Attachment G-3. A.
to Family Care 1915(c) Waiver
Appendix G

Financial Documentation

Methods Used to Exclude Payments for Room and Board

Methods Used to Exclude Payments for Room and Board

Facilities where waiver services are provided in residential settings other than the natural home of the individual (e.g., foster homes, group homes, supervised living arrangements, assisted living facilities, personal care homes, community-based residential facilities or other types of congregate living arrangements are required to break out the cost of room and board from the cost of long term care services using the following guidelines prescribed by the department. CMOs may not use waiver FFP to pay the cost of room and board. The waiver participant uses her or his own resources to pay for the cost of room and board. The county or state may supplement the cost of room and board in instances where the individual lacks sufficient resources to pay the full cost, using local or state funds not otherwise used as match for FFP. It is the responsibility of the CMO to document and report any funds used to supplement room and board to the Department to assure separation.

A. The following are costs which cannot be paid for by the MA Waiver program. These costs may be included as room and board costs as long as the facility can demonstrate that the costs are actually attributable to room and board. To calculate the room and board rate, factor out those costs allowable under room and board and divide this total by the number of residents licensed for the living arrangement. This room and board rate is paid for out of the waiver participant's personal maintenance allowance. (When room and board costs exceed the participant's available resources, another source of funding, other than Medicaid, must be used to supplement costs.) Room and board costs must be facility specific.

   Items related to room and board - NOT ALLOWABLE waiver costs

   1. Rent, mortgage payments, title insurance, mortgage insurance.
   2. Property and casualty insurance
   3. Building and/or grounds maintenance costs
   4. Resident's food
   5. Household supplies and equipment necessary for the room and board of the individual
   6. Furnishings used by the individual (does not include office furnishings)
   7. Utilities, resident phones, cable TV, etc.
   8. Property taxes
   9. Specific individual special dietary needs

B. Under the MA waiver programs, the following are allowable elements in residential provider rates. These support and supervision costs are allowable for payment by the MA waiver programs.

   Items related to personal care and supervision - ALLOWABLE waiver costs

   1. Staff salaries*
   2. FICA
   3. Staff health insurance costs (benefits)
   4. Worker's compensation
   5. Unemployment compensation

6. Staff travel
7. Resident travel (includes depreciation on vehicle)
8. Administrative overhead-contractor's costs to do business, including
   - Office Supplies and Furnishings
   - Percentage of administrative staff salaries
   - Office telephone
   - Recruitment
   - Audit fees
   - operating fees/permits/licenses
   - Percentage of office space costs
   - Data processing fees
   - Legal fees
9. Staff liability insurance/agency liability insurance
10. Staff development/education

*In certain circumstances a staff person's wages and benefits may need to be apportioned between room and board costs and support and supervision. For example, a live in manager of a facility, depending on her/his duties, may have time apportioned for supervision and support as well as building and ground maintenance.

C. Payments while waiver participants are in hospitals or nursing homes:

Under no circumstances is it allowable to claim costs for waiver services while a waiver program participant is in a hospital or nursing home. Federal Medicaid regulation prohibits this as double billing to Medical Assistance.

There are two ways to cover the CBRF costs, which remain constant even when one resident is absent:

1. Use non Medicaid funds such as COP to cover the costs of support and supervision that would have been reimbursed with waiver funds.

2. Build the costs into the rate of the alternate living arrangement: for example, if CBRF residents spend an estimated 20 days a year in hospitals or nursing homes, the annual waiver allowable support and supervision expenses could be averaged over 345 instead of 365 days per year. Build the costs into the rate at any time during the year, make adjustments monthly, or make adjustments at the end of the year to reflect actual costs. There is no required methodology for utilizing this option other than conforming to acceptable accounting practice and making sure that waiver billing conforms to the requirements which address actual units of service provided monthly per participant.