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Target Provider Cost Based Methodology

Below are the calculation files for the services whose rates are set via the cost based methodology utilizing target provider cost reports.

Adult Day Care (S5101 and S5100) (Special Calculation)

Step 1: Calculate benchmark costs as SFY22 rates multiplied by the total units of service reported by the target providers.

Calculation	A	B	C = A * B
Code	SFY22 rate	Target Provider Units of Ser.	Benchmark Costs
S5100	\$5.62	87,126	\$489,648.12
S5101	\$90.22	15,657	\$1,412,574.54
Total	n/a	n/a	\$1,902,222.66

Step 2: Calculate the aggregate stop loss by multiplying the total benchmark costs calculated above by 95% and 105%.

105% benchmark costs = \$1,997,333.79

95% benchmark costs = \$1,807,111.53

Step 3: Determine the aggregated providers' sum total costs.

Aggregated Providers' sum total costs = \$1,924,338.18

Step 4: If the providers' sum total costs are less than the -5% aggregate stop loss benchmark costs, take the -5% aggregate stop loss benchmark costs. If the providers' sum total costs are between the -5% and the +5% aggregate stop loss benchmark costs, take the providers' sum total costs. If the providers' sum total costs are greater than the +5% aggregate stop loss benchmark costs, take the +5% aggregate stop loss benchmark costs.

Result: Providers' sum total costs = \$1,924,338.18.

Step 5: Convert the half day unit (S5101) to its fifteen-minute equivalent units per the methodology document by multiplying each half day unit by 14. Add the result to the fifteen-minute units (S5100).

S5101 Units:	15,657
X 15-minute equivalent:	14
= S5150 Units in 15-minute equivalent:	219,198
+ S5100 Units:	87,126
= Total 15 minute and 15-minute equivalent units:	306,324

Step 6: Divide costs from Step 3 by total 15 minute & 15-minute equivalent units from Step 5 to arrive at proposed rate for the 15 minute rate (S5100).

Costs (Step 3):	\$1,924,338.18
÷ Units (Step 5):	306,324
Proposed Rate (S5100) pre-Legislative Appropriation:	\$6.28

Step 7: Calculate the half day equivalent by multiplying the proposed rate for S5100 from Step 6 by 14.

Proposed rate (S5100) pre-Legislative Appropriation:	\$6.28
X 15-minute equivalent factor:	14
= Proposed rate (S5101) pre-Legislative Appropriation:	\$87.95

Step 8: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

For S5100

Proposed rate per Legislative Appropriation:	\$6.28
HB 281 Legislative Appropriation:	+10%
Final Proposed Rate	\$6.91

For S5101

Proposed rate per Legislative Appropriation:	\$87.95
HB 281 Legislative Appropriation:	+10%
Final Proposed Rate	\$96.74

Below are the detailed costs and units by provider that were utilized in the above calculation for adult day care rates.

Provider	Adult Day Care- (S5100, S5101) Costs	Adult Day Care (15 minute - S5100) units	Adult Day Care (Half day - S5101) units
Provider A			
Provider B			
Provider C			
Provider D			
Provider E			
Provider G			
Provider H			
Provider I	\$258,565.59	6,646	250
Provider J	\$23,349.01	3,858	1,368
Provider K			
Provider L	\$164,841.69		
Provider M			
Provider N			
Provider O			
Provider P			
Provider Q	\$176,346.96	14,096	2,822
Provider R	\$154,946.36	8,674	1,412
Provider S			
Provider T			
Provider U			
Provider V	\$543,500.04	35,820	2,683
Provider W	\$602,788.53	18,032	7,122
Provider X			
Total	\$1,924,338.18	87,126	15,657

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Chore (S5120)

Step 1: Divide the total costs by the total units to arrive at the raw Medicaid rate.

Total Costs:	\$615,112.05
÷ Total Units:	<u>92,521</u>
=Raw Medicaid Rate:	\$6.65

Step 2: Determine the benchmark rate.

SFY22 Rate:	\$7.19
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Step 3: Calculate 95% and 105% of the benchmark rate.

95% benchmark rate:	\$6.83
105% benchmark rate:	\$7.55

Step 4: Determine the Final Rate pre- Legislative appropriation by taking the following:

If the raw rate is less than 95% benchmark rate, take the 95% of the benchmark rate as the final rate pre-Legislative appropriation.

If the raw rate is between 95% and 105% of the benchmark rate, take the raw rate as the final rate pre-Legislative appropriation.

If the raw rate is greater than 105% benchmark rate, take the 105% of the benchmark rate as the final rate pre-Legislative appropriation.

Result:	95% of benchmark rate
Final Rate Pre-Legislative Appropriation:	\$6.83

Step 5: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

For S5120

Proposed rate per Legislative Appropriation:	\$6.83
HB 281 Legislative Appropriation:	<u>+10%</u>
Final Proposed Rate	\$7.51

Below are the detailed costs and units by provider that were utilized in the above calculation for chore rates.

Provider	Chore (\$5120) Costs	Chore (\$5120) Units
Provider A		-
Provider B	\$122,410.67	16,930
Provider C	\$132,340.50	19,648
Provider D		
Provider E		
Provider G		
Provider H	\$62,703.28	8,665
Provider I	\$18,352.30	3,139
Provider J		
Provider K	\$37,497.70	6,885
Provider L	\$46,165.26	7,791
Provider M	\$48,647.72	6,960
Provider N		
Provider O		
Provider P	\$49,872.42	7,738
Provider Q		
Provider R		
Provider S		
Provider T	\$97,122.20	14,765
Provider U		
Provider V		
Provider W		
Provider X		
Sum Total	\$615,112.05	92,521

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Day Habilitation (T2021 and T2021 HQ) (Special Calculation)

Step 1: Calculate benchmark costs as SFY22 rates multiplied by the total units of service reported by the target providers.

Calculation	A	B	C = A * B
Code	SFY22 rate	Target Provider Units of Ser.	Benchmark Costs
T2021	\$11.49	1,626,644	\$18,690,139.56
T2021 HQ	\$8.05	235,708	\$1,897,449.40
Total	n/a	n/a	\$20,587,588.96

Step 2: Calculate the aggregate stop loss by multiplying the total benchmark costs calculated above by 95% and 105%.

105% benchmark costs = \$21,616,968.41

95% benchmark costs = \$19,558,209.51

Step 3: Determine the aggregated providers' sum total costs.

Aggregated Providers' sum total costs = \$23,859,636.56

Step 4: If the providers' sum total costs are less than the -5% aggregate stop loss benchmark costs, take the -5% aggregate stop loss benchmark costs. If the providers' sum total costs are between the -5% and the +5% aggregate stop loss benchmark costs, take the providers' sum total costs. If the providers' sum total costs are greater than the +5% aggregate stop loss benchmark costs, take the +5% aggregate stop loss benchmark costs.

