



Day Habilitation Efficiency Adjustment

Effective: May 1, 2010

Add new paragraph 635-10.5(c)(15) to read as follows:

- (15) Effective May 1, 2010, for all regions there shall be an efficiency adjustment to group day habilitation and supplemental group day habilitation prices. The efficiency adjustment shall take the form of a two-tiered reduction in reimbursable operating costs as follows:
- (i) All providers shall be subject to the first tier of the efficiency adjustment which shall reduce total reimbursable operating costs inclusive of transportation and Health Care Adjustments (HCA) in the price in effect on May 1, 2010. The reduction shall be 2.5 percent.
 - (ii) The second tier adjustment shall be applied to all non-personal services (NPS) reimbursable operating costs reflected in the reimbursement prices for providers at or above the benchmark described in clause (b) of this subparagraph.
 - (a) For purposes of this paragraph, non-personal services (NPS) include Other Than Personal Services (OTPS), transportation, program administration OTPS and agency administration OTPS. NPS does not include Personal Services, contracted personal services, Fringe Benefits, and HCA.
 - (b) The benchmark is predicated on the value of all NPS reflected in a provider's group day habilitation price in effect on June 30, 2008 for Region I reporting providers and on December 31, 2007 for Region II and Region III reporting providers. This value is expressed as a percentage of the total reimbursable operating costs including transportation and HCA in a provider's group day habilitation price on the respective date. The percentages for each provider of group day habilitation services are ranked ordinally. OMRDD has established the benchmark to coincide with the 40th percentile. All providers below the 40th percentile are exempt from the second tier reduction.
 - (c) For all providers ranked at or above the benchmark, the second tier reduction shall be applied to gross NPS reimbursable operating costs in the price in effect on May 1, 2010 without consideration of the effect of the first tier reduction described in subparagraph (i) of this paragraph.
 - (d) The second tier percentage reduction shall be 4.29 percent.

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- (e) The Commissioner may waive all or a portion of this reduction for a provider upon a showing that the imposition of the full NPS reduction would jeopardize the continued operation of the group day habilitation and/or supplemental group day habilitation program.
- (iii) For purposes of price adjustments, the effects of this efficiency adjustment shall be not be construed as a basis for loss. OMRDD shall offset any price adjustment it would otherwise make by the efficiency adjustment described in this paragraph.