

Application for

Section 1915(b) (4) Waiver

Fee-for-Service

Selective Contracting Program

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Application for Section 1915(b) (4) Waiver Fee-for-Service (FFS) Selective Contracting Program

Face Sheet

The **State** of South Carolina requests a waiver/amendment under the authority of section 1915(b) of the Act. The Medicaid agency will directly operate the waiver.

The **name of the waiver program** is Palmetto Coordinated System of Care___.
(List each program name if the waiver authorizes more than one program.).

Type of request. This is:

X an initial request for new waiver. All sections are filled.

a request to amend an existing waiver, which modifies Section/Part _____

a renewal request

Section A is:

replaced in full

carried over with no changes

changes noted in **BOLD**.

Section B is:

replaced in full

changes noted in **BOLD**.

Effective Dates: This waiver/renewal/amendment is requested for a period of 5 years beginning 01/01/2020 and ending 12/31/2024.

State Contact: The State contact person for this waiver is Janice Bailiff and can be reached by telephone at (803) 898-2043, or fax at (803) 255-8204, or e-mail at Janice.Bailiff@scdhhs.gov.

Section A – Waiver Program Description

Part I: Program Overview

Tribal Consultation:

Describe the efforts the State has made to ensure that Federally-recognized tribes in the State are aware of and have had the opportunity to comment on this waiver proposal.

There is one Federally-recognized tribe in South Carolina. South Carolina Department of Health and Human Services (SCDHHS) shared a copy of the waiver proposal with the purpose of eliciting input as part of our public input process. Input had not been received at the conclusion of the 60-day public input process period.

Program Description:

Provide a brief description of the proposed selective contracting program or, if this is a request to amend an existing selective contracting waiver, the history of and changes requested to the existing program. Please include the estimated number of enrollees served throughout the waiver.

The State of South Carolina (State) is developing the Palmetto Coordinated System of Care (PCSC) for South Carolina's children and youth with significant behavioral health challenges or co-occurring conditions in or at imminent risk of out-of-home placement. PCSC is an evidenced-based approach that is part of a national movement to develop family-driven and youth-guided care, and keep children at home, in school, and out of the child welfare and juvenile justice systems. The State's goal is for children and families to receive services when needed and designed to achieve safe, healthy, and functional lives as successful, responsible, and productive citizens.

The purpose of 1915(c) waiver is to provide home and community-based supports and services to children with mental illness who would otherwise be served in inpatient general and psychiatric hospitals. Families and youth are offered the choice of behavioral health services and supports to permit the youth to remain in, or return to, the least restrictive environment-preferably their homes. To be eligible, a potential waiver youth must meet the inpatient level of care and meet all Medicaid financial requirements.

The following chart provides an estimate of the number of children projected to be served for each year of the program.

Annual Period	From	To	Projected Number of Participants
Year 1	January 1, 2020	December 31, 2020	240
Year 2	January 1, 2021	December 31, 2021	290
Year 3	January 1, 2022	December 31, 2022	360
Year 4	January 1, 2023	December 31, 2023	420
Year 5	January 1, 2024	December 31, 2024	480

The following services will be provided to PCSC waiver program participants:

- High Fidelity Wraparound
- Respite
- Individual Goods and Services

Program details regarding waiver services are described in the PCSC 1915(c) waiver application.

Waiver Services:

Please list all existing State Plan services the State will provide through this selective contracting waiver.

This waiver only seeks to selectively contract to provide High Fidelity Wraparound. It is not an existing State Plan service. The State does not seek to selectively contract to provide an existing service in the State Plan.

A. Statutory Authority

1. **Waiver Authority.** The State is seeking authority under the following subsection of 1915(b):

 X **1915(b) (4) - FFS Selective Contracting program**

2. **Sections Waived.** The State requests a waiver of these sections of 1902 of the Social Security Act:

- a. ___ **Section 1902(a) (1) - Statewideness**
- b. ___ **Section 1902(a) (10) (B) - Comparability of Services**
- c. X **Section 1902(a) (23) - Freedom of Choice**
- d. ___ **Other Sections of 1902 – (please specify)**

B. Delivery Systems

1. **Reimbursement.** Payment for the selective contracting program is:

- ___ the same as stipulated in the State Plan
- X is different than stipulated in the State Plan (please describe)

High Fidelity Wraparound

High Fidelity Wraparound is not a State Plan service. With the approval of the 1915(c) waiver, the HFW entity will directly bill Medicaid on a per member per month basis for enrolled youth. Billing will be initiated by the monthly child and family team meeting as described in Appendix C of the 1915(c) waiver application.

