

Appendix J: Cost Neutrality Demonstration**J-1: Composite Overview and Demonstration of Cost-Neutrality Formula**

Composite Overview. Complete the fields in Cols. 3, 5 and 6 in the following table for each waiver year. The fields in Cols. 4, 7 and 8 are auto-calculated based on entries in Cols 3, 5, and 6. The fields in Col. 2 are auto-calculated using the Factor D data from the J-2d Estimate of Factor D tables. Col. 2 fields will be populated ONLY when the Estimate of Factor D tables in J-2d have been completed.

Level(s) of Care: Nursing Facility

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Year	Factor D	Factor D'	Total: D+D'	Factor G	Factor G'	Total: G+G'	Difference (Col 7 less Column4)
1	1895.27	30321.00	32216.27	55928.00	5977.00	61905.00	29688.73
2	1927.35	30663.00	32590.35	57677.00	6243.00	63920.00	31329.65
3	1696.35	31008.00	32704.35	59480.00	6521.00	66001.00	33296.65
4	1097.01	31358.00	32455.01	61340.00	6811.00	68151.00	35695.99
5	2001.39	31711.00	33712.39	63258.00	7114.00	70372.00	36659.61

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- a. **Number Of Unduplicated Participants Served.** Enter the total number of unduplicated participants from Item B-3-a who will be served each year that the waiver is in operation. When the waiver serves individuals under more than one level of care, specify the number of unduplicated participants for each level of care:

Table: J-2-a: Unduplicated Participants

Waiver Year	Total Number Unduplicated Number of Participants (from Item B-3-a)	Distribution of Unduplicated Participants by Level of Care (if applicable)	
		Level of Care:	
		Nursing Facility	
Year 1	22349	22349	
Year 2	23020	23020	
Year 3	23711	23711	
Year 4	14218	14218	
Year 5	1501	1501	

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- b. **Average Length of Stay.** Describe the basis of the estimate of the average length of stay on the waiver by participants in item J-2-a.

234 Days

Number of total days spent on the waiver divided by total number of distinct recipients.

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J-2: Derivation of Estimates (3 of 9)

c. **Derivation of Estimates for Each Factor.** Provide a narrative description for the derivation of the estimates of the following factors.

i. **Factor D Derivation.** The estimates of Factor D for each waiver year are located in Item J-2-d. The basis for these estimates is as follows:

Factor D baseline was calculated using the 3 year average increase of the most recent data run for the 372 reports for # of users by service and average units per service. COLA rate increases of 1.6% for each year were projected for applicable services, and a 3% population increase was projected for the recipient count.

ii. **Factor D' Derivation.** The estimates of Factor D' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor D' baseline was calculated using the 3 year average of the most recent data run for the final 372's in aggregate. COLA rate increases of 4.2% for each year were calculated based on the average cost increase for the 3 years prior according to the most recent data run for the 372 reports.

iii. **Factor G Derivation.** The estimates of Factor G for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor G was calculated based on the total institutional cost for individuals in a skilled nursing facility. The baseline calculation was made using the 3 year average of the most recent data run for the final 372's in aggregate. Rate increases of 3.1% per year were calculated based on the average institutional cost increase for the 3 years prior. Recipient counts were not projected to increase from baseline data.

iv. **Factor G' Derivation.** The estimates of Factor G' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor G' was calculated using the 3 year average of the most recent data run for the final 372's in aggregate. COLA rate increases of 4.5% for each year were calculated based on the average cost increase for the 3 years prior according to the most recent data run for the 372 reports.

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J-2: Derivation of Estimates (4 of 9)

Component management for waiver services. If the service(s) below includes two or more discrete services that are reimbursed separately, or is a bundled service, each component of the service must be listed. Select "*manage components*" to add these components.

Waiver Services	
Respite	
Assistive Technology	
Community Transitional Services	
Congregate and Home Delivered Meals	
Environmental Modifications	
Home and Community Support Services	
Home Maintenance Services	
Medical Social Services	
Moving Assistance	
Nutritional Counseling/Education Services	
Respiratory Therapy	
Social Day Care Transportation	
Social Day Care	

Appendix J: Cost Neutrality Demonstration**J-2: Derivation of Estimates (5 of 9)****d. Estimate of Factor D.**

