

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES**

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**Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Enhanced Payment Program**

**A. Overview**

This program provides enhanced payment for private ICFs/IID that provide vocational services or day program services or both. The purpose of the enhanced payment is to offset the costs incurred by ICFs/ IID in the provision of vocational services or day program services or both. Residents who qualify for the enhanced program cannot receive the same services or reimbursement under another program.

**B. Definitions**

For this section, the following definitions shall apply.

1. Vocational Services

Provides paid employment in a structured vocational training program for residents outside of the resident's home. The type of work will vary but each provider must meet the specific program qualifications for participation. Vocational service programs provide pre-vocational services training, that prepare the residents for employment in a structured educational program. These programs will utilize either a certified job coach or a designated staff, to assist a resident 18 years and older in achieving gainful employment. Other achievements may include, sheltered employment, ongoing employment support, job skills training and/or workshop experience in the community.

2. Day Program Services

A Day Services program is a life enrichment program that is conducted in a dedicated service location. The organized scheduled programming will vary but must meet the specific program qualifications for participation. Day services programs provide diverse opportunities for residents to participate in the broader community based on the resident's specific care plan.

3. Direct costs

Direct costs are the costs for activities or items associated with day services and/or vocational services programs. These items include salaries and wages of activities staff, day services and vocational staff, and job coaches.

4. Other costs

Other costs are overhead costs attributable to the provision of day and vocational services. For example, rent, utilities, etc. not already paid for by Medicaid.

**C. Care Criteria**

Facilities will comply with the following care criteria to receive the enhanced payment:

1. Vocational Services

Facilities will provide 20 hours of vocational services to at least 40% of their residents each week. Residents must participate at least 9 out of 12 weeks.

2. Day Services

Facilities will provide 20 hours of day services to at least 60% of the facility's residents who do not participate in the facility's vocational program. Residents must participate at least 9 out of 12 weeks.

**CI. Performance Review**

Performance reviews will be completed quarterly to ensure the integrity and accountability of the vocational and/or day treatment services provided. Each facility will be reviewed at the least annually. Payments will be withheld from facilities that are not in compliance with reviews

Revised 03-01-23

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Payment Program (continued)**

**E. Reimbursement Methodology**

**1. Initial Payment Rates**

Initial payment rates for ICF/IIDs providing day and vocational services will be established using SFY2021 cost data (inflated to SFY2023).

**2. Subsequent payment Rates**

After year one of the program, payment rates will be determined using costs data reported on the most recent cost report of each participating facility. New payment rates will be calculated annually.

**3. Payment Allocation**

(i). Seventy percent (70%) of available funds is allocated to Vocational Services (ii). Thirty percent (30%) of available funds is allocated to Day Services.

**4. Rate Components**

Payment will consist of direct cost and other cost rate components for day services and vocational services programs.

(i)Vocational Services Rate

This rate consists of two components: Direct Cost Rate Component and Other Cost Rate Component.

Direct Cost Rate Component

Seventy percent (70%) of available funds for vocational services will be paid on per day basis to eligible providers that meet the care criteria to help pay for direct program costs. This rate component will be different for each facility. The pool of funds available for this component will be allocated based on the relative direct vocational services costs of all facilities on per day basis capped at the 90th percentile or at a percentile determined by OHCA based on cost trends. For the first year of the program this component will be the same for all providers.

Other Cost Rate Component

Thirty percent (30%) of available funds for vocational services will be paid on per day basis to all eligible providers that meet the care criteria to help pay for overhead costs attributable to the program. This rate component is the same for all eligible facilities.

(ii)Day Services Rate

This rate consists of two components: Direct Cost Rate Component and Other Cost Rate Component.

Direct Cost Rate Component

Seventy percent (70%) of available funds for day services will be paid on per day basis to eligible providers that meet the care criteria to help pay for direct program costs. This rate component will be different for each facility. The pool of funds available for this component will be allocated based on the relative direct day services costs of all facilities on per day basis capped at the 90th percentile or at a percentile determined by OHCA based on cost trends. For the first year of the program this component will be the same for all providers.

Revised 03-01-23

TN# 23-0020

Approval Date:

Effective Date: 03-01-23

Supersedes TN# 18-12

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**Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Enhanced Payment Program (continued)****Other Cost Rate Component**

Thirty percent (30%) of available funds for day services will be paid on per day basis to all eligible providers that meet the care criteria to help pay for overhead costs attributable to the program. This rate component is the same for all eligible facilities.

**F. Payment**

Payment will be in the form of a lump sum payment made to facilities on a quarterly basis. The total enhanced payment shall not exceed any applicable federal upper payment limit. If the supplemental payments for eligible ICF/IID result payments that exceed the federal upper payment limit for each respective rate year, each provider's total supplemental payment must be reduced pro- rata so that total payments would be equal to the amount available in the federal upper payment limit.

**G. Cost Audit**

Each facility will be audited annually as part of the annual cost report reviews to ensure only allowable costs prescribed by Medicare/Medicaid cost reporting principles. As part of the annual audit OHCA will ensure that there are no duplicative costs attributable to base rate and the enhanced payments. Payments will be recouped from facilities that report unallowable costs. Additional audits can be conducted anytime at the discretion of the OHCA.