



# XYZ Package Inpatient Rate Setting Training for Providers

# DDAP

- Steven Ross - Special Assistant to the Secretary
- Jennifer Newell - Bureau Director, Quality Assurance & Administration
- Erica Nocho - Supervisor, Program Monitoring

## ▶ Highlight of Changes to the 2021/22 Package

- Rearranged content of package eliminating duplication and providing a more sequential flow to the package
- Alignment of package with current ASAM LOC's
- Addition of 3.7 – Medically Monitored Inpatient Services
- Addition of Depreciation for rate-setting purposes
- Exclusion of MAT (Buprenorphine, Vivitrol, and Methadone) from per diem rate calculation

## Timeline for XYZ Submission and Review

November 1	Provider Audits due to SCA's
By or before March 2	Provider submits completed XYZ package to home SCA
By or before April 15	SCA responds to Provider with approved rate
April 15 – April 30	Provider appeals submitted to SCA
April 30 – May 15	Appeals unable to be resolved at SCA level submitted to DDAP
By or before June 1	SCA rates are posted to PACDAA website

## ➤ Appeal Process

- Level 1 – Providers unsatisfied with the result of the approved rate may appeal to the home SCA. The home SCA along with several SCA's from the surrounding area will review the appeal.
- Level 2 – Providers dissatisfied with the result of the Level 1 appeal may appeal the decision to DDAP which will be reviewed by an internal DDAP review committee.

# Review Checklist

## Residential Services Request For Information Checklist

This is the Checklist of items that must be completed and submitted to be considered for review. All items on this checklist are required as part of the package submission. Any package submitted not containing all items on the checklist will be considered ineligible for review.

## ▶ Section B – Program Description General Info

- Provides a brief description of providers target population and program description.
- Please review to be sure information is current and up to date.

## ▶ Section C – Program Description Specific Info

- Complete the checklist on page 8 and attach narrative items A through Q (pages 9-13) for each unique service activity.
- Please review narrative items A through Q to ensure they are current and up to date.
- A separate XYZ package needs to be submitted for each service activity (except where 3.5 and 3.7 are delivered on the same unit)
- 3.7 – Where the 3.7 LOC is delivered on a separate unit, a separate XYZ package would need to be completed.



## Section C – Program Description Specific (cont.)

- Where the 3.7 LOC is delivered on the same unit as the 3.5, the provider will follow instructions on page 16 to calculate an enhanced cost for 3.7 which will then be added to the rate established for 3.5 when 3.7 services are authorized and delivered.
- Narrative item H. Transportation (pg. 10) – If a provider is building the cost of transportation into the per diem calculation, transportation is expected to be provided by the provider.
- Narrative item I. Staffing (pg. 11) - With regard to staff turnover, Administrative, Clinical, and Combined Turnover are three separate calculations.

## ▶ Rate Development

- Rate development consists are the following five pieces:
  - 1) HDA 313RS - Personnel Roster
  - 2) HDA 311RS - Revenues
  - 3) HDA 311RS - Expenses
  - 4) Budget Narrative
  - 5) Rate Calculation Page

## HDA 313RS - Personnel Roster

- Providers must submit a Form HDA 313RS - Personnel Roster which lists staff as Administrative or Client-Oriented.
- Staff whose salaries are spread across multiple facilities shall be pro-rated. Pro-rated salaries shall be based on total annual salary and cannot exceed 100%.
- Personnel costs for CEO's, Executive Directors, administrative assistants, clerks, accountants, fiscal assistants, billing positions are considered Administrative in nature.
- Staff engaged in Marketing functions must be shown as Administrative.

## ▶ HDA 313RS – Personnel Roster (cont.)

- If vacant positions are listed on the Personnel Roster and included in the budget, a written justification and hiring schedule must be attached. Vacant positions are expected to be filled within 60 days of being vacant.
- Sub-totals for Administrative and Client-Oriented salaries must equal the salaries listed on the HDA 311RS Expense page.