Result: 105% Benchmark Costs = \$21,616,968.41

Step 5: Calculate the proposed rates pre-Legislative Appropriation for individual (T2021) and group (T2021 HQ) such that:

- 1) (the to be calculated individual rate x the target provider units of services) + (the to be calculated group rate x the target provider units of service) equals the Final Allowable Total Costs calculated above, and
- 2) the group rate is 60% of the individual rate.

Component	Target Provider Units of Sev.	Rates (To be Calculate)	Calculation:
T2021	1,626,644	\$ 12.23	\$ 19,887,864.07
Rate Differential		60%	
T2021 HQ	235,708	\$ 7.34	\$ 1,729,104.34
		Calculated Costs	\$ 21,616,968.41
		105% Benchmark Costs	\$ 21,616,968.41
		Variance (Needs to be \$0)	\$ (0.00)

Step 6: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

For T2021

Proposed rate per Legislative Appropriation: \$12.23

HB 281 Legislative Appropriation: +10%

Final Proposed Rate \$13.45

For T2021 HQ

Proposed rate per Legislative Appropriation: \$7.34

HB 281 Legislative Appropriation: +10%

Final Proposed Rate \$8.07

Below are the detailed costs and units by provider that were utilized in the above calculation for day habilitation rates.

Provider	Day Habilitation (T2021 & T2021 HQ) Costs	Day Habilitation (T2021) Units	Day Habilitation (T2021 HQ) Units
Provider A			
Provider B			
Provider C	\$ 1,770,404.46	152,527	
Provider D			
Provider E			
Provider G	\$ 36,105.04	10,112	
Provider H	\$ 769,016.96	76,758	2,384
Provider I	\$ 1,024,549.40	23,402	40,567
Provider J	\$ 550,435.99	52,580	1,653
Provider K	\$ 151,950.88	21,896	
Provider L	\$ 165,274.57	23,904	
Provider M	\$ 2,103,030.18	204,128	180
Provider N	\$ 9,347,202.82	541,003	94,942
Provider O	\$ 1,778,116.29	119,886	4,609
Provider P			
Provider Q			
Provider R			
Provider S	\$ 1,904,383.78	131,216	15,526
Provider T	\$ 1,196,102.55	139,376	
Provider U	\$ 3,034,458.36	129,856	72,211
Provider V	\$ 28,605.28		3,636
Provider W			
Provider X			
Total Costs	\$ 23,859,636.56	1,626,644	235,708

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Family Habilitation (S5140 and S5145) (Special Calculation)

Step 1: Combine the costs for family habilitation adult (S5140) and child (S5145).

S5140 Costs =	\$2,773,568.98
S5145 Costs =	\$1,492,394.81
Family Habilitation Costs =	\$4,265,963.79

Step 2: Combine the units for family habilitation adult (S5140) and child (S5145).

S5140 Units =	14,128
S5145 Units =	9,491
Family Habilitation Units =	23,619

Step 3: Divide the total combined costs from Step 1 by the total combine units from Step 2 to arrive at the raw Medicaid rate.

Family Habilitation Total Costs =	\$4,265,964
÷ Family Habilitation Total Units =	23,619
= Raw Medicaid Rate =	\$180.62

Step 4: Calculate benchmark costs as SFY22 rates multiplied by the total units of service reported by the target providers.

Calculation	A	B	C = A * B
Code	SFY22 rate	Target Provider Units of Ser.	Benchmark Costs
S5140	\$128.65	14,128	\$1,817,567.20
S5145	\$160.91	9,491	\$1,527,196.81
Total	n/a	n/a	\$3,344,764.01

Step 5: Calculate the aggregate stop loss by multiplying the total benchmark costs calculated above by 95% and 105%.

105% benchmark costs =	\$3,512,002.21
95% benchmark costs =	\$3,177,525.81

Step 6: Determine the aggregated providers' sum total costs.

Aggregated Providers' sum total costs =	\$4,265,964
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Step 7: If the providers' sum total costs are less than the -5% aggregate stop loss benchmark costs, take the -5% aggregate stop loss benchmark costs. If the providers' sum total costs are between the -5% and the +5% aggregate stop loss benchmark costs, take the providers' sum total costs. If the providers' sum total costs are greater than the +5% aggregate stop loss benchmark costs, take the +5% aggregate stop loss benchmark costs.

Result: 105% benchmark costs = \$3,512,002.21

Step 8: Calculate the final rate pre-Legislative appropriation by dividing costs determined in Step 7 by units of service

105% benchmark costs =	\$3,512,002.21
÷ Units of Service =	23,619
= Final Rate Pre-Legislative Appropriation:	\$148.69

Step 9: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

For S5140 and S5145

Proposed rate per Legislative Appropriation:	\$148.69
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HB 281 Legislative Appropriation: +10%
Final Proposed Rate \$163.56

Below are the detailed costs and units by provider that were utilized in the above calculation for family home habilitation rates.

Provider	Family Habilitation, Adult Foster Care (S5140) Costs	Family Habilitation, Adult Foster Care (S5140) Units	Family Habilitation, Child Foster Care (S5145) Costs	Family Habilitation, Child Foster Care (S5145) Units
Provider A				
Provider B				
Provider C				
Provider D				
Provider E				
Provider G				
Provider H			\$ 196,107.31	1,092
Provider I	\$ 59,241.58	420	\$ 123,317.61	699
Provider J				
Provider K			\$ 19,770.15	111
Provider L				
Provider M	\$ 528,736.99	1,317	\$ 117,020.41	2,390
Provider N	\$ 717,451.98	3,464	\$ 518,769.55	2,414
Provider O	\$ 281,778.99	1,618		
Provider P				
Provider Q				
Provider R				
Provider S				
Provider T	\$ 1,042,811.01	6,260	\$ 343,546.72	1,727
Provider U	\$ 143,548.43	1,049	\$ 173,863.06	1,058
Provider V				
Provider W				
Provider X				
Total	\$ 2,773,568.98	14,128	\$ 1,492,394.81	9,491

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Group Home Habilitation (T2016)

Step 1: Divide the total costs by the total units to arrive at the raw Medicaid rate.

Total Costs:	\$53,872,980.74
÷ Total Units:	139,630
=Raw Medicaid Rate:	\$385.83

Step 2: Determine the benchmark rate.

SFY22 Rate:	\$339.89
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Step 3: Calculate 95% and 105% of the benchmark rate.

95% benchmark rate:	\$322.90
105% benchmark rate:	\$356.88

Step 4: Determine the Final Rate pre- Legislative appropriation by taking the following:

If the raw rate is less than 95% benchmark rate, take the 95% of the benchmark rate as the final rate pre-Legislative appropriation.