The billing validation process to produce a claim for federal financial participation is outlined in Appendix I-2 of the 1915(c) application. Payments for the HFW service will be made through the Medicaid Management Information System.

2. **Procurement.** The State will select the contractor in the following manner:

- ___ **Competitive** procurement
- ___ **Open** cooperative procurement
- ___ **Sole source** procurement
- X **Other** (please describe)

High Fidelity Wraparound

For the High Fidelity Wraparound intensive care coordination service the South Carolina Department of Health and Human Service will only contract with entities that meet the qualifications outlined in the PCSC 1915(c) home and community-based waiver that Wraparound coaches and trainers credentialed by a national accrediting body must be members of High Fidelity Wraparound Teams. Further, High Fidelity Wraparound Teams must demonstrate continued use of evidence-based wraparound standards as approved by SCDHHS through ongoing participation in wraparound fidelity monitoring. SCDHHS will not to accept any willing provider for this high intensity level of service. The High Fidelity entity must ensure that all child and family team members adhere to the HCBS requirements found at 42 CFR 441.301(c).

C. Restriction of Freedom of Choice

1. Provider Limitations.

- Beneficiaries will be limited to a single provider in their service area.
 Beneficiaries will be given a choice of providers in their service area.

High Fidelity Wraparound

Beneficiaries will be given a choice of Wraparound Facilitators in their service area. However, because of the difficulty of obtaining and maintaining this certification, it is only expected that one or two providers at most will be available in the State of South Carolina. The program must guarantee the vendors enough volume of service to justify the vendors undergoing and maintaining the expense of the certification. It is expected that one vendor will serve children who are in SC Department of Social Services custody. The second vendor will serve children who are in their parent's or caregiver's custody. When possible, beneficiaries will be given a choice of wraparound facilitators within each vendor.

(NOTE: Please indicate the area(s) of the State where the waiver program will be implemented)

Continuum of Care is a state-wide program serving each of South Carolina's 46 counties. Continuum has several office locations throughout the state.

2. State Standards

Detail any difference between the state standards that will be applied under this waiver and those detailed in the State Plan coverage or reimbursement documents.

High Fidelity Wraparound

With the approval of the PCSC 1915(c) home and community-based waiver, High Fidelity Wraparound will be a new service covered through the waiver authority. The High Fidelity Wraparound provider will be required to adhere to all current SC DHHS standards for Medicaid providers.

D. Populations Affected by Waiver

(May be modified as needed to fit the State's specific circumstances)

1. Included Populations. The following populations are included in the waiver:

- Section 1931 Children and Related Populations
- Section 1931 Adults and Related Populations
- Blind/Disabled Adults and Related Populations
- Blind/Disabled Children and Related Populations
- Aged and Related Populations
- Foster Care Children

- Title XXI CHIP Children
- Other
 - Participants enrolled in the PCSC 1915(c) program

2. **Excluded Populations.** Indicate if any of the following populations are excluded from participating in the waiver:

- Dual Eligibles
- Poverty Level Pregnant Women
- Individuals with other insurance
- Individuals residing in a nursing facility or ICF/MR
- Individuals enrolled in a managed care program
- Individuals participating in a HCBS Waiver program
- American Indians/Alaskan Natives
- Special Needs Children (State Defined). Please provide this definition.
- Individuals receiving retroactive eligibility
- Other (Please define):
 - Any person who does not meet the targeting and needs-based criteria specified in the PCSC 1915(c) waiver.

Part II: Access, Provider Capacity and Utilization Standards

A. Timely Access Standards

Describe the standard that the State will adopt (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State has adopted) defining timely Medicaid beneficiary access to the contracted services, *i.e.*, what constitutes timely access to the service?