## ▶ HDA 311RS (Page 1) - Revenues

- Provider shall utilize Page 1 of the FY 2021/22 XYZ Forms Workbook to fill out and submit Revenue and Income for FY 2019/20 (Audited), Projected FY 2020/21 (Current Year), FY 2021/22 (Budgeted).
- Providers must show all Revenue and Income applicable to facility operations.
- Revenue and Income should equal total facility expenses shown on HDA 311RS – Expenses (Page 2) unless the facility experienced a budget deficit.

## ▶ HDA 311RS (Page 2) - Expenses

- Provider shall utilize Page 2 of the FY 2021-22 XYZ Forms Workbook to fill out and submit Personnel and Operating Expenses.
- Personnel and Operating Expenses shall be broken out by Admin Expenses, Client-Oriented Expenses, and Total Expenses for:
  - FY 2019/20 (Audited)
  - FY 2020/21 Projected (Current Year)
  - FY 2021/22 (Budgeted)
- FY 2019/20 Audited Expenses should tie into program-specific audit supplied with package.

## ▶ HDA 311RS (Page 2) – Expenses (cont.)

- Administrative and Client-Oriented salaries must equal the salaries listed on the HDA 311RS Personnel Roster.
- All other operating expenses shall be categorized as either Administrative, Client-Oriented, or split between both, where applicable.
- Expenses should be categorized in accordance with the accompanying Uniform Chart of Accounts and definitions found on pages 19-24.
- For expenses that are split between Administrative and Client-Oriented, provider must supply justification for how those expenses were split on the accompanying Budget Narrative.

## ▶ HDA311 RS (Page 2) – Expenses (cont.)

- Line 309 – Medical Drugs and Supplies - Charge to this category the cost of medical supplies and drugs used in the treatment of clients, with the exclusion of medications used for MAT in the form of Buprenorphine, Vivitrol, or Methadone which would be paid for separate from the daily FFS rate.
- Line 320 – Indirect Costs – Depreciation - In recent years, the DDAP Rate-Setting Committee determined that current year depreciation would be allowed as an expense for rate setting purposes. Accordingly, depreciation can be charged here.



## ▶ HDA311 RS (Page 2) – Expenses (cont.)

- Providers claiming depreciation on Fixed Assets must include as backup with the submission of the package a copy of their depreciation schedule(s) which need to correlate to the amounts claimed on Form HDA 311.
- Column K – Provider must justify in writing any line item where column J is increased more than 10% over column G. Justification must be detailed and specific.

## Budget Narrative

- Provider shall complete the Budget Narrative found on pages 17-18 of the package.
- Provider shall complete a description for each budget category on the HDA 311RS – Expenses.
- For expenses that are pro-rated between Administrative and Client-Oriented, you must explain the methodology used for allocating costs.
- As an example, “Rent is pro-rated between Administrative and Client-Oriented based on square footage”.

## ▶ Rate Calculation Page

- Complete the following steps on the Rate Request Form to calculate the Rate Requested:
- 1) The rate setting process allows for a 20% cap on administrative costs. As a result, the first step of the rate calculation page is to determine the Total Allowable Budget as follows: To do so, take the total Client-Oriented Costs per Activity (Column I - page 2 of HDA 311RS and divide by .80. This gives you the Total Allowable Budget number.
- 2) Calculate bed days as follows: Take the number of licensed beds for the activity then multiply by 365 days then multiply by 85% Utilization.

## ▶ Rate Calculation Page (cont.)

- 3) Take the LESSER of the Total Budget (column J of page 2 of the HDA 311RS – Expenses) OR the Total Allowable Budget (calculated in Step 1 on the previous slide) and divide by the bed day calculation (calculated in Step 2 on the previous slide) = Rate Requested.
- Rate should be rounded up (\$0.50 or higher) or down (\$0.49 or lower) to the nearest dollar.
- Rate Calculation Page needs to be certified by signatures of both the CEO and Chief Finance Officer and dated.

## ➤ No Rate Increase Form

- Providers not requesting a rate increase still have the option of simply completing and submitting to their home SCA the No Rate Increase form and accompanying documents referenced in the form.
- This form can be found either on the PACDAA website or from your home SCA.

## Questions

- Questions- Submit questions regarding this training to [RA-DABAPS@pa.gov](mailto:RA-DABAPS@pa.gov)