If the raw rate is between 95% and 105% of the benchmark rate, take the raw rate as the final rate pre-Legislative appropriation.

If the raw rate is greater than 105% benchmark rate, take the 105% of the benchmark rate as the final rate pre-Legislative appropriation.

Result:	105% of benchmark rate
Final Rate Pre-Legislative Appropriation:	\$356.88

Step 5: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

For S5120

Proposed rate per Legislative Appropriation:	\$356.88
HB 281 Legislative Appropriation:	+10%
Final Proposed Rate	\$392.57

Below are the detailed costs and units by provider that were utilized in the above calculation for group home habilitation rates.

Provider	Group Home Habilitation (T2016) Costs	Group Home Habilitation (T2016) Units	Group Home Habilitation (T2016 TG) Units
Provider A			
Provider B			
Provider C			
Provider D			
Provider E			
Provider G	\$ 2,098,159.65	4,846	169
Provider H			
Provider I	\$ 6,520,361.07	19,845	344
Provider J	\$ 3,619,130.95	7,538	
Provider K	\$ 812,761.18	3,666	
Provider L			
Provider M	\$ 2,071,239.22	4,926	355
Provider N	\$ 26,569,668.71	70,345	508
Provider O	\$ 2,388,384.21	6,883	
Provider P			
Provider Q			
Provider R			
Provider S	\$ 2,112,658.09	5,841	357
Provider T	\$ 1,471,820.06	3,580	810
Provider U	\$ 6,208,797.60	12,160	
Provider V			
Provider W			
Provider X			
Sum	\$ 53,872,980.74	139,630	2,543

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Intensive Active Treatment (H2011 CG and H2011 TN)

Step 1: Divide the total costs by the total units to arrive at the raw Medicaid rate.

Total Costs:	\$839,896.38
÷ Total Units:	32,947
=Raw Medicaid Rate:	\$25.49

Step 2: Determine the benchmark rate.

SFY22 Rate:	\$24.01
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Step 3: Calculate 95% and 105% of the benchmark rate.

95% benchmark rate:	\$22.81
105% benchmark rate:	\$25.21

Step 4: Determine the Final Rate pre- Legislative appropriation by taking the following:

If the raw rate is less than 95% benchmark rate, take the 95% of the benchmark rate as the final rate pre-Legislative appropriation.

If the raw rate is between 95% and 105% of the benchmark rate, take the raw rate as the final rate pre-Legislative appropriation.

If the raw rate is greater than 105% benchmark rate, take the 105% of the benchmark rate as the final rate pre-Legislative appropriation.

Result:	105% of benchmark rate
Final Rate Pre-Legislative Appropriation:	\$25.21

Step 5: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

Proposed rate per Legislative Appropriation:	\$25.21
HB 281 Legislative Appropriation:	+10%
= Final Proposed Rate Local (H2011 CG):	\$27.73
X Rate Differential:	2
= Final Proposed Rate Nonlocal (H2011 TN)	\$55.46

Below are the detailed costs and units by provider that were utilized in the above calculation for group home habilitation rates.

Provider	Intensive Active Treatment (H2011 CG) Costs	Intensive Active Treatment (H2011 CG) Units
Provider A		
Provider B		
Provider C		
Provider D		
Provider E	\$ 839,896.38	32,947
Provider G		
Provider H		
Provider I		
Provider J		
Provider K		
Provider L		
Provider M		
Provider N		
Provider O		
Provider P		
Provider Q		
Provider R		
Provider S		
Provider T		
Provider U		
Provider V		
Provider W		
Provider X		
Sum Total	\$ 839,896.38	32,947

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

In Home Habilitation and Supported Living Habilitation (T2017 and T2017 U4) (Special Calculation)

Step 1: Combine the costs for supported living habilitation (T2017) and in home habilitation (T2017 U4).

T2017 U4 Costs =	\$3,697,144.54
T2017 Costs =	\$21,231,507.46
Combined Costs =	\$24,928,652.00

Step 2: Combine the units for supported living habilitation (T2017) and in home habilitation (T2017 U4).

T2017 U4 Units =	360,662
T2017 Units =	1,824,447
Combined Units =	2,185,109

Step 3: Divide the total combined costs from Step 1 by the total combine units from Step 2 to arrive at the raw Medicaid rate.

Combined Total Costs =	\$24,928,652.00
÷ Combined Total Units =	2,185,109
= Raw Medicaid Rate =	\$11.41

Step 4: Calculate benchmark costs as SFY22 rates multiplied by the total units of service reported by the target providers.

Calculation	A	B	C = A * B
Code	SFY22 rate	Target Provider Units of Ser.	Benchmark Costs
T2017 U4	\$11.43	360,662	\$4,122,366.66
T2017	\$11.43	1,824,447	\$20,853,429.21
Total	n/a	n/a	\$24,975,975.87

Step 5: Calculate the aggregate stop loss by multiplying the total benchmark costs calculated above by 95% and 105%.

105% benchmark costs =	\$26,224,585.66
95% benchmark costs =	\$23,727,006.08

Step 6: Determine the aggregated providers' sum total costs.

Aggregated Providers' sum total costs =	\$24,928,652.00
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Step 7: If the providers' sum total costs are less than the -5% aggregate stop loss benchmark costs, take the -5% aggregate stop loss benchmark costs. If the providers' sum total costs are between the -5% and the +5% aggregate stop loss benchmark costs, take the providers' sum total costs. If the providers' sum total costs are greater than the +5% aggregate stop loss benchmark costs, take the +5% aggregate stop loss benchmark costs.

Result: Providers' sum total costs = \$24,928,652.00

Step 8: Calculate the final rate pre-Legislative appropriation by taking costs determined in Step 7 by units of service from step 2.

105% benchmark costs =	\$24,928,652.00
÷ Units of Service =	2,185,109
= Final Rate Pre-Legislative Appropriation:	\$11.41

Step 9: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

For T2017 U4 and T2017

Proposed rate per Legislative Appropriation:	\$11.41
HB 281 Legislative Appropriation:	+10%
Final Proposed Rate	\$12.55

Below are the detailed costs and units by provider that were utilized in the above calculation for in home habilitation and supported living habilitation.