1. How does the State measure (or propose to measure) the timeliness of Medicaid beneficiary access to the services covered under the selective contracting program?

High Fidelity Wraparound

The following measures will be monitored as part of the state’s HCBS assurances monitoring plan:

- Number and percent of new enrollees who had an evaluation indicating the youth met Level of Care prior to receipt of services.
- Number and percent of Level of Care assessments completed within 365 days.
- Number and percent of youth with initial Level of Care determinations reviewed that were completed using the process identified in the 1915(c) waiver application.
- Proportion of youth whose plans were completed/revised prior to the provision of waiver services.

Proportion of youth reviewed who received services in the type, scope, amount, duration and frequency specified in the person-centered plan.

2. Describe the remedies the State has or will put in place in the event that Medicaid beneficiaries are unable to access the contracted service in a timely fashion.

High Fidelity Wraparound

SCDHHS staff conduct performance reviews on providers to ensure that administrative functions are being carried out as required. If concerns are found with administrative functions, SCDHHS notifies the provider and requests a plan of correction. SCDHHS provides additional oversight in areas of concern until the provider has completed a plan of correction and demonstrated appropriate administrative performance.

When issues/problems/concerns are discovered by SCDHHS through formal quality review processes, the responsible party is notified by SCDHHS staff. SCDHHS staff identifies the problem, makes the responsible party aware of the problem and ensures that they have appropriate information to correct the problem. SCDHHS staff formally issues a statement of deficiency requiring a corrective action plan (CAP). If SCDHHS deems the problem/issue/concern to cause imminent danger to the waiver operations or youth, SCDHHS notifies the responsible party and the responsible party is restricted from conducting waiver related supports and services until the issues are resolved and SCDHHS accepts the CAP. Once written notification is received, the CAP must be submitted within 30 days to SCDHHS. The corrective action plan addresses both immediate problems and identifies how the problems will be avoided in the future. SCDHHS reviews corrective action plans to ensure that they address the underlying issues/concerns. Failure to submit and implement a corrective action plan may result in being excluded from Medicaid.

When issues/problems/concerns are discovered by SCDHHS through informal processes, the responsible party is contacted by SCDHHS staff. SCDHHS staff identifies the problem, makes the responsible party aware of the problem and ensures that they have appropriate information to correct the problem. If SCDHHS deems the problem/issue/concern to cause imminent danger to the waiver operations or youth, SCDHHS ensures that immediate action is taken to protect the health and welfare of the youth, issues a formal notice of deficiency, and notifies the responsible party. If the issue/problem/concern is of a less serious nature, SCDHHS staff documents the contact and the request for correction to ensure that there is timely and appropriate follow up. The responsible party is given an opportunity to correct the problem informally and submit corrections to SCDHHS staff. If the problem is not addressed in a timely way, SCDHHS staff formally issues a statement of deficiency requiring a corrective action plan. Once written notification is received, the CAP must be submitted within 30 days to SCDHHS. The corrective action plan addresses both immediate problems and identifies how the problems will be avoided in the future. SCDHHS reviews corrective action plans to ensure that they address the underlying issues/concerns. Failure to submit and implement a corrective action plan may result in being excluded from Medicaid.

B. Provider Capacity Standards

Describe how the State will ensure (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State has ensured) that its selective contracting program provides a sufficient supply of contracted providers to meet Medicaid beneficiaries' needs.

1. Provide a detailed capacity analysis of the number of providers (e.g., by type, or number of beds for facility-based programs), or vehicles (by type, per contractor for non-emergency transportation programs), needed per location or region to assure sufficient capacity under the selective contracting program.

High Fidelity Wraparound

Upon program go-live, the State's current High Fidelity Wraparound entity, the Continuum of Care (CoC), will be available to support the PCSC program initially with a second added as soon as the provider is able to obtain national accreditation. Taking into consideration the projected estimate of PCSC participants in the first year of program implementation and the tasks to be performed, we believe this initial provider capacity is sufficient and will allow for a maximum 1:10 HFW facilitators to participant ratio. There will be a need for another HFW entity that SCDHHS contracts with that specializes in children in the custody of the SC Department of Social Services and a contractor will be added for that population as soon as it is available.

