

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-2-d Estimate of Factor D tables. Col. 2 fields will be populated ONLY when the Estimate of Factor D tables in J-2-d 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	3315.34	20398.00	23713.34	26703.00	8527.00	35230.00	11516.66
2	3535.83	21214.00	24749.83	27237.00	8868.00	36105.00	11355.17
3	3775.88	22063.00	25838.88	27781.00	9222.00	37003.00	11164.12
4	4031.65	22945.00	26976.65	28337.00	9591.00	37928.00	10951.35
5	4296.29	23863.00	28159.29	28904.00	9975.00	38879.00	10719.71

Appendix J: Cost Neutrality Demonstration

J-2: Derivation of Estimates (1 of 9)

- 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 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	2444	2444
Year 2	2536	2536
Year 3	1448	1448
Year 4	1503	1503
Year 5	1560	1560

Appendix J: Cost Neutrality Demonstration

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

- 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.

Based on the most recent 372 reports.

Appendix J: Cost Neutrality Demonstration

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:

Using actual WY 2011 expenditures as a base, a 2.5% inflation rate was used on the cost per unit. Recipient numbers were based on actual current enrollment numbers and increased by 3.8% for WYs 3-5.

- 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:

Based on 372 reports through WY 2010 and increased by 4% per year based on historical increases.

- 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:

Based on MSIS reports through FY 2009 and increased by 2% per year based on historical increases.

- 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:

Based on MSIS reports through FY 2009 and increased by 4% per year based on historical increases.

Appendix J: Cost Neutrality Demonstration

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
Financial Management Services
Independent Support Broker
Consumer-Directed Attendant Care (Skilled)
Consumer-Directed Attendant Care (Unskilled)
Home and Vehicle Modification
Individual Directed Goods and Services
Personal Emergency Response
Self-directed Community Support and Employment
Self-directed Personal Care Services
Specialized Medical Equipment
Transportation

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	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component	Total Cost
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					Cost	
Financial Management Services Total:						46906.20
Financial Management Services	month	69	10.00	67.98	46906.20	
Independent Support Broker Total:						8359.42
Independent Support Broker	month	36	11.45	20.28	8359.42	
Consumer-Directed Attendant Care (Skilled) Total:						712409.28
Agency Hourly	hour	24	237.26	20.02	113998.68	
Individual Daily	day	2	365.00	23.97	17498.10	
Individual Hourly	hour	79	658.31	11.17	580912.49	
Consumer-Directed Attendant Care (Unskilled) Total:						6428724.79
Agency Provider - Hourly	hour	219	237.26	20.02	1040238.00	
Individual Provider - Hourly	hour	709	658.31	11.17	5213505.79	
Individual Provider - Daily	day	20	365.00	23.97	174981.00	
Home and Vehicle Modification Total:						145023.34
Home and Vehicle Modification	month	96	1.03	1466.66	145023.34	
Individual Directed Goods and Services Total:						71624.38
Individual Directed Goods and Services	month	31	10.40	222.16	71624.38	
Personal Emergency Response Total:						190987.18
monthly	month	418	10.00	44.71	186887.80	
install	install	102	1.00	40.19	4099.38	
Self-directed Community Support and Employment Total:						50063.39
Self-directed Community Support and Employment	hour	14	301.26	11.87	50063.39	
Self-directed Personal Care Services Total:						223530.82
Self-directed Personal Care Services	hour	42	374.01	14.23	223530.82	
Specialized Medical Equipment Total:						23194.70
Specialized Medical Equipment	item	91	12.47	20.44	23194.70	
Transportation Total:						201872.88
Transportation	mile	92	3918.34	0.56	201872.88	