Provider	In Home Habilitation (T2017 U4) Costs	In Home Habilitation (T2017 U4) Units	Supported Living Habilitation (T2017) Costs	Supported Living Habilitation (T2017) Units
Provider A				
Provider B				
Provider C	\$ 536,079.64	47,168	\$ 2,960,810.64	249,031
Provider D				
Provider E				
Provider G			\$ 2,641,555.82	237,107
Provider H	\$ 309,015.62	32,166	\$ 397,111.35	40,875
Provider I	\$ 38,699.00	3,209	\$ 411,044.12	33,951
Provider J	\$ 285,195.53	25,438	\$ 664,544.30	44,320
Provider K	\$ 48,755.97	7,681	\$ 182,983.64	29,781
Provider L	\$ 170,176.51	25,313	\$ 89,855.13	12,571
Provider M	\$ 680,449.48	72,222	\$ 1,797,311.18	185,158
Provider N	\$ 447,883.38	33,698	\$ 5,499,566.30	436,885
Provider O	\$ 262,131.30	21,936	\$ 1,077,115.12	82,256
Provider P				
Provider Q				
Provider R				
Provider S	\$ 282,641.01	21,170	\$ 3,774,032.69	282,308
Provider T	\$ 379,794.28	49,243	\$ 1,223,870.73	147,315
Provider U	\$ 256,322.82	21,418	\$ 511,706.44	42,889
Provider V				
Provider W				
Provider X				
Total	\$ 3,697,144.54	360,662	\$ 21,231,507.46	1,824,447

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Meals Congregate (T2025)

Step 1: Divide the total costs by the total units to arrive at the raw Medicaid rate.

Total Costs:	\$877,570.76
÷ Total Units:	32,382
=Raw Medicaid Rate:	\$27.10

Step 2: Determine the benchmark rate.

SFY22 Rate:	\$22.69
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Step 3: Calculate 95% and 105% of the benchmark rate.

95% benchmark rate:	\$21.56
105% benchmark rate:	\$23.82

Step 4: Determine the Final Rate pre- Legislative appropriation by taking the following:

If the raw rate is less than 95% benchmark rate, take the 95% of the benchmark rate as the final rate pre-Legislative appropriation.

If the raw rate is between 95% and 105% of the benchmark rate, take the raw rate as the final rate pre-Legislative appropriation.

If the raw rate is greater than 105% benchmark rate, take the 105% of the benchmark rate as the final rate pre-Legislative appropriation.

Result:	105% of benchmark rate
Final Rate Pre-Legislative Appropriation:	\$23.82

Step 5: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

Proposed rate per Legislative Appropriation:	\$23.82
HB 281 Legislative Appropriation:	+10%
= Final Proposed Rate Local:	\$26.21

Below are the detailed costs and units by provider that were utilized in the above calculation for meals congregate.

Provider	Meals- Congregate (T2025) Costs	Meals- Congregate (T2025) Units
Provider A		
Provider B		
Provider C		
Provider D	\$14,077.47	387
Provider E		
Provider G		
Provider H		
Provider I		
Provider J		
Provider K		
Provider L		
Provider M		
Provider N		
Provider O		
Provider P		
Provider Q		
Provider R	\$16,717.68	1,526
Provider S		
Provider T		
Provider U		
Provider V	\$465,197.88	3,205
Provider W	\$246,576.89	3,859
Provider X	\$135,000.84	23,405
Sum Total	\$877,570.76	32,382

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Meals Home Delivered (\$5170)

Step 1: Divide the total costs by the total units to arrive at the raw Medicaid rate.

Total Costs:	\$2,620,269.29
÷ Total Units:	85,661
=Raw Medicaid Rate:	\$30.59

Step 2: Determine the benchmark rate.

SFY22 Rate:	\$23.35
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Step 3: Calculate 95% and 105% of the benchmark rate.

95% benchmark rate:	\$22.18
105% benchmark rate:	\$24.52

Step 4: Determine the Final Rate pre- Legislative appropriation by taking the following:

If the raw rate is less than 95% benchmark rate, take the 95% of the benchmark rate as the final rate pre-Legislative appropriation.

If the raw rate is between 95% and 105% of the benchmark rate, take the raw rate as the final rate pre-Legislative appropriation.

If the raw rate is greater than 105% benchmark rate, take the 105% of the benchmark rate as the final rate pre-Legislative appropriation.

Result:	105% of benchmark rate
Final Rate Pre-Legislative Appropriation:	\$24.52

Step 5: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

Proposed rate per Legislative Appropriation:	\$24.52
HB 281 Legislative Appropriation:	+10%
= Final Proposed Rate Local:	\$26.97

Below are the detailed costs and units by provider that were utilized in the above calculation for meals home delivered.

Provider	Meals- Home Delivered (\$5170) Costs	Meals- Home Delivered (\$5170) Units
Provider A		
Provider B		
Provider C		
Provider D	\$ 346,474.57	16,489
Provider E		
Provider G		
Provider H		
Provider I		
Provider J		
Provider K		
Provider L		
Provider M		
Provider N		
Provider O		
Provider P		
Provider Q		
Provider R	\$ 49,288.14	4,990
Provider S		
Provider T		
Provider U		
Provider V	\$ 1,990,607.28	2,483
Provider W		
Provider X	\$ 233,899.30	61,699
Sum Total	\$ 2,620,269.29	85,661

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Nurse Oversight and Care Management – Local (T1016 CG)

Step 1: Divide the total costs by the total units to arrive at the raw Medicaid rate.

Total Costs:	\$1,239,394.81
÷ Total Units:	18,497
=Raw Medicaid Rate:	\$67.01

Step 2: Determine the benchmark rate.

SFY22 Rate:	\$24.01
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Step 3: Calculate 95% and 105% of the benchmark rate.

95% benchmark rate:	\$22.81
105% benchmark rate:	\$25.21

Step 4: Determine the Final Rate pre- Legislative appropriation by taking the following:

If the raw rate is less than 95% benchmark rate, take the 95% of the benchmark rate as the final rate pre-Legislative appropriation.

If the raw rate is between 95% and 105% of the benchmark rate, take the raw rate as the final rate pre-Legislative appropriation.

If the raw rate is greater than 105% benchmark rate, take the 105% of the benchmark rate as the final rate pre-Legislative appropriation.

Result:	105% of benchmark rate
Final Rate Pre-Legislative Appropriation:	\$25.21

Step 5: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

Proposed rate per Legislative Appropriation:	\$25.21
HB 281 Legislative Appropriation:	+10%
= Final Proposed Rate Local:	\$27.73

Below are the detailed costs and units by provider that were utilized in the above calculation for nurse oversight and care management local.

Provider	Nurse Care/Case Management (T1016 CG) Costs	Nurse Care/Case Management (T1016 CG) Units
Provider A		
Provider B		
Provider C		
Provider D		
Provider E		
Provider G		
Provider H		
Provider I	\$ 126,182.87	2,220
Provider J	\$ 219,303.96	977
Provider K		
Provider L		
Provider M	\$ 152,103.98	2,128
Provider N	\$ 594,249.43	12,364
Provider O	\$ 6,867.01	66
Provider P		
Provider Q		
Provider R		
Provider S		
Provider T		
Provider U	\$ 140,687.56	742
Provider V		
Provider W		
Provider X		
Sum Total	\$ 1,239,394.81	18,497

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Nurse Oversight and Care Management – NonLocal (T1016 TN)

Step 1: Divide the total costs by the total units to arrive at the raw Medicaid rate.

