



# Consolidated Waiver Fee Schedule Addition of Residential Needs Group 5 (NG5) and Updated Rate Exception Process

## ODP Announcement 23-083 UPDATE

### AUDIENCE:

Providers of Residential Services in the Consolidated Waiver, Administrative Entities (AEs), Support Coordination Organizations (SCOs) and Support Coordinators (SCs)

### PURPOSE:

To announce the availability and criteria for NG5 residential fee schedule rates and to reissue the criteria, process, and procedures for residential fee schedule rate exceptions in the Consolidated Waiver.

### BACKGROUND:

Beginning January 1, 2018, the Office of Developmental Programs (ODP) transitioned the reimbursement for residential services from cost-based reimbursement to a state established fee schedule. The fee schedule for residential services has been carefully developed to provide adequate funding for individuals with varying needs of support.

In the period since 2018, ODP and providers have gained substantial experience and data in supporting individuals whose support needs exceeded the established fee schedule

assumptions and rates. This data has allowed ODP to establish a new Needs Group (NG5) and corresponding fee schedule rates. The implementation of this new Needs Group will eliminate many existing exceptional rates and ease the administrative burden on providers, SCOs, AEs and ODP.

## DISCUSSION:

### **Critical Revisions to Individual Support Plans (ISPs) for individuals with current exceptional rates**

Existing exceptional residential rates (also referred to as Needs Exception Allowance or NEA rates-procedure codes W9057 and W9057 HI) will end-date on December 31, 2023. Individuals with authorized NEA rates as of December 31, 2023 will automatically be assigned to Needs Group 5 effective January 1, 2024. The only exception to this automatic assignment of NG5 for existing exceptional rates will be for those individuals who do not have an assessed health care level (HCL) through a current health risk screening. All individuals with residential services are required to have a current health risk screening and providers must ensure that all individuals receiving residential habilitation have been screened and their screening is current and meets requirements specified in PA Health Risk Screening Tool (HRST) Protocol Revised 01-14-2021. **Individuals with an existing exceptional rate and without a current HCL as of December 31, 2023 will remain in NG4 until their health risk screening has been completed and their existing exceptional rate will revert to NG4 fee schedule on January 1, 2024.**

NG5 rates and procedure codes are available on the [Department of Human Services](#) website. NG5 services will work the same as current NG1-4 residential fee schedule rates in that the appropriate rate should be authorized based on approved program capacity (APC)

of the home and the expected number of days with and without day services. A **critical revision to Individual Support Plans will be necessary** to add the NG5 residential segment(s) from January 1 through June 30, 2024. NG5 rates and services are available in HCSIS to perform these critical revisions as of October 19, 2023 and should be completed by January 1, 2024.

### **Needs Group Criteria**

Following January 1, 2024, needs level and needs group assignments for Needs Level 1 through 7 and Needs Group 1 through 4 will continue to be based solely on the results of the individual's latest Supports Intensity Scale (SIS) assessment and PA Supplement. Needs Group 5 will require that the individual is assessed as Needs Group 4 per their latest SIS assessment and PA Supplement **and** that their health risk screening is current and results in a HCL of 4 or higher. Assignment to Needs Group 5 will not be automatic. If an individual is assessed as NG4 and has a current HCL of 4 or greater and the necessary support as documented in the ISP exceeds NG4 assumptions, a provider may request assignment to NG5 by sending an e-mail to [RA-ratesetting@pa.gov](mailto:RA-ratesetting@pa.gov) with the subject line "Master Client Index (MCI) xxxxxxxxx NG5 request" where xxxxxxxxx is the individual's MCI. These requests will be reviewed by ODP program and fiscal staff and, if approved, the NG5 will be effective on the date which the request is received. As with any change to an individual NG assignment, a critical revision to the Individual Support Plan will be necessary to align authorized services with the new needs group.

### **Residential Rate Exception Process**

The implementation of NG5 fee schedule rates is expected to encompass the vast majority of currently existing exceptional rates. However, ODP recognizes the continuing need for

an exception process in relatively rare circumstances. The Residential Rate Exception Process is a process to review individuals in Needs Group 5 who, due to extraordinary behavioral or medical needs, require a staffing pattern and/or staff expertise that exceeds the assumptions that are the basis for the fee schedule rates for individuals in NG5.

Prior to mid-November 2023, ODP will release the new process and cost report form to be used when requesting an exceptional rate. This form will encompass basically a site (home) level profit and loss statement which will require providers requesting an exceptional rate to demonstrate at least 3 months of actual expenses and staffing history. These cost reports will need to be submitted annually to continue to substantiate the need for an exceptional rate. Exceptional rate requests for emergency placements or transitions may be developed using budgeted or projected expenses with ODP program office approval.

**Please note:**

**When a person has an NG5 and an approved Needs Exception (NEA) in place, any additional staffing requests, including those for emergency short-term staffing, must result in an update to the NEA. In such cases, Supplemental Habilitation should not be authorized for individuals with an approved NEA.**