2. Describe how the State will evaluate and ensure on an ongoing basis that providers are appropriately distributed throughout the geographic regions covered by the selective contracting program so that Medicaid beneficiaries have sufficient and timely access throughout the regions affected by the program.

High Fidelity Wraparound

SCDHHS will monitor the adequacy of HFW capacity through the HCBS assurance performance measures:

- Proportion of youth reviewed who received services in the type, scope, amount, duration and frequency specified in the person-centered plan.
- Proportion of person-centered plans reviewed that are fidelitous to the services provided. .
- Proportion of youth whose plans were completed/ revised prior to the provision of waiver services.
- Proportion of HFW providers that meet training requirements in the waiver
- Number and percent of HFW providers that continue to meet HCBS enrollment requirements.
- Number and percent of HFW providers that meet initial enrollment requirements prior to providing waiver services.

C. Utilization Standards

Describe the State's utilization standards specific to the selective contracting program.

1. How will the State (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State) regularly monitor(s) the selective contracting program to determine appropriate Medicaid beneficiary utilization, as defined by the utilization standard described above?

High Fidelity Wraparound

SCDHHS believes that the availability of the HFW benefit will assist PCSC participants in gaining access to needed services and supports. SCDHHS will review service utilization and performance, as well as utilization as part of its ongoing monitoring functions through the HCBS assurances:

- Number and percent of youth whose person-centered plans address their assessed needs, including health and safety risk factors, and personal goals.
- Proportion of youth whose plans were completed/revised prior to the provision of waiver services.
- Number and percent of claims paid for youth who were enrolled in the HCBS waiver program on the date of services.

2. Describe the remedies the State has or will put in place in the event that Medicaid beneficiary utilization falls below the utilization standards described above.

High Fidelity Wraparound

SCDHHS staff conduct performance reviews on providers to ensure that administrative functions are being carried out as required. If concerns are found with administrative functions, SCDHHS notifies the provider and requests a plan of correction. SCDHHS provides additional oversight in areas of concern until the provider has completed a plan of correction and demonstrated appropriate administrative performance.

When issues/problems/concerns are discovered by SCDHHS through formal quality review processes, the responsible party is notified by SCDHHS staff. SCDHHS staff identifies the problem, makes the responsible party aware of the problem and ensures that they have appropriate information to correct the problem. SCDHHS staff formally issues a statement of deficiency requiring a corrective action plan (CAP). If SCDHHS deems the problem/issue/concern to cause imminent danger to the waiver operations or youth, SCDHHS notifies the responsible party and the responsible party is restricted from conducting waiver related supports and services until the issues are resolved and SCDHHS accepts the CAP. Once written notification is received, the CAP must be submitted within 30 days to SCDHHS. The corrective action plan addresses both immediate problems and identifies how the problems will be avoided in the future. SCDHHS reviews corrective action plans to ensure that they address the

underlying issues/concerns. Failure to submit and implement a corrective action plan may result in being excluded from Medicaid.

When issues/problems/concerns are discovered by SCDHHS through informal processes, the responsible party is contacted by SCDHHS staff. SCDHHS staff identifies the problem, makes the responsible party aware of the problem and ensures that they have appropriate information to correct the problem. If SCDHHS deems the problem/issue/concern to cause imminent danger to the waiver operations or youth, SCDHHS ensures that immediate action is taken to protect the health and welfare of the youth, issues a formal notice of deficiency, and notifies the responsible party. If the issue/problem/concern is of a less serious nature, SCDHHS staff documents the contact and the request for correction to ensure that there is timely and appropriate follow up. The responsible party is given an opportunity to correct the problem informally and submit corrections to SCDHHS staff. If the problem is not addressed in a timely way, SCDHHS staff formally issues a statement of deficiency requiring a corrective action plan. Once written notification is received, the CAP must be submitted within 30 days to SCDHHS. The corrective action plan addresses both immediate problems and identifies how the problems will be avoided in the future. SCDHHS reviews corrective action plans to ensure that they address the underlying issues/concerns. Failure to submit and implement a corrective action plan may result in being excluded from Medicaid.

