training and supervision, monitoring, coordination of client services, and DDA-mandated reporting and tracking activities. Non-SIS supports are calculated based on the client's residential service level and instruction and support services. These calculated supports comprise a portion of the Program Support time on behalf of the client. These activities typically do not occur in the lives of persons who are receiving support services that are not included within the Support Intensity Scale (SIS).

Person-centered service plan means a document that identifies a client's goals and assessed health and welfare needs, including client details from the DDA assessment. A person-centered service plan also indicates the paid services and natural supports that will assist the client to achieve their goals and address their assessed needs.

Rate change request means the electronic process for submitting and approving rates.

Residential professional services are provided by service provider staff and are included as part of the daily residential rate. These professional habilitation services are part of the residential supports that enhance the ability of a client to live an integrated and meaningful life. These services include residential chronic nursing supports, language translators, habilitation dialectical behavioral therapy, and behavioral habilitation.

Residential rates for developmental disabilities means the electronic program that processes rate change requests.

Resource management administrator means the DDA administrator who manages budgetary and programmatic practices of community residential services in the region they are assigned.

Resource manager establishes rates and monitors contract compliance and is the DDA liaison with the service provider.

Service provider means an entity contracting with the Department to provide certified community residential services to clients as described in chapters [388-101](#) and [388-101D](#) WAC.

Single-person household means a home wherein the client:

1. Has been assessed by the case resource manager in CARE as needing residential service level 4, 5, or 6, as defined in WAC 388-828-9540;
2. Does not share their home with another client; and
3. Does not share instruction and support services with another client.

Staff lodging provider expense means the service provider's costs for a dwelling or portion of a dwelling used by staff when working 24-hour or longer duty shifts for a live-in model. This is an administrative cost incurred by the program for housing, not to be reported as Instruction and Support Services compensation.

Supported living is a contracted and certified residential service as described in chapters [388-101](#) and [388-101D](#) WAC and the DDA contract.

Tiered rate methodology means the method used to derive the client's daily rate.

BACKGROUND

Residential services support individuals to live in and contribute to their community. The tiered rate methodology is the product of a provider and DDA staff workgroup convened in 2016 by DDA's Assistant Secretary and endorsed by the Washington Legislature in 2018 which provided funding for the transition and to hold provider rates harmless during the implementation of tiered rates in fiscal years 2019 and 2020. The "hold harmless" provision is an eighteen-month transition period that will mitigate payment reductions to the service provider and reduce financial impacts that could otherwise be detrimental to continuation of services.

POLICY

- A. The supports intensity scale in the DDA assessment determines the residential habilitation support needs of a client. The case resource manager completes the DDA assessment with the client and collaboratively develops the person-centered service plan with the client and others chosen by the client. The DDA assessment determines the client's support needs. The residential algorithm described in [WAC 388-828-9500](#)

through [388-828-9530](#) generates the client's residential support level described in [WAC 388-828-9540](#).

- B. A DDA resource manager completes a second tool called the residential rate assessment, which determines the appropriate tier. The rate assessment evaluates the residential support level (identified by the SIS assessment), specific support needs, support provided by others and the number of participants living in the household who can share the support. Then the algorithm identifies the applicable tier.
1. There are nine tiers associated with the rate assessment.
 - a. Tiers one through eight use a standardized rate methodology. Each tier is linked to a daily rate. The daily rate associated with each tier is based on the weighted average cost of service utilized for core benefits. Tier levels match client acuity, stratified by the assessment tools, with associated payment brackets. A client with higher acuity and complex support needs require a higher level of service and fewer shared supports. As the support need increases, the tier increases.
 - b. Tier level nine is a uniform exception to the standardized formula. Each client in this tier has a personalized daily rate designed to address the unique client needs that are in excess of tier eight. The resource manager must annually assess clients in tier nine.
 2. The daily rate for each tier is specific to county categories (MSA, Non-MSA and King County). The rate for each tier includes direct and indirect costs of service delivery, administration, and community residential services training (CRST). Additionally, the daily rate may include transportation, residential professional services, and other non-ISS rates.
- C. Rates are payments for costs that are necessary, customary, and related to the provision of residential program instruction and support as described in chapters [388-101](#) and [388-101D](#) WAC and the residential services contract.
- D. Rates are set prospectively in accordance with state legislative appropriation.
- E. The contract governs what shall be the maximum payment compensation and is reflected in Contract Exhibit C.
- F. Services must be delivered in a cost efficient manner. A client assessed as needing residential support level 4, 5, or 6 under [WAC 388-828-9540](#) typically lives in a household of two to four people, which enables instruction and support services to be shared across

household members.

- G. A client receiving supported living services must not have more than four clients in their household.
- H. Supported living clients own, lease, or rent their home and therefore control the use of the space within their home. All client's homes should reflect their preferences, choices, and budget, with minimal service provider administrative presence.