Total Costs:	\$139,085.24
÷ Total Units:	911
=Raw Medicaid Rate:	\$151.58

Step 2: Determine the benchmark rate.

SFY22 Rate:	\$95.42
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Step 3: Calculate 95% and 105% of the benchmark rate.

95% benchmark rate:	\$90.65
105% benchmark rate:	\$100.19

Step 4: Determine the Final Rate pre- Legislative appropriation by taking the following:

If the raw rate is less than 95% benchmark rate, take the 95% of the benchmark rate as the final rate pre-Legislative appropriation.

If the raw rate is between 95% and 105% of the benchmark rate, take the raw rate as the final rate pre-Legislative appropriation.

If the raw rate is greater than 105% benchmark rate, take the 105% of the benchmark rate as the final rate pre-Legislative appropriation.

Result:	105% of benchmark rate
Final Rate Pre-Legislative Appropriation:	\$100.19

Step 5: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

Proposed rate per Legislative Appropriation:	\$100.19
HB 281 Legislative Appropriation:	+10%
= Final Proposed Rate Non-Local:	\$110.21

Below are the detailed costs and units by provider that were utilized in the above calculation for nurse oversight and care management non-local.

Provider	Nurse Care/Case Mgnt over 200 miles (T1016 TG) Costs	Nurse Care/Case Mgnt over 200 miles (T1016 TG) Units
Provider A		
Provider B		
Provider C		
Provider D		
Provider E		
Provider G		
Provider H		
Provider I		
Provider J	\$ 70,973.76	19
Provider K		
Provider L		
Provider M		
Provider N	\$ 38,600.92	813
Provider O		
Provider P		
Provider Q		
Provider R		
Provider S		
Provider T		
Provider U	\$ 28,510.56	79
Provider V		
Provider W		
Provider X		
Sum Total	\$ 138,085.24	911

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Personal Care and Community First Choice Personal Care (T1019, T1019 U3, S5125, S5125 SE)

Step 1: Divide the total costs by the total units to arrive at the raw Medicaid rate.

Total Costs:	\$39,547,302.72
÷ Total Units:	5,396,201
=Raw Medicaid Rate:	\$7.33

Step 2: Determine the benchmark rate.

SFY22 Rate:	\$6.54
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Step 3: Calculate 95% and 105% of the benchmark rate.

95% benchmark rate:	\$6.21
105% benchmark rate:	\$6.87

Step 4: Determine the Final Rate pre- Legislative appropriation by taking the following:

If the raw rate is less than 95% benchmark rate, take the 95% of the benchmark rate as the final rate pre-Legislative appropriation.

If the raw rate is between 95% and 105% of the benchmark rate, take the raw rate as the final rate pre-Legislative appropriation.

If the raw rate is greater than 105% benchmark rate, take the 105% of the benchmark rate as the final rate pre-Legislative appropriation.

Result:	105% of benchmark rate
Final Rate Pre-Legislative Appropriation:	\$6.87

Step 5: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

Proposed rate per Legislative Appropriation:	\$6.87
HB 281 Legislative Appropriation:	+10%
= Final Proposed Rate:	\$7.55

Below are the detailed costs and units by provider that were utilized in the above calculation for Personal Care and Community First Choice Personal Care.

Provider	Personal Care (T1019, T1019 U3, S5125, S5125 SE) Costs	Personal Care (T1019, T1019 U3, S5125, S5125 SE) Units
Provider A	\$ 3,293,440.25	476,836
Provider B	\$ 6,286,105.06	769,908
Provider C	\$ 11,385,092.63	1,446,078
Provider D		
Provider E		
Provider G		
Provider H	\$ 1,284,045.08	158,912
Provider I		
Provider J		
Provider K	\$ 1,455,422.32	380,609
Provider L	\$ 5,425,232.37	768,927
Provider M	\$ 2,079,115.31	251,123
Provider N		
Provider O		
Provider P		
Provider Q		
Provider R		
Provider S		
Provider T	\$ 8,338,849.70	1,143,808
Provider U		
Provider V		
Provider W		
Provider X		
Sum Total	\$ 39,547,302.72	5,396,201

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Pre-Employment Services (T2019 CG and T2019 TT) (Special Calculation)

There are no units of service of pre-employment. Per the methodology document, the pre-employment rates will be set at the supported employment rates. See supported employment

Final Proposed Rate After 10% Legislative Appropriation

Supported Employment Individual T2019:	\$15.46
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Supported Employment Group T2019 HG:	\$9.27
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Pre-Employment Individual T2019 CG:	\$15.46
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Pre-Employment Group T2019 TT:	\$9.27
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Respite (Special Calculation)

Step 1: Calculate benchmark costs as SFY22 rates multiplied by the total units of service reported by the target providers.

Calculation	A	B	C = A * B
Code	SFY22 rate	Target Prov. UOS	Benchmark Costs
S5150	\$ 6.72	1,154,538	\$ 7,758,495.36
S5151	\$ 321.57	\$ 8,170.00	\$ 2,627,226.90
S5150 U2	\$ 4.53	1,597	\$ 7,234.41
S5151 U2	\$ 217.41	-	\$ -
Total	n/a	n/a	\$ 10,392,956.67

Step 2: Calculate the aggregate stop loss by multiplying the total benchmark costs calculated above by 95% and 105%.

105% benchmark costs = \$10,912,604.50

95% benchmark costs = \$9,873,308.84

Step 3: Determine the aggregated providers' sum total costs.

Aggregated Providers' sum total costs = \$10,009,942.60

Step 4: If the providers' sum total costs are less than the -5% aggregate stop loss benchmark costs, take the -5% aggregate stop loss benchmark costs. If the providers' sum total costs are between the -5% and the +5% aggregate stop loss benchmark costs, take the providers' sum total costs. If the providers' sum total costs are greater than the +5% aggregate stop loss benchmark costs, take the +5% aggregate stop loss benchmark costs.

Result: Providers' sum total costs = \$10,009,942.60

Step 5: Convert the daily units (S5151 and S5151 U2) to its fifteen minute equivalent units per the methodology document by multiplying each daily unit by 56. Add the result to the fifteen-minute units (S5150 and S5150 U2)S5101

S5151 Units:	8,170
S5151 U2 Units:	0
Total Daily Units Respite	8,170
X 15-minute equivalent factor:	56
= S5151 and S5151 U2 Units in 15-minute equivalent:	457,520
+ S51050 Units:	1,154,538
+ S5150 U2 Units:	1,597
= Total 15 minute and 15-minute equivalent units:	1,613,655

Step 6: Divide costs from Step 3 by total 15 minute & 15-minute equivalent units from Step 5 to arrive at proposed rate for the 15 minute rate (S5150 and S5150 U2).

