



**Emergency/proposed amendments
Rate Setting for Non-State Providers:
IRA/CR Residential Habilitation and Day Habilitation**

Amendments to 14 NYCRR Subpart 641-1

Effective: July 2, 2014

Comments due: Monday, Sept. 8, 2014

The emergency/proposed regulations amend the newly-adopted 14 NYCRR Subpart 641-1, concerning the rate methodology for Residential Habilitation delivered in IRAs and Community Residences and Day Habilitation. (Note that the text of the newly adopted regulation is the same as the text of the proposed regulation published in the spring of 2014.) The changes include the following:

- A) A clarification that the “initial period” of the methodology is July 1, 2014 through June 30, 2015.
- B) A definition was added for “total reimbursement”. The definition of total reimbursement is the provider’s final reimbursement as calculated on its rate sheets inclusive of SSI/SNAP adjustments and any State supplement add-on.
- C) A clarification in the definitions of the “regional average general and administrative component” and the “provider average general and administrative component” to specify that the administrative allocation for the base year is agency administration, that depreciation is equipment depreciation and that program administration property is not part of the formula.
- D) A clarification in the definition of “provider direct care hours”, “provider salary clinical hours” and the “provider contracted clinical hours” to indicate that the formulas are based on rate sheet capacities rather than billed units and that the formula quotient is multiplied by rate sheet capacities rather than units.
- E) A change in the “provider facility reimbursement” definition to indicate that depreciation is equipment depreciation and that the formula utilizes provider rate sheet capacities rather than billed units or units.
- F) A clarification to the “alternative cost component” and to the “alternative facility cost component” (specific to IRAs and Community Residences) to indicate that this section applies to providers that did not submit a cost report or submitted a cost report that was incomplete. The previous language applied these components in a more narrow set of circumstances, i.e., only when providers did not provide services during the base year.
- G) The “budget neutrality” formula was changed for Supervised and Supportive IRAs and Community Residences. Budget neutrality was eliminated on the “facility cost component” and a “statewide budget neutrality for State supplement factor” was added to the methodology.

**Emergency/proposed amendments: Rate Setting for Non-State Providers
IRA/CR Residential Habilitation and Day Habilitation
Summary of Regulations
Effective: July 2, 2014
Comments due: Sept. 8, 2014**

- H) A note was added to the “capital component” section to indicate that the capital component language was not applicable to capital approved by OPWDD prior to July 1, 2014.
- I) The “capital component” section for both Supervised and Supportive IRAs and Community Residences was changed to clarify that start-up costs may be amortized over a one-year period beginning with certification.
- J) Numerous changes were made to the capital threshold schedules to add clarity including the elimination of references to incorrect programs; the elimination of the non-relevant “architect/engineer design fee schedule for ground-up construction” and to standardize definitions, including that of soft costs.
- K) The “adjustments” section (specific to Supervised and Supportive IRAs and Community Residences) was revised to clarify that the supplemental security income offset is an annualized figure.
- L) A “rate correction” section was added to specify the policies and procedures for the correction of arithmetic or calculation errors.
- M) Within the “transition periods and reimbursement” section, it was clarified that retainer days, specific to Supervised IRAs and Community Residences, will be reconciled at the mid-point and the end-point of the rate period ending June 30, 2015. It was further clarified that Supervised IRA and Community Residence providers shall not be paid for more than 14 retainer days per annual period for any one individual.
- N) Also, within the “transition periods and reimbursement” section, specific to Supervised IRAs and Community Residences, it was clarified that therapeutic leave days include vacation absences and that therapeutic leave days will be reimbursed at the provider’s Supervised IRA or Community Residence rate.
- O) Additionally, within the “transition periods and reimbursement” section, specific to Supervised IRAs and Community Residences, it was further clarified that the payment for vacant bed days, through the period ending June 30, 2015, would be 75 percent of the provider’s Supervised IRA or Community Residence rate up to a maximum of 90 such vacant bed days.
- P) A new section is added governing funding for those individuals identified as qualifying for template or auspice funding. The funding for IRA/CR residential habilitation and day habilitation provided to these individuals will be determined in accordance with that section instead of the methodology that is generally applicable.
- Q) Various non-substantive technical corrections were added to correct inconsistencies, grammatical errors, etc.