Dear Colleague:

This is regarding the provision of respite funded under the Person/Family Directed Support and Consolidated Waivers.

Costs that constitute “room and board” are not Waiver eligible expenditures except when provided as “part of Respite Care Services in a facility approved by the state that is not a private residence” (42 CFR 441.302(a)(2)). The Office of Developmental Programs (ODP) has received confirmation from the Centers for Medicare and Medicaid Services (CMS) that “approved” can be interpreted by ODP to include respite settings that are licensed or accredited.

Based on this interpretation, room and board costs may be incorporated into the service rate for Respite Out of Home, 24 Hours and 15 Minutes, if the respite setting is licensed, and also for Respite Overnight and Day Camp, if the camp is accredited. Room and board costs may not be incorporated into the service rate for Respite In Home, 24 Hours and 15 Minutes, as these costs are not eligible for federal financial participation under the Waivers. Such costs and other expenditures which are not eligible under the Waivers must be separately identified by a Waiver provider and the Administrative Entity (AE) may pay for these costs with ineligible funds. Please note that individuals receiving respite services and their family members may not be charged any portion, including the ineligible portion, of a Waiver service.

As the AE, you must evaluate your service rates for Respite In Home and other respite services that are not licensed or accredited, and immediately make any necessary rate adjustments to ensure any ineligible room and board costs are not charged to the Waivers. If there are ineligible portions of the rate for respite, a new rate must be established effective on the date of this letter. The new rate must separate eligible and ineligible costs in order to meet the existing Waiver requirements. ODP is making attempts to secure a procedure code for the ineligible portion of these services, and will share this code with you as soon as possible.
If the provider(s) elect not to cooperate with this change, they will not be available for selection as a qualified Waiver provider. In the event of this occurrence, each affected individual and their planning team should be promptly convened to discuss other respite options with another willing qualified Waiver provider.

Please keep us advised of the outcome of these evaluations, and contact your Regional Program Manager with any questions or issues.

Sincerely,

Kevin T. Casey