Costs (Step 3):	\$10,009,942.60
÷ Units (Step 5):	1,613,655
Proposed Rate (S5151 and S5151 U2) pre-Legislative Appropriation:	\$6.20

Step 7: Calculate the half day equivalent by multiplying the proposed rate for S5150 and S5150 U2 from Step 5 by 56.

Proposed rate (S5150 and S5150 U2) pre-Legislative Appropriation:	\$6.20
X 15-minute equivalent factor:	56
= Proposed rate (S5151 and S5151 U2) pre-Legislative Appropriation:	\$347.38

Step 8: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

For S5150

Proposed rate per Legislative Appropriation:	\$6.20
<u>HB 281 Legislative Appropriation:</u>	<u>+10%</u>
Final Proposed Rate	\$6.82

For S5150 U2

Proposed rate per Legislative Appropriation:	\$6.20
<u>HB 281 Legislative Appropriation:</u>	<u>+10%</u>
Final Proposed Rate	\$6.82

For S5151

Proposed rate per Legislative Appropriation:	\$347.38
<u>HB 281 Legislative Appropriation:</u>	<u>+10%</u>
Final Proposed Rate	\$382.12

For S5151 U2

Proposed rate per Legislative Appropriation:	\$347.38
<u>HB 281 Legislative Appropriation:</u>	<u>+10%</u>
Final Proposed Rate	\$382.12

Below are the detailed costs and units by provider that were utilized in the above calculation for Respite.

Provider	Respite (\$5150, \$5150 U2, \$5151, \$5151 U2) Costs	Respite 15 Minute (\$5150) Units	Respite Per Day (\$5151) Units	Respite - Family 15 Minute (\$5150 U2) Units	Respite - Family Per Day (\$5151 U2) Units
Provider A	\$ 508,306.04	69,567	330		
Provider B	\$ 275,101.34	31,528	94		
Provider C	\$ 1,305,810.21	201,901	5,297		
Provider D					
Provider E					
Provider G					
Provider H	\$ 421,142.83	52,544	123	1,432	
Provider I	\$ 179,724.70	17,094	7		
Provider J	\$ 322,117.72	31,594	44		
Provider K	\$ 266,745.88	49,244	79	165	
Provider L	\$ 898,401.33	125,966	665		
Provider M	\$ 1,450,798.11	152,249	667		
Provider N	\$ 1,268,333.82	90,759	263		
Provider O	\$ 502,542.72	42,373	132		
Provider P	\$ 455,275.32	60,277	128		
Provider Q					
Provider R	\$ 17,753.85	453			
Provider S	\$ 384,727.58	27,551	30		
Provider T	\$ 1,407,281.58	175,918	230		
Provider U	\$ 345,820.93	25,347	81		
Provider V					
Provider W					
Provider X	\$ 58.64	173			
Sum Total	\$ 10,009,942.60	1,154,538	8,170	1,597	-

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Supported Employment (Special Calculation)

Step 1: Calculate benchmark costs as SFY22 rates multiplied by the total units of service reported by the target providers.

Calculation	A	B	C = A * B
Code	SFY22 rate	Target Provider Units of Ser.	Benchmark Costs
T2019	\$13.00	231,901	\$3,014,713.00
T2019 HQ	\$9.11	82,117	\$748,085.87
Total	n/a	n/a	\$3,762,798.87

Step 2: Calculate the aggregate stop loss by multiplying the total benchmark costs calculated above by 95% and 105%.

105% benchmark costs = \$3,950,938.81

95% benchmark costs = \$3,574,658.93

Step 3: Determine the aggregated providers' sum total costs.

Aggregated Providers' sum total costs = \$4,000,606.52

Step 4: If the providers' sum total costs are less than the -5% aggregate stop loss benchmark costs, take the -5% aggregate stop loss benchmark costs. If the providers' sum total costs are between the -5% and the +5% aggregate stop loss benchmark costs, take the providers' sum total costs. If the providers' sum total costs are greater than the +5% aggregate stop loss benchmark costs, take the +5% aggregate stop loss benchmark costs.

Result: 105% Benchmark Costs = \$3,950,938.81

Step 5: Calculate the proposed rates pre-Legislative Appropriation for individual (T2019) and group (T2019 HQ) such that:

- 1) (the to be calculated individual rate x the target provider units of services) + (the to be calculated group rate x the target provider units of service) equals the Final Allowable Total Costs calculated above, and
- 2) the group rate is 60% of the individual rate.

Component	Target Provider Units of Sev.	Rates (To be Calculate)	Calculation:
T2019	231,901	\$ 14.05	\$ 3,258,607.79
Rate Differential		60%	
T2019 HQ	82,117	\$ 8.43	\$ 692,331.03
		Calculated Costs	\$ 3,950,938.82
		105% Benchmark Costs	\$ 3,950,938.81
		Variance (Needs to be ~\$0)	\$ (0.01)

Step 6: Calculate the final proposed rate by multiplying the proposed rate pre-Legislative Appropriation by 10% to account for the 10% Legislative Appropriation per HB 281.

For T2019

Proposed rate per Legislative Appropriation: \$14.05
 HB 281 Legislative Appropriation: +10%
 Final Proposed Rate \$15.46

For T2019 HQ

Proposed rate per Legislative Appropriation: \$8.43
 HB 281 Legislative Appropriation: +10%
 Final Proposed Rate \$9.27

Below are the detailed costs and units by provider that were utilized in the above calculation for Supported Employment.

Provider	Supported Employment (T2019 & T2019 HQ) Costs	Supported Employment (T2019) Units	Supported Employment (T2019 HQ) Units
Provider A			
Provider B			
Provider C			
Provider D			
Provider E			
Provider G			
Provider H	\$ 19,617.70	2,018	
Provider I	\$ 182,595.29	867	12,399
Provider J	\$ 66,129.91	7,604	
Provider K			
Provider L			
Provider M	\$ 517,866.90	42,604	13,431
Provider N	\$ 789,820.31	50,707	8,403
Provider O	\$ 395,294.13	10,456	38,221
Provider P			
Provider Q			
Provider R			
Provider S	\$ 922,546.57	47,080	4,917
Provider T	\$ 167,464.56	20,830	
Provider U	\$ 939,271.15	49,735	4,746
Provider V			
Provider W			
Provider X			
Total	\$ 4,000,606.52	231,901	82,117

The provider detail above is the costs and units from the provider cost report after application of the processes in (2) Producing Allowable Cost Pools for Each Service from Full Annual Reports from the methodology document located at: https://health.alaska.gov/dsds/Documents/docs/Personal_Care_Assistant-Waiver_Rate_Setting_Methodology.pdf.

