
ICF/IDD Cost Based Rate for FY 2019-2020

The Office of Development Programs (ODP) will be allowing a standard per diem rate based on actual costs per the ID-46 cost reports for Fiscal Year (FY) 2019-2020 for Non-State operated Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). The annual funding level will equal the total on the FY 2019-2020 ID-46 Cost Report. ODP must operate within funding appropriated by the legislature, so further adjustments may be necessary to this approach. The ID-46 is currently being revised to include a new Schedule 19 for extraordinary COVID-19 expenditures; it should be available by June 30, 2020. These expenditures will be carved out of the cost report total and the standard per diem rate for FY 2019-2020 because they will be reimbursed through a separate process using gross adjustments to allow for quicker payments to assist with cash flow.

During the April 10, 2020 ICF/IID Taskforce teleconference, ODP discussed accepting waivers for COVID-19 expenses up until July 31, 2020 for the year ending June 30, 2020. As we discussed further, it has been decided that we will simply use the actual costs on each provider's new ID-46 Schedule 19 form as the basis for reimbursing providers for actual COVID-19 expenses, which should benefit both providers and ODP by not creating an additional step in the process. If a provider submitted a COVID-19 waiver by May 31, 2020, those payments will be netted against the actuals on Schedule 19. A gross adjustment will be issued in Oct/Nov 2020 for every ICF/IID Service location's extraordinary COVID-19 expenses. Those gross adjustments will be issued in the order that the cost reports are received (after Schedule 19 is reviewed). The new FY 2019-2020 Standard per Diem Rates will be issued in Jan/Feb 2021 following the acceptance of the FY 2019-2020 Cost Reports by December 31, 2020.

The FY 2019-2020 waivers will not be reviewed since the methodology used for FY 2019-2020 already allows for the upper payment limitation allowed in Medicaid. The FY 2020-2021 waivers should include a waiver to annualize any partial year expenses in FY 2019-2020 which are expected to continue. All of those annualizations can be submitted in one waiver for each service location.

As ODP pushes to get back on schedule for all rate setting activity, the FY 2020-2021 waivers will be due October 31, 2020 and **budgets will be required**. ODP will also assume that providers will use the ID-46 as the basis for the budget carrying forward to FY 2020-2021. We realize that there will be tradeoff between day program and daytime staffing in the ICF in the budgets and we will be understanding of that fact.

If you have any questions, please feel free to contact Steve Evitts at sevitts@pa.gov