

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: ICF/IID

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	16393.12	7179.07	23572.19	188149.93	7808.81	195958.74	172386.55
2	16740.80	7322.65	24063.45	191912.93	7964.99	199877.92	175814.47
3	17210.38	7469.10	24679.48	195751.19	8124.29	203875.48	179196.00
4			0.00			0.00	0.00
5			0.00			0.00	0.00

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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:	
		ICF/IID	
Year 1	52	52	
Year 2	39	39	
Year 3	13	13	
Year 4			
Year 5			

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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.

The average length of stay (ALOS) is estimated to be 319 days for waiver year 1, 271 days for waiver year 2, and 104 days for waiver year 3. These estimates are based on projected waiver end dates for children currently enrolled in the waiver.

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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 unit of service estimates are based on service utilization based on data available from AWACS for the period from 1/1/13 through 12/31/15. The number of users for each service is based on the projected unduplicated count for the phase-out schedule and previous average utilization for each service. Factor D values were increased by 2% per year for years 1 through 3 of the renewal period.

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' costs were based on ACS data extracted from the MMIS for the period of 1/1/12-12/31/14. These costs were increased by 2% per year for years 1 through 3 of the renewal period.

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 is based on ACS data extracted from the MMIS for the period from 1/1/12 through 12/31/14. All Factor G values were increased by 2% per year for years 1 through 3 of the renewal period.

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' is based on ACS data extracted from the MMIS for the period from 1/1/12 through 12/31/14. All Factor G' values were increased by 2% per year for years 1 through 3 of the renewal period.

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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
Children's Autism Training
Respite
Waiver Funded Children's Case Management (WCCM)
Adaptive Equipment/Environmental Modifications
Transportation
Individual Goods and Services
Program Design and Monitoring

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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 Cost	Total Cost
Children's Autism Training Total:						321211.80
Children's Autism Training	hour	52	238.50	25.90	321211.80	
Respite Total:						4033.30
Respite	hour	4	66.25	15.22	4033.30	
Waiver Funded Children's Case Management (WCCM) Total:						242596.30
Waiver Funded Children's Case Management (WCCM)	15 minutes	52	268.43	17.38	242596.30	
Adaptive Equipment/Environmental Modifications Total:						2213.56
Adaptive Equipment/Environmental Modifications	one mod or item	5	0.80	553.39	2213.56	
Transportation Total:						2143.04
Transportation	mile	10	579.20	0.37	2143.04	
Individual Goods and Services Total:						47147.50
Individual Goods and Services	year	50	1.00	942.95	47147.50	
Program Design and Monitoring Total:						233096.50
Program Design and Monitoring	hour	52	76.30	58.75	233096.50	
GRAND TOTAL:						852442.00
Total Estimated Unduplicated Participants:						52
Factor D (Divide total by number of participants):						16393.12
Average Length of Stay on the Waiver:						319

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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	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Children's Autism Training Total:						245745.63
Children's Autism Training	hour	39	238.50	26.42	245745.63	

Respite Total:						3084.60
Respite	hour	3	66.25	15.52	3084.60	
Waiver Funded Children's Case Management (WCCM) Total:						185611.29
Waiver Funded Children's Case Management (WCCM)	15 minutes	39	268.43	17.73	185611.29	
Adaptive Equipment/Environmental Modifications Total:						1806.27
Adaptive Equipment/Environmental Modifications	one mod or item	4	0.80	564.46	1806.27	
Transportation Total:						1760.77
Transportation	mile	8	579.20	0.38	1760.77	
Individual Goods and Services Total:						36548.78
Individual Goods and Services	year	38	1.00	961.81	36548.78	
Program Design and Monitoring Total:						178333.70
Program Design and Monitoring	hour	39	76.30	59.93	178333.70	
GRAND TOTAL:						652891.04
Total Estimated Unduplicated Participants:						39
Factor D (Divide total by number of participants):						16740.80
Average Length of Stay on the Waiver:						271

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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	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Children's Autism Training Total:						83558.48
Children's Autism Training	hour	13	238.50	26.95	83558.48	
Respite Total:						2097.47
Respite	hour	2	66.25	15.83	2097.48	
Waiver Funded Children's Case Management (WCCM) Total:						63091.79
Waiver Funded Children's Case Management (WCCM)	15 minutes	13	268.43	18.08	63091.79	

Adaptive Equipment/Environmental Modifications Total:						921.20
Adaptive Equipment/Environmental Modifications	one mod or item	2	0.80	575.75	921.20	
Transportation Total:						677.66
Transportation	mile	3	579.20	0.39	677.66	
Individual Goods and Services Total:						12753.52
Individual Goods and Services	year	13	1.00	981.04	12753.52	
Program Design and Monitoring Total:						60634.85
Program Design and Monitoring	hour	13	76.30	61.13	60634.85	
GRAND TOTAL:						223734.97
Total Estimated Unduplicated Participants:						13
Factor D (Divide total by number of participants):						17210.38
Average Length of Stay on the Waiver:						104

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J-2: Derivation of Estimates (8 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 4

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Children's Autism Training Total:						0.00
Children's Autism Training	hour	0	0.00	0.01	0.00	
Respite Total:						0.00
Respite	hour	0	0.00	0.01	0.00	
Waiver Funded Children's Case Management (WCCM) Total:						0.00
Waiver Funded Children's Case Management (WCCM)	15 minutes	0	0.00	0.01	0.00	
Adaptive Equipment/Environmental Modifications Total:						0.00
Adaptive Equipment/Environmental Modifications	one mod or item	0	0.00	0.01	0.00	
Transportation Total:						0.00
Transportation	mile	0	0.00	0.01	0.00	

Individual Goods and Services Total:						0.00
Individual Goods and Services	year	0	0.00	0.01	0.00	
Program Design and Monitoring Total:						0.00
Program Design and Monitoring	hour	0	0.00	0.01	0.00	
GRAND TOTAL:						0.00
Total Estimated Unduplicated Participants:						
Factor D (Divide total by number of participants):						
Average Length of Stay on the Waiver:						

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J-2: Derivation of Estimates (9 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 5

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Children's Autism Training Total:						0.00
Children's Autism Training	hour	0	0.00	0.01	0.00	
Respite Total:						0.00
Respite	hour	0	0.00	0.01	0.00	
Waiver Funded Children's Case Management (WCCM) Total:						0.00
Waiver Funded Children's Case Management (WCCM)	15 minutes	0	0.00	0.01	0.00	
Adaptive Equipment/Environmental Modifications Total:						0.00
Adaptive Equipment/Environmental Modifications	one mod or item	0	0.00	0.01	0.00	
Transportation Total:						0.00
Transportation	mile	0	0.00	0.01	0.00	
Individual Goods and Services Total:						0.00
Individual Goods and Services	year	0	0.00	0.01	0.00	
Program Design and Monitoring Total:						0.00
Program Design and Monitoring	hour	0	0.00	0.01	0.00	
GRAND TOTAL:						0.00

Total Estimated Unduplicated Participants:
Factor D (Divide total by number of participants):
Average Length of Stay on the Waiver: