



## Ohio Department of Mental Retardation and Developmental Disabilities

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Ted Strickland, Governor

John L. Martin, Director

**March 11, 2009**

**To:** County Board of MRDD Superintendents County Board of MRDD Waiver Contacts  
County Board of MRDD COG Directors County Board of MRDD SSA Directors  
Ohio Association of County Boards MRDD County Board of MRDD Business Managers  
Ohio Provider Resource Association Certified IO/L1 Waiver Providers

**From:** Patrick Stephan, Medicaid Development and Administration, ODMRDD

**Subject:** Adult Day and NMT: Rates & Budget Limitations - Multiple Counties

The purpose of this memo is to provide clarification on 5123: 2-9-19 related to reimbursement for Non-Medical Transportation (NMT) and Adult Day Services delivered in multiple Counties. There has been some inconsistent interpretation of the rule regarding how Cost of Doing Business (CODB) and rates are determined when an individual receives service crossing County lines. The intent of this memo is to bring clarity to this issue for all reimbursement claims moving forward.

### **Introduction**

Claims for adult day services and non-medical transportation, like claims for other waiver services, are billed and paid according to the date on which the service is rendered and may differ depending on the county in which the services are provided because each county is assigned to one of eight cost of doing business categories. In the vast majority of cases, on any given day, all of an individual's services are provided within a single county, the county where the individual lives. When that occurs, it is a simple matter to determine which cost of doing business category to use in determining the provider's rate and the individual's budget limitations. *O.A.C. 5123:2-9-19(D) (4) states that you use the cost of doing business category assigned to the county in which the waiver service is provided for the preponderance of time to determine the provider's rate. O.A.C. 5123:2-9-19(F) (1) and 2) similarly state that you use the cost of doing business category that applies to the county in which the individual is anticipated to receive the preponderance of his/her services to determine the budget limitations.* Thus, when all of the services are provided within the same county each day, you use the cost of doing business category for that county because that is where the preponderance of services is provided.

Determining which cost of doing business category to use when a provider provides services to an individual in more than one county on the same day or when two providers provide services to an individual in different counties on the same or different days is more difficult. This memo is intended to provide you with guidance in handling each of these outlier situations.

### **Example #1**

Five days a week, an individual who lives in county A attends a day program in the county B, located next door to the county A. Which cost of doing business category do you use to determine the rates for the individual's non-medical transportation and adult days services? Which cost of doing business category do you use to determine the individual's budget limits?

Cost of doing business category for **determining rate** for non-medical transportation

The cost of doing business category for determining the rate for non-medical transportation for each day of service is the category assigned to the county in which the non-medical transportation is provided for the preponderance of time. O.A.C. 5123:2-9-19(D) (4). In Example #1, because the individual receives non-medical transportation on a daily basis in more than one county from the same provider, *you use the number of miles traveled in each county to determine where the preponderance of non-medical transportation occurs*. For example, if the individual travels 20 miles in county A (his/her county of residence) and 10 miles in county B (where the day program is located), the preponderance of non-medical transportation occurs in county A, so you use the cost of doing business category for county A to determine the rate for the non-medical transportation.

Cost of doing business category for **determining rate** for adult day services

Pursuant to O.A.C. 5123:2-9-19(D)(4), the cost of doing business category for determining the rate for adult day services for each day of service is the category assigned to the county in which the adult day services is provided for the preponderance of time. In Example #1, all of the adult day services are provided daily in county B, so you use the cost of doing business category for county B because that is where the preponderance of the adult day services is provided.

Cost of doing business category for **determining budget limitation** for non-medical transportation

The county cost of doing business category for determining the budget limitation for non-medical transportation is the cost of doing business category that applies to the county in which the individual is anticipated to receive the preponderance of non-medical transportation on a daily basis. O.A.C. 5123:2-9-19(F) (2). In Example #1, the preponderance of the non-medical transportation occurs each day in county A, so you use the cost of doing business category for county A.