Part III: Quality

A. Quality Standards and Contract Monitoring

1. Describe the State's quality measurement standards specific to the selective contracting program.
 - a. Describe how the State will (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State):
 - i. Regularly monitor(s) the contracted providers to determine compliance with the State's quality standards for the selective contracting program.

High Fidelity Wraparound

A strong HFW benefit will be critical to the success of PCSC. As a result, several quality standards will be implemented to determine the effectiveness of the benefit, including but not limited to:

- Proportion of HFW providers that meet training requirements in the waiver
- Number and percent of HFW providers that continue to meet HCBS enrollment requirements.
- Number and percent of HFW providers that meet initial enrollment requirements prior to providing waiver services

- Performance measures that address the important functions performed by HFW facilitators such as:
 - Proportion of participants notified of their rights to choose among waiver services and/or providers.
 - Number and percent of HCBS beneficiaries who received physical exams consistent with State of South Carolina 1915(c) program HCBS policy.
 - Number and percent of participants identified as needing medication admin and having a medication admin plan (Identified participants with Med admin plan/total reviewed records with med admin identified)
- ii. Take(s) corrective action if there is a failure to comply.

High Fidelity Wraparound

As noted previously, SCDHHS has several tools available in its tool kit to address a HFW entity’s failure to comply with requirements.

When issues/problems/concerns are discovered by SCDHHS through formal quality review processes, the responsible party is notified by SCDHHS staff. SCDHHS staff identifies the problem, makes the responsible party aware of the problem and ensures that they have appropriate information to correct the problem. SCDHHS staff formally issues a statement of deficiency requiring a corrective action plan (CAP). If SCDHHS deems the problem/issue/concern to cause imminent danger to the waiver operations or youth, SCDHHS notifies the responsible party and the responsible party is restricted from conducting waiver related supports and services until the issues are resolved and SCDHHS accepts the CAP. Once written notification is received, the CAP must be submitted within 30 days to SCDHHS. The corrective action plan addresses both immediate problems and identifies how the problems will be avoided in the future. SCDHHS reviews corrective action plans to ensure that they address the underlying issues/concerns. Failure to submit and implement a corrective action plan may result in being excluded from Medicaid.

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submitted within 30 days to SCDHHS. The corrective action plan addresses both immediate problems and identifies how the problems will be avoided in the future. SCDHHS reviews corrective action plans to ensure that they address the underlying issues/concerns. Failure to submit and implement a corrective action plan may result in being excluded from Medicaid.

2. Describe the State's contract monitoring process specific to the selective contracting program.

a. Describe how the State will (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State):

i. Regularly monitor(s) the contracted providers to determine compliance with the contractual requirements of the selective contracting program.

High Fidelity Wraparound

SCDHHS staff conduct performance reviews on providers to ensure that administrative functions are being carried out as required. If concerns are found with administrative functions, SCDHHS notifies the provider and requests a plan of correction. SCDHHS provides additional oversight in areas of concern until the provider has completed a plan of correction and demonstrated appropriate administrative performance.

ii. Take(s) corrective action if there is a failure to comply.

High Fidelity Wraparound

As noted previously, SCDHHS has several tools available in its tool kit to address a HFW entity's failure to comply with requirements.

When issues/problems/concerns are discovered by SCDHHS through formal quality review processes, the responsible party is notified by SCDHHS staff. SCDHHS staff identifies the problem, makes the responsible party aware of the problem and ensures that they have appropriate information to correct the problem. SCDHHS staff formally issues a statement of deficiency requiring a corrective action plan (CAP). If SCDHHS deems the problem/issue/concern to cause imminent danger to the waiver operations or youth, SCDHHS notifies the responsible party and the responsible party is restricted from conducting waiver related supports and services until the issues are resolved and SCDHHS accepts the CAP. Once written notification is received, the CAP must be submitted within 30 days to SCDHHS. The corrective action plan addresses both immediate problems and identifies how the problems will be avoided in the future. SCDHHS reviews corrective action plans to ensure that they address the underlying issues/concerns. Failure to submit and implement a corrective action plan may result in being excluded from Medicaid.

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B. Coordination and Continuity of Care Standards

Describe how the State assures that coordination and continuity of care is not negatively impacted by the selective contracting program.

High Fidelity Wraparound

SCDHHS will monitor the overall effectiveness of the PCSC program, including the extent to which selective contracting has a negative impact on coordination and continuity of care.

Part IV: Program Operations

A. Beneficiary Information

Describe how beneficiaries will get information about the selective contracting program.

Young adults or families of children with significant behavioral health needs receive information regarding High Fidelity Wraparound services through the Palmetto Coordinated System of Care stakeholder network as described in the Public Input section of the 1915 (c) waiver application.

B. Individuals with Special Needs.

The State has special processes in place for persons with special needs (Please provide detail).

The PCSC program, by design, targets only children with special needs – those at risk for out of home placement without receiving the home and community-based services identified in the 1915(c) waiver application

Section B – Waiver Cost-Effectiveness & Efficiency

Efficient and economic provision of covered care and services:

1. Provide a description of the State’s efficient and economic provision of covered care and services.

SCDHHS seeks to selectively contract with the Continuum of Care to provide High Fidelity Wraparound services to youth up to age 21 with significant behavioral health challenges who would otherwise be treated for psychiatric conditions in inpatient settings. Research has shown that effective home and community-based services can be less costly and provide better outcomes for youth and their families. High Fidelity Wraparound is an integral service in many national systems of care. In South Carolina, the Continuum of Care is the only entity that employs Wraparound coaches and trainers credentialed by a national accrediting body. Further, the CoC High Fidelity Wraparound Teams demonstrate continued use of evidence-based wraparound standards through ongoing participation in wraparound fidelity monitoring. As such, SCDHHS will not to accept any willing provider for this high intensity level of service.

Application for this waiver is based in part on an upsurge in costly, repeated inpatient psychiatric hospitalizations. The implementation of this waiver has the potential to significantly reduce expenditures for this population, while at the same time providing more effective services.

As outlined in Appendix J of the 1915(c) application, cost projection trend rates were established based on the State’s historic CHANCE waiver and experiences from other states’ waiver programs with similar services. For years 2 through 5, unit utilization was trended forward using a 2% annual inflation factor.

2. Project the waiver expenditures for the upcoming waiver period.

Year 1 from: 01/01/2020 to 12/31/2020

Trend rate from current expenditures (or historical figures): 2%

High Fidelity Wraparound

Projected pre-waiver cost	\$0
Projected Waiver cost	\$2,224,800
Difference:	\$2,224,800

Year 2 from: 1/01/2021 to 12/31/2021

Trend rate from current expenditures (or historical figures): 2%

High Fidelity Wraparound

Projected pre-waiver cost	\$0
Projected Waiver cost	\$2,781,000
Difference:	\$2,781,000

Year 3 (if applicable) from: 01/01/2022 to 12/31/2022

(For renewals, use trend rate from previous year and claims data from the CMS-64)

Unit costs for years 3-5 were trended forward using a 2.0% annual inflation factor, using the Mid-Atlantic Consumer Price Index (CPI) inflation factor for similar services from 2012 which the State believes is representative of the projected time periods in the waiver.

http://www.bls.gov/regions/mid-atlantic/data/consumerpriceindexhistorical1967base_us_table.htm

High Fidelity Wraparound

Projected pre-waiver cost	\$0
Projected Waiver cost	\$3,337,200
Difference:	\$3,337,200

Year 4 (if applicable) from: 01/01/2023 to 12/31/2023

(For renewals, use trend rate from previous year and claims data from the CMS-64)

High Fidelity Wraparound

Projected pre-waiver cost	\$0
Projected Waiver cost	\$3,893,400
Difference:	\$3,893,400

Year 5 (if applicable) from: 01/01/2024 to 12/31/2024

(For renewals, use trend rate from previous year and claims data from the CMS-64)

High Fidelity Wraparound

Projected pre-waiver cost	\$0
Projected Waiver cost	\$4,449,600
Difference:	\$4,449,600