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 1

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Respite Total:							348546.24
Respite		Unit	252	68.00	20.34	348546.24	
Assistive Technology Total:							4936499.20
Assistive Technology		Unit	16384	23.00	13.10	4936499.20	
Community Transitional Services Total:							261673.56
Community Transitional Services		Unit	103	1.00	2540.52	261673.56	
Congregate and Home Delivered Meals Total:							4629039.80
Congregate and Home Delivered Meals		Unit	2695	92.00	18.67	4629039.80	
Environmental Modifications Total:							388068.00
Environmental Modifications		Unit	443	438.00	2.00	388068.00	
Home and Community Support Services Total:							4739245.00
Home and Community Support Services		Hour	335	700.00	20.21	4739245.00	
Home Maintenance Services Total:							343137.69
Home Maintenance Services		Unit	441	199.00	3.91	343137.69	
Medical Social Services Total:							17194432.80
Medical Social Services		Hour	16798	8.00	127.95	17194432.80	
Moving Assistance Total:							31813.65
Moving Assistance		Hour	33	15.00	64.27	31813.65	
Nutritional Counseling/Education Services Total:							3246189.42
GRAND TOTAL:							42357473.95
Total Estimated Unduplicated Participants:							22349
Factor D (Divide total by number of participants):							1895.27
Average Length of Stay on the Waiver:							234

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Nutritional Counseling/Education Services		Hour	5311	6.00	101.87	3246189.42	
Respiratory Therapy Total:							778498.56
Respiratory Therapy		Hour	864	14.00	64.36	778498.56	
Social Day Care Transportation Total:							1969098.00
Social Day Care Transportation		Unit	921	1069.00	2.00	1969098.00	
Social Day Care Total:							3491232.03
Social Day Care		Visit	1053	153.00	21.67	3491232.03	
GRAND TOTAL:							42357473.95
Total Estimated Unduplicated Participants:							22349
Factor D (Divide total by number of participants):							1895.27
Average Length of Stay on the Waiver:							234

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J-2: Derivation of Estimates (6 of 9)

d. Estimate of Factor D.

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 2

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Respite Total:							365268.80
Respite		Unit	260	68.00	20.66	365268.80	
Assistive Technology Total:							5157569.91
Assistive Technology		Unit	16873	23.00	13.29	5157569.91	
Community Transitional Services Total:							273660.20
Community Transitional Services		Unit	106	1.00	2581.70	273660.20	
Congregate and Home Delivered Meals Total:							4911188.16
Congregate and Home Delivered Meals		Unit	2776	92.00	19.23	4911188.16	
Environmental Modifications Total:							399456.00
GRAND TOTAL:							44367640.09
Total Estimated Unduplicated Participants:							23020
Factor D (Divide total by number of participants):							1927.35
Average Length of Stay on the Waiver:							234

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Environmental Modifications		Unit	456	438.00	2.00	399456.00	
Home and Community Support Services Total:							4960410.00
Home and Community Support Services		Hour	345	700.00	20.54	4960410.00	
Home Maintenance Services Total:							354936.40
Home Maintenance Services		Unit	455	199.00	3.92	354936.40	
Medical Social Services Total:							17996848.32
Medical Social Services		Hour	17302	8.00	130.02	17996848.32	
Moving Assistance Total:							33308.10
Moving Assistance		Hour	34	15.00	65.31	33308.10	
Nutritional Counseling/Education Services Total:							3397526.40
Nutritional Counseling/Education Services		Hour	5470	6.00	103.52	3397526.40	
Respiratory Therapy Total:							814884.00
Respiratory Therapy		Hour	890	14.00	65.40	814884.00	
Social Day Care Transportation Total:							2028962.00
Social Day Care Transportation		Unit	949	1069.00	2.00	2028962.00	
Social Day Care Total:							3673621.80
Social Day Care		Visit	1084	153.00	22.15	3673621.80	
GRAND TOTAL:							44367640.09
Total Estimated Unduplicated Participants:							23020
Factor D (Divide total by number of participants):							1927.35
Average Length of Stay on the Waiver:							234

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J-2: Derivation of Estimates (7 of 9)

d. Estimate of Factor D.

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 3

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Respite Total:							331453.76
Respite		Unit	232	68.00	21.01	331453.76	
Assistive Technology Total:							4678614.00
Assistive Technology		Unit	15068	23.00	13.50	4678614.00	
Community Transitional Services Total:							249236.30
Community Transitional Services		Unit	95	1.00	2623.54	249236.30	
Congregate and Home Delivered Meals Total:							4458246.40
Congregate and Home Delivered Meals		Unit	2480	92.00	19.54	4458246.40	
Environmental Modifications Total:							356532.00
Environmental Modifications		Unit	407	438.00	2.00	356532.00	
Home and Community Support Services Total:							4499572.00
Home and Community Support Services		Hour	308	700.00	20.87	4499572.00	
Home Maintenance Services Total:							317520.42
Home Maintenance Services		Unit	406	199.00	3.93	317520.42	
Medical Social Services Total:							16333382.08
Medical Social Services		Hour	15452	8.00	132.13	16333382.08	
Moving Assistance Total:							29866.50
Moving Assistance		Hour	30	15.00	66.37	29866.50	
Nutritional Counseling/Education Services Total:							3083412.00
Nutritional Counseling/Education Services		Hour	4885	6.00	105.20	3083412.00	
Respiratory Therapy Total:							739699.80
Respiratory Therapy		Hour	795	14.00	66.46	739699.80	
Social Day Care Transportation Total:							1810886.00
Social Day Care Transportation		Unit	847	1069.00	2.00	1810886.00	
Social Day Care Total:							3333821.04
Social Day Care		Visit	968	153.00	22.51	3333821.04	
GRAND TOTAL:							4022242.30
Total Estimated Unduplicated Participants:							23711
Factor D (Divide total by number of participants):							1696.35
Average Length of Stay on the Waiver:							222

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i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 4

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Respite Total:							129149.68
Respite		Unit	89	68.00	21.34	129149.68	
Assistive Technology Total:							1813778.16
Assistive Technology		Unit	5752	23.00	13.71	1813778.16	
Community Transitional Services Total:							95978.16
Community Transitional Services		Unit	36	1.00	2666.06	95978.16	
Congregate and Home Delivered Meals Total:							1730282.64
Congregate and Home Delivered Meals		Unit	947	92.00	19.86	1730282.64	
Environmental Modifications Total:							136656.00
Environmental Modifications		Unit	156	438.00	2.00	136656.00	
Home and Community Support Services Total:							1751946.00
Home and Community Support Services		Hour	118	700.00	21.21	1751946.00	
Home Maintenance Services Total:							121837.75
Home Maintenance Services		Unit	155	199.00	3.95	121837.75	
Medical Social Services Total:							6336469.84
Medical Social Services		Hour	5899	8.00	134.27	6336469.84	
Moving Assistance Total:							12141.00
Moving Assistance		Hour	12	15.00	67.45	12141.00	
Nutritional Counseling/Education Services Total:							1196322.90
GRAND TOTAL:							15597257.07
Total Estimated Unduplicated Participants:							14218
Factor D (Divide total by number of participants):							1097.01
Average Length of Stay on the Waiver:							129

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Nutritional Counseling/Education Services		Hour	1865	6.00	106.91	1196322.90	
Respiratory Therapy Total:							287450.24
Respiratory Therapy		Hour	304	14.00	67.54	287450.24	
Social Day Care Transportation Total:							690574.00
Social Day Care Transportation		Unit	323	1069.00	2.00	690574.00	
Social Day Care Total:							1294670.70
Social Day Care		Visit	370	153.00	22.87	1294670.70	
GRAND TOTAL:							15597257.07
Total Estimated Unduplicated Participants:							14218
Factor D (Divide total by number of participants):							1097.01
Average Length of Stay on the Waiver:							129

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d. Estimate of Factor D.

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 5

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Respite Total:							25062.08
Respite		Unit	17	68.00	21.68	25062.08	
Assistive Technology Total:							348308.55
Assistive Technology		Unit	1095	23.00	13.83	348308.55	
Community Transitional Services Total:							18964.89
Community Transitional Services		Unit	7	1.00	2709.27	18964.89	
Congregate and Home Delivered Meals Total:							334180.80
Congregate and Home Delivered Meals		Unit	180	92.00	20.18	334180.80	
Environmental Modifications Total:							26280.00
GRAND TOTAL:							3004087.35
Total Estimated Unduplicated Participants:							1501
Factor D (Divide total by number of participants):							2001.39
Average Length of Stay on the Waiver:							117

Waiver Service/ Component	Capitation	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Environmental Modifications		Unit	30	438.00	2.00	26280.00	
Home and Community Support Services Total:							331870.00
Home and Community Support Services		Hour	22	700.00	21.55	331870.00	
Home Maintenance Services Total:							22910.87
Home Maintenance Services		Unit	29	199.00	3.97	22910.87	
Medical Social Services Total:							1225866.80
Medical Social Services		Hour	1123	8.00	136.45	1225866.80	
Moving Assistance Total:							2056.20
Moving Assistance		Hour	2	15.00	68.54	2056.20	
Nutritional Counseling/Education Services Total:							231403.20
Nutritional Counseling/Education Services		Hour	355	6.00	108.64	231403.20	
Respiratory Therapy Total:							55727.56
Respiratory Therapy		Hour	58	14.00	68.63	55727.56	
Social Day Care Transportation Total:							132556.00
Social Day Care Transportation		Unit	62	1069.00	2.00	132556.00	
Social Day Care Total:							248900.40
Social Day Care		Visit	70	153.00	23.24	248900.40	
GRAND TOTAL:							3004087.35
Total Estimated Unduplicated Participants:							1501
Factor D (Divide total by number of participants):							2001.39
Average Length of Stay on the Waiver:							117