Cost of doing business category for **determining budget limitation** for adult day services

Pursuant to O.A.C. 5123:2-9-19(F)(2), the cost of doing business category for determining the budget limit for adult day services is the cost of doing business category that applies to the county in which the individual is anticipated to receive the preponderance of adult day services on a daily basis. In Example #1, all of the adult day services are provided daily in county B, so you use the cost of doing business category for county B because that is where the preponderance of the adult day services is provided.

**Example #2**

Five days a week, an individual attends a day program for a half day each day in county A, where he/she lives, and attends another day program run by a different provider for a half day each day in county B, located next door to county A. Which cost of doing business category do you use to determine the rate for the individual's adult day services? Which cost of doing business category do you use to determine the individual's budget limitation?

Cost of doing business category for **determining rate** for adult day services in county A and county B

Because the individual has two providers providing services in different counties and each provider is permitted to bill at a rate determined by the cost of doing business category for the county where the service is provided, you apply the preponderance of time principle separately within each county rather than within both counties together. Thus, you use the cost of doing business category for county A to determine the rate

for the provider in county A and the cost of doing business category in county B to determine the rate for the provider in county B.

Cost of doing business category for **determining budget limitation** for adult day services

Because the individual has two providers providing services in different counties and each provider is permitted to bill at a rate determined by the cost of doing business category for the county where the service is provided, you apply the preponderance of time principle separately within each county rather than within both counties together. Thus, you use the cost of doing business category for county A to determine the budget limitation for the adult day services provided in county A and the cost of doing business category in county B to determine the budget limitation for the adult services provided in county B. This approach is consistent with O.A.C. 5123:2-9-19(E)(7) which provides that the budget limitation for an individual changes when the individual receives the preponderance of adult day services in a county with a different cost of doing business factor. In accordance with O.A.C. 5123:2-9-19(F)(1), the budget limitation is applicable to the twelve-month waiver span. Therefore, if the cost of doing business categories for county A and county B differ, then you use the cost of doing business category that results in the higher budget limitation so that the individual may receive all of the services authorized by his/her service plan for the entire waiver span.

**Example #3**

Each week, an individual attends a day program in county A, where he/she lives, for two days a week and attends another day program run by a different provider for three days a week in county B, located next door to county A. Which county's cost of doing business category do you use to determine the rate for the individual's adult day services? Which county's cost of doing business category do you use to determine the individual's budget limitation?

Cost of doing business category for **determining rate** for adult day services in county A and county B

The result is the same as in Example #2. You use the cost of doing business category for county A to determine the rate for the provider in county A and the cost of doing business category in county B to determine the rate for the provider in county B.

Cost of doing business category for **determining budget limitation** for adult day services

Again, the result is the same as in Example #2. You use the cost of doing business category for county A to determine the budget limitation for the adult day services provided in county A and the cost of doing business category in county B to determine the budget limitation for the adult services provided in county B. If the cost of doing business categories for county A and county B differ, then you use the cost of doing business category that results in the higher budget limitation so that the individual may receive all of the services authorized by his/her service plan for the entire waiver span.

**Example #4**

An individual attends a day program in county A, where he/she resides, for five days a week throughout the year, except for two weeks during the summer in which he/she attends a day program run by another provider in county B, located next door. Which county's cost of doing business category do you use to determine the rate for the individual's adult day services? Which county's cost of doing business category do you use to determine the individual's budget limitation?

Cost of doing business category for **determining rate** for adult day services in county A and county B

The result is the same as in Examples #2 and #3. You use the cost of doing business category for county A to determine the rate for the provider in county A and the cost of doing business category in county B to determine the rate for the provider in county B.

Cost of doing business category for **determining budget limitation** for adult day services

The result is the same as in Examples #2 and #3. You use the cost of doing business category for county A to determine the budget limitation for the adult day services provided in county A and the cost of doing business category in county B to determine the budget limitation for the adult services provided in county B. If the cost of doing business categories for county A and county B differ, then you use the cost of doing business category that results in the higher budget limitation so that the individual may receive all of the services authorized by his/her service plan for the entire waiver span.

We apologize for the length of this memo but we felt it particularly useful to provide some real world examples. If you have additional questions, the following three individuals should provide the best insight (depending on the nature of your question):

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