PROCEDURES

A. Rate Development

- 1. The case resource manager must enter comments into the DDA assessment to provide clarification for the resource manager to complete the rate assessment. Comments may include areas such as:
 - a. Natural supports or support provided by others;
 - b. Specific tasks or areas of support that identify the need for increased support;
 - c. Community integration preferences or community integration needs if tied to a positive behavior support plan;
 - d. Client-specific instructions to service providers;
 - e. Client choice to receive less support than the residential service level definition;
 - f. Requests for exceptions to certain physical and safety requirements; and
 - g. Risks that present an immediate life threatening danger to the client or others.
- 2. The service provider must inform the resource manager:
 - a. Before a client enters or leaves residential services;
 - b. If a significant change in the client's support needs (including starting or ending school or a job) occurs;

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- c. Before a change in household composition occurs; and
 - d. As soon as possible following an emergent situation that results in any of the changes above.
 3. The case manager must inform the resource manager if:
 - a. The client's waiver status changes;
 - b. The client's financial eligibility changes;
 - c. The client's DDA assessment results in a change in service level; or
 - d. A significant change assessment is completed for the client.
 4. The resource manager must complete a rate assessment before a client begins receiving supported living, group home, or group training home services and:
 - a. If a significant change in the client's condition occurs;
 - b. If there is a change in client's household composition;
 - c. If a new client's anticipated shared supports are found to be inaccurate once the client has moved;
 - d. Upon request from the client, the client's guardian, or the service provider; or
 - e. As requested by DDA.
 5. To prepare for the rate assessment meeting, the resource manager reviews the DDA assessment and person-centered service plan to familiarize themselves with the client's support needs and goals. They also review the previous rate assessment.
 6. The service provider must review the DDA assessment and person-centered service plan and be prepared to discuss details such as daily routine, frequency of medical appointments, transportation, and other support needs of the client.
 7. The resource manager conducts a rate assessment meeting for each client with a representative from the service provider who knows the client's routine and has decision making authority. This meeting is typically conducted in person.
 8. Rate assessment meetings are typically arranged by household or cluster to ensure economies of scale are captured and the shared and individual supports

are identified.

9. The rate assessment process focuses on:
 - a. Adjusting base support identified from the DDA assessment; and
 - b. Applying economies of scale (EOS) as described in the next section.
10. During the rate assessment meeting, the resource manager and service provider discuss the predicted base supports in relation to the needs of the client and the resource manager makes the necessary adjustments to the EOS worksheet within the DDA assessment. Each category is reviewed for two-to-one support, support by others, support refused, individual supports, and supports shared with additional clients. The resource manager documents any adjustments in the comments.
11. The rate developed is inclusive of individual supports and shared supports. Supports are shared whenever feasible.
12. Included in the instruction and support services is a component entitled non-SIS supports that are instruction and support services not captured in the SIS. The non-SIS supports are automatically generated by an algorithm. Non-SIS supports include activities that are necessary for providing services, are client-centered and not administrative in nature, such as client program planning, monitoring, attendance at staff training, and DDA mandated reporting.
13. The cost of the instruction and support services component is identified for each tier. Each tier has three compensation rates based on the county-classifications, including metropolitan statistical area (MSA), non-metropolitan statistical area (Non-MSA), and King County. See [All DDA Rates](#) under “Quicklinks”; note that all rates are subject to legislative appropriations.
14. The transportation rate assessment is completed with input from the service provider.
15. Additional rate components may be added to a client’s total daily rate for clients with unique support needs. For residential professional services, enter the description of the service and the rate. For non-ISS rate components, enter the description and total rate amount.
16. The tiered daily rate for the administrative cost center is added according to the standardized methodology. Published rates are available on the Office of Rates Management’s website under [All DDA Rates](#); note that all rates are subject to

legislative appropriations.

17. The resource manager must request an exception to policy for a client needing a single-person household.
18. The resource manager must request an exception to policy for a client whose rate is assessed in tier nine. The exception must be reviewed at least every 12 months.
19. The resource manager must provide the residential rate calculator report to the service provider upon request.
20. Before providing residential support services to a client, the residential provider must have an approved rate reflected in Contract Exhibit C, which provides the detail of each rate component and a total daily rate per client.
21. Rate changes will start on the 1st or the 16th of each month unless the change is due to:
 - a. A new client starting residential services;
 - b. A client leaving residential services;
 - c. A client who is currently receiving a staff add-on;
 - d. A change in waiver status; or
 - e. A rate correction.
22. The resource manager must verify and distribute the Contract Exhibit C and gather signatures from the service provider and the authorized DDA representative. The service provider must verify the information in Contract Exhibit C before obtaining signatures and report any discrepancies to the resource manager.
23. Many factors affect the length of the rate development process; however, the service provider can expect the following timelines:
 - a. The case manager must mail the client's person-centered service plan to the service provider no more than 30 days after completing the assessment.
 - b. The resource manager must schedule a rate assessment if there is an identified change in need.
 - c. The resource manager must send the residential rate calculator and Contract Exhibit C to the service provider no more than five business days

after the rate assessment meeting.