Modeled Methodologies

Below are the calculation files for the services whose rates are set via modeled methodologies.

Care Coordination (T2022, T2022 CG, T2022 TS, T1023 SE, T2024 SE)

Care Coordination Background:

Programmatic staff at the Division of Senior and Disabilities Services (DSDS) provided the Office of Rate Review (ORR) guidance that the following services would be set at the same rate:

- | | | | |
|----------------------------------|-----------|----------|-----------------------|
| 1. Care Coordination On-Going | Per Month | T2022 | 1915c waivers (All 4) |
| 2. Care Coordination On-Going | Per Month | T2022 CG | IDD-ISW |
| 3. LTSS Targeted Case Management | Per Month | T2022 TS | Comm. First Choice |

The justification for all six of the care coordination services being paid at the same rate is:

Under the flexibilities approved by the U.S. Centers for Medicare and Medicaid Services in Appendix K during the Public Health Emergency, the Division of Senior and Disabilities Services (SDS) has not required care coordinators to conduct in-person visits. Instead, a care coordinator can use technology to check in regularly with the recipients on their caseload. SDS is working towards regulations amendments that change the in-person contact requirements for all care coordinators providing monthly care coordination services under 7 AAC 130 and Community First Choice services under 7 AAC 127 to twice per year, and to expressly allow face-to-face contact using secure technology monthly (in lieu of in-person contact) during the months between the in-person contacts. These amendments will affect on-going care coordination for Alaska's five 1915(c) waivers (IDD, ALI, APDD, CCMC, and ISW) and the long-term services and supports targeted case management services provided to recipients on only the Community First Choice program. All ongoing care coordination and LTSS targeted case management services will have the same requirement for in-person visits, so should receive the same compensation.

Modeled Component	SDS Case Management Monthly	Calculation
Wage	\$26.72	A
Fringe Benefits	43.50%	B
<i>Direct Service Cost per Hour</i>	\$38.34	C = A * (1+B)
Administrative	10.00%	D
<i>Total Service Cost per Hour</i>	\$42.17	E = C * (1+D)
Working Hours Per Year	2,080	F
Months in a Year	12	G
Working Hours Per Month	173.33	H = (F / G)
Case load	27.1	I
Time per Month Per Client	6.40	J = (H / I)
Proposed Rate (Monthly)	\$269.89	K = (E * J)

Note: The Alaska Legislature appropriated an additional 10% increase to rates to allow providers to provide a 10% increase to employee wages. Therefore, the Proposed Rate above is increased 10% to align with Legislative intent.

Source: <https://www.akleg.gov/PDF/32/Bills/HB0281Z.PDF>

17 It is the intent of the legislature that the employer entities receiving the increased
18 reimbursement rate for providing services under the Home and Community Based Service
19 Waivers, Personal Care Assistant State Plan, Community First Choice, and the Long Term
20 Services and Supports, Targeted Case Management programs provide a 10% increase to
21 employee wages.

Proposed Rate pre-Legislative increase =	\$269.89	
<u>Legislative appropriation</u>	<u>10% increase</u>	
Proposed rate post-Legislative increase =	\$296.88	T2022, T2022 CG, and T2022 TS

**SDS Care Coordination
Rate Calculation
Application for Waiver or Community First Choice**

Modeled Component	T1023 SE (Application)	Calculation
Wage	\$26.72	A
Fringe Benefits	43.50%	B
<i>Direct Service Cost per Hour</i>	\$38.34	$C = A * (1+B)$
Administrative	10.00%	D
<i>Total Service Cost per Hour</i>	\$42.17	$E = C * (1+D)$
Hours	1	F
Proposed Rate	\$42.17	$G = E * F$

Note: The Alaska Legislature appropriated an additional 10% increase to rates to allow providers to provide a 10% increase to employee wages. Therefore, the Proposed Rate above is increased 10% to align with Legislative intent.

Source: <https://www.akleg.gov/PDF/32/Bills/HB0281Z.PDF>

17 It is the intent of the legislature that the employer entities receiving the increased
18 reimbursement rate for providing services under the Home and Community Based Service
19 Waivers, Personal Care Assistant State Plan, Community First Choice, and the Long Term
20 Services and Supports, Targeted Case Management programs provide a 10% increase to
21 employee wages.

Proposed Rate pre-Legislative increase =	\$42.17	
<u>Legislative appropriation</u>	<u>10% increase</u>	
Proposed rate post-Legislative increase =	\$46.17	T1023 SE

NOTE: Per the American Rescue Plan Act (ARPA), states that receive the temporary 10 percentage point increase to the federal assistance medical percentage (FMAP) must maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.

Proposed rate post-Legislative increase =	\$46.17	T1023 SE
April 1, 2021 rate	\$94.90	T1023 SE

In order to comply with the ARPA, the rate for T1023 SE will not be rebased since that would result in a reduction below the April 1, 2021 rate. Instead, the rate will be maintained at the July 1, 2022 rate of \$106.59 which is the SFY22 rate with the legislative appropriation 10% included.

**SDS Care Coordination
Rate Calculation
Support Plan & Renewal**

Modeled Component	T2024 SE (Support Plan & Renewal)	Calculation
Wage	\$26.72	A
Fringe Benefits	43.50%	B
<i>Direct Service Cost per Hour</i>	\$38.34	$C = A * (1+B)$
Administrative	10.00%	D
<i>Total Service Cost per Hour</i>	\$42.17	$E = C * (1+D)$
Hours	8	F
Proposed Rate	\$337.36	$G = E * F$

Note: The Alaska Legislature appropriated an additional 10% increase to rates to allow providers to provide a 10% increase to employee wages. Therefore, the Proposed Rate above is increased 10% to align with Legislative intent.

Source: <https://www.akleg.gov/PDF/32/Bills/HB0281Z.PDF>

17 It is the intent of the legislature that the employer entities receiving the increased
18 reimbursement rate for providing services under the Home and Community Based Service
19 Waivers, Personal Care Assistant State Plan, Community First Choice, and the Long Term
20 Services and Supports, Targeted Case Management programs provide a 10% increase to
21 employee wages.

Proposed Rate pre-Legislative increase =	\$337.36	
<u>Legislative appropriation</u>	<u>10% increase</u>	
Proposed rate post-Legislative increase =	\$371.10	T2024 SE

NOTE: Per the American Rescue Plan Act (ARPA), states that receive the temporary 10 percentage point increase to the federal assistance medical percentage (FMAP) must maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.

Proposed rate post-Legislative increase =	\$371.10	T2024 SE
April 1, 2021 rate	\$404.29	T2024 SE

In order to comply with the ARPA, the rate for T2023 SE will not be rebased since that would result in a reduction below the April 1, 2021 rate. Instead, the rate will be maintained at the July 1, 2022 rate of \$454.06 which is the SFY22 rate with the legislative appropriation 10% included.

Community First Choice Skill Building (S5108)

1. Calculate the costs per Personal Care Aide FTE for the Supervisor's time to receive training from the Alaska Division of Senior and Disabilities Services.

Modeled Component	CFC- PCA	Calculation
Wage of First-Line Supervisors of Personal Services Workers	\$ 23.27	A
Supervisor Fringe Benefits	26.30%	B
Supervisor Direct Service Hourly Cost	\$29.39	$C = A * (1+B)$
Hours of Training PCA Supervisor from Division of SDS	6.50	D
Supervision Costs	\$191.04	$E = C * D$
# of Employees the Supervisor Trains	81.80	F
Supervision Costs Per FTE	\$ 2.34	$G = E / F$

2. Calculation the costs per Personal Care Aide FTE for the Supervisor's time to deliver training to its organization's Personal Care Workers.

Modeled Component	CFC- PCA	Calculation
Wage of First-Line Supervisors of Personal Services Workers	\$ 23.27	H = A
Supervisor Fringe Benefits	26.30%	I = B
Supervisor Direct Service Hourly Cost	\$ 29.39	$J = H * (1+I)$
Hours of Training PCAs from PCA Supervisor	3.75	K
Number of PCAs in a PCA Supervisor Training	22.50	L
Number of Hours of PCA Supervisor Time per FTE PCA	0.17	$M = K / L$
Costs of PCA Supervisor Delivering Training to their Agency's PCAs	\$ 5.00	$N = J * M$

3. Calculate the costs per Personal Care Aide FTE for the Personal Care Aide's time to receive the training from the Supervisor.

Modeled Component	CFC- PCA	Calculation
Wage of Personal Care Aides	\$ 17.34	O
Personal Care Aide Fringe Benefits	26.30%	P
Personal Care Aide Direct Service Cost per Hour	\$ 21.90	$Q = O * (1 + P)$
Estimate of the Number of hours for Supervisor to Train PCA	3.75	R = K
PCA Costs per PCA FTE	\$ 82.13	$S = Q * R$

4. Add together the costs per Personal Care Aide FTE for the time for the Supervisor to receive the training from SDS and to deliver the training to its organization's Personal Care Aides as well as the time for the Personal Care Aides to receive the training.

Modeled Component	CFC- PCA	Calculation
Costs per PCA FTE	\$ 89.46	$T = G + N + S$

5. Divide the costs per Personal Care Aide FTE by the average number of units (15 minute) that a PCA will be delivering of Community First Choice Personal Care in a year.

Modeled Component	CFC- PCA	Calculation
Average 15 Minute Units of CFC- PCA	40.2	U
Add-On Costs	\$ 2.23	$V = T / U$
Base Rate (Rebase with 10% Legislative)	\$ 7.55	W
Add-On Costs	\$ 2.23	X = V
Proposed Rate CFC - PCA	\$ 9.78	$Y = W + X$

Residential Supported Living (T2031 UR, T2031 US, T2031, T2031 CG)

(1) Direct Service Wages

Part A: Calculate the wage rate for Certified Nursing Assistants (CNAs) by dividing the CNA wages from W/S S-3, Part V, Row 3, Column 1 by the CNA hours from W/S S-3, Part V, Row 3, Column 4.

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
CNA Wages	\$ 2,872,594.00	\$ 3,378,367.00	6,250,961
CNA Hours	129,463	145,914	275,377
CNA Hourly Wages	\$ 22.19	\$ 23.15	\$ 22.70

Part B: Calculate the direct service hours by combining the Paid Hours Related to Salary from W/S S-3, Part V, Column 4 for Rows 1-3 from Registered Nurses (RNs), Licensed Practical Nurses (LPNs) and Certified Nursing Assistants (CNAs).

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
RN Hours	30,614	71,943	102,557
LPN Hours	16,333	15,405	31,738
CNA Hours	129,463	145,914	275,377
Direct Service Hours	176,410	233,262	409,672

Part C: Calculate the direct service salaries applicable to Residential Supported Living (RSL) by multiplying the CNA hourly wage from Part a by the direct service hours calculated in Part B.

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Direct Service Hours	176,410	233,262	409,672
CNA Hourly Wages	\$ 22.19	\$ 23.15	\$ 22.70
Calculated Direct Service Wages	\$ 3,914,537.90	\$ 5,400,015.30	9,299,554.40

(2) Direct Service Fringe Benefits

Part D: Calculate the dollar value of fringe benefits of direct service staff by summing the W/S S-3 Part V, Column 2 values for Rows 1-3.

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
RN Fringe Benefits	\$ 750,797.00	\$ 1,244,731.00	\$ 1,995,528.00
LPN Fringe Benefits	\$ 328,816.00	\$ 200,967.00	\$ 529,783.00
CNA Fringe Benefits	\$ 1,531,758.00	\$ 1,127,643.00	\$ 2,659,401.00
Direct Service Fringe Benefits	\$ 2,611,371.00	\$ 2,573,341.00	\$ 5,184,712.00

Part E: Calculate the dollar value of Salaries of direct service staff by summing the W/S S-3 Part V, Column 1 values for Rows 1-3.

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
RN Wages	\$ 1,408,013.00	\$ 3,729,158.00	\$ 5,137,171.00
LPN Wages	\$ 616,647.00	\$ 602,088.00	\$ 1,218,735.00
CNA Wages	\$ 2,872,594.00	\$ 3,378,367.00	\$ 6,250,961.00
RN, LPN, CNA Wages	\$ 4,897,254.00	\$ 7,709,613.00	\$ 12,606,867.00

Part F: Calculate the fringe benefit % for direct service staff by dividing the fringe benefits calculated in Part D by the direct service wages calculated in Part E.

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Direct Service Fringe Benefits	\$ 2,611,371.00	\$ 2,573,341.00	\$ 5,184,712.00
RN, LPN, CNA Wages	\$ 4,897,254.00	\$ 7,709,613.00	\$ 12,606,867.00
Fringe Benefit %	53.3%	33.4%	41.1%

Part G: Calculate the fringe benefits for direct service staff by multiplying the fringe benefit % calculated in Part F by the Calculated direct service wage in Part C.

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Calculated Direct Service Wages	\$ 3,914,537.90	\$ 5,400,015.30	\$ 9,299,554.40
Fringe Benefit %	53.3%	33.4%	41.1%
Calculated Fringe Benefits	\$ 2,086,448.70	\$ 1,803,605.11	\$ 3,822,116.86

(3) Overhead

Overhead Costs for Employee Benefits

Employee benefits are reported on Line 3 of Worksheet A. However, the value represents all fringe benefits, some of which have