24. Provision of Services
- a. The service provider must provide residential services assigned to the service provider in the client's person-centered service plan.
 - b. The service provider must provide an adequate level of staffing to meet the client's service level under [WAC 388-828-9540](#), unless otherwise indicated in their person-centered service plan.
 - c. The service provider must maintain a system that shows instruction and support services funds have been used to provide instruction and support services. All instruction and support services staff compensation, employer paid taxes, and benefits within each calendar year are annually reconciled to the ISS contracted rate through the cost reporting system. See [DDA Policy 6.04](#), *Billing, Payment, and Cost Reporting for Supported Living, Group Training Homes, and Group Homes*.

B. RATE COMPONENTS

The final DDA rate is determined by the assessment process and RRDD calculations in Procedures Section (A). The rate is comprised of the following components:

1. **Instruction and Support Services (ISS):** Instruction and support services supports are those supports necessary to provide the assessed level of support and instruction to the client and are calculated during the rate assessment process. The instruction and support services are paid at the tiered rate established by the department. This also includes reimbursement for staff time to complete training required under RCW 74.39A. See [All DDA Rates](#); note that all rates are subject to legislative appropriations.
2. **Administrative:** The administrative rate is based on the administrative rate table, which varies by type of service, county, and incremental daily instruction and support services. See [All DDA Rates](#); note that all rates are subject to legislative appropriations.
3. **Certification Rate:** A certification rate is included in the administrative /non-staff cost center of the daily rate to cover the cost of the certification fee. These rates are in Contract Exhibit C and can be located under the tiered rate tables in [All DDA Rates](#); note that all rates are subject to legislative appropriations.

4. **Transportation:** The transportation rate is assessed during the rate assessment process and is calculated in RRDD.
5. **Residential Professional Services:** Residential professional services are identified through the rate assessment and calculated in RRDD. Reimbursement for professional services is at:
 - a. Department established rates where they exist;
 - b. Non-standard rates as determined by the resource management administrator; or
 - c. For standardized rates for residential chronic nursing support (RCNS) see [All DDA Rates](#).
6. **Other Non-ISS supports:** Other rate components may include staff lodging costs for providers who utilize the live-in staff model, extensive damage, or other items specifically approved by the Residential Services Unit Manager.

C. OTHER COVERED COSTS

1. Cost-of-Care Adjustments
 - a. A cost-of-care-adjustment (COCA) is intended to cover the necessary costs to maintain uninterrupted services due to the loss of economies to clients remaining in the home when there is a temporary absence of a household member.
 - b. The provider must discontinue claiming the daily rate for the absent client and notify the resource manager of the need for a COCA no more than five business days after a client's departure.
 - c. When there is a temporary absence of a household member, the provider must complete [DSHS 06-124](#), *Cost-of-Care Adjustment Request*, and submit it to the resource manager no more than 30 business days after:
 - i. The end of the calendar month if the client's absence continues into the next calendar month; or
 - ii. The client's return.

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- d. The service provider must complete a separate DSHS 06-124 for each calendar month the client is absent.
 - e. The service provider must request a new rate assessment for the remaining household members if the client's absence is anticipated to continue past 60 days. The resource manager will schedule a new rate assessment.
 - f. A service provider may request a COCA for:
 - i. The following components in the Administrative Cost Center for both shared and single-person households:
 - A) Administrative tier rate; and
 - B) Administrative CRST; and
 - ii. The following components in the ISS Cost Center for shared households:
 - A) ISS shared support;
 - B) ISS CRST; and
 - C) Shared professional services.
 - g. The resource management administrator or designee may approve a COCA for up to 60 consecutive days.
 - h. The resource manager will authorize payment for the approved COCA.
 - i. The resource manager distributes the authorized COCA to the service provider and the DDA rate analyst. DDA maintains a copy in the contract file. The service provider must maintain records according to their contract.
 - j. COCA reimbursements are subject to the settlement provisions of [DDA Policy 6.04](#), *Billing, Payment, and Cost Reporting for Supported Living, Group Training Homes, and Group Homes*.
2. Staff Add-On for Client-Specific Need
- a. A staff add-on provides short-term additional support to protect a client's safety or well-being. A provider may request a staff add-on if the client has

a short-term increase in need. Staff add-on must be requested separately for ISS and professional services.

- b. Unless a staff add-on is being requested in an emergency under subsection (2)(c) below, a staff add-on must be approved by the resource manager supervisor before it is implemented. Once an add-on is approved, work should begin immediately to evaluate ongoing need and determine if a new assessment is needed.
- c. In an emergency, providers must make a verbal request to the resource manager as soon as the need is identified. The service provider will submit the written request no more than five business days after the addition of staff. The service provider must document the emergency approval on the written request. The region will respond to the emergency request within two business days of receipt of the request. In an emergency, the service provider may implement the additional hours needed to address the emergent client support needs while the request is being considered.
- d. As soon as the need is identified but no more than five business days after the verbal approval, the service provider must submit [DSHS 15-379](#), *Staff Add-on Request for Client-Specific Need*, to the resource manager. The service provider must include an explanation of the circumstances requiring the need for additional staff and the anticipated length of need. Based on this information and a discussion with the provider, the resource manager will determine the number of hours that will be authorized. The resource manager will base their decision on their knowledge of the client, their professional judgement, and the information in the request. Staff add-on requests are approved or denied at the sole discretion of the resource manager supervisor.
- e. A provider may request a staff add-on for up to 60 days.
- f. Staff add on rate is reimbursed according to the urban designation of where the client lives. This is an all-inclusive rate. Staff add on rates for each urban designation can be found at [All DDA Rates](#).
- g. The resource manager reviews and makes a recommendation to their supervisor for approval or denial. The resource manager will authorize the number of hours approved on the request. The provider must use the staff add-on only for the client for whom it was approved. The provider may claim less than the authorized amount.

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- h. Staff add-on reimbursements are subject to the settlement provisions of [DDA Policy 6.04](#), *Billing, Payment, and Cost Reporting for Supported Living, Group Training Homes, and Group Homes*.

3. Client Transition

- a. Transition payments may be authorized for agencies who have accepted a client for support services. Transition costs may include expenses related to supports needed prior to the start of services to understand the client support needs and develop plans.
- b. The service provider will submit a written request to the resource manager that includes a description of the reasons and associated cost. The resource manager will provide a written response after they receive approval from the resource manager administrator or designee. DDA approval is required prior to the use of client transition funds.
- c. For client transition reimbursement rates, see [All DDA Rates](#). This is inclusive of any administrative costs incurred and is not subject to cost settlement.
- d. The agency may submit other transition related cost to the resource manager administrator for consideration.

4. Summer Program for Supported Living Clients

- a. DDA may provide summer program funding for clients age 18 through 21 who are in DDA-contracted residential programs, currently enrolled in school, and whose local public schools do not offer summer programs. DDA may make funding available for this program to the extent that funds are available for such purposes in DDA's biennial appropriation. The summer program must not replace the programs offered by the service provider during evening and weekend supports.
- b. A service provider must develop a summer program plan and budget using a format approved by DDA. The service provider must submit the proposed plan to the resource management administrator for approval.
- c. The resource management administrator will notify the provider in writing of the approval and the authorized amount. Summer program services are authorized and paid through ProviderOne.

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- d. Expenditure of funds received through this supplemental payment may include summer program fees such as camp registrations, park and recreation program fees, swimming pool fees, as well as additional transportation costs and supplies. Equipment costing \$1,000 or more and having a useful life of more than one year must not be purchased.
 - e. Costs funded through summer program services are not subject to settlement provisions.

5. Training Reimbursement

DDA may reimburse a service provider for certain costs associated with legislatively mandated training. The purpose of this reimbursement is to ensure client needs are met while service provider staff is attending training.

- a. ISS training reimbursement is tier-specific, included in the total daily rate, and subject to the cost settlement process.
- b. Administrative expenses associated with instruction and support services training are in the administrative cost center and are not part of the cost settlement process.
- c. Reimbursement for the cost of the trainer to attend the 40-hour core training is not a part of cost settlement process.
- d. For the rates the service provider will be paid for ISS staff completing the Nurse Delegation Core Training at the following rates see [All DDA Rates](#).

6. Client Expenses

- a. The resource management administrator or designee may grant an exception that allows a provider to charge a client, their family, or their legal representative for an extraordinary situation over and above what is typically reimbursed in the client's rate. Examples include vacations or long trips where staffing, transportation, or both, is beyond what is included in the assessed rate. The service provider must submit a written request to the resource manager who will review the request with the resource management administrator.
- b. If approved, the service provider will include the agreement in the individual financial plan or an attachment to the plan and submit to the

client or guardian, or both, for signature. The resource manager must document in the client's service episode record in the CARE

- c. The service provider's staff must never accept payment directly from a client.

EXCEPTIONS

Any exception to this policy must have prior written approval from the Deputy Assistant Secretary or designee.

SUPERSESSON

DDA Policy 6.02, *Rates and Other Covered Costs for Supported Living, Group Training Homes, and Group Homes*
Issued July 1, 2021

Approved:  _____ Date: June 15, 2022
Deputy Assistant Secretary
Developmental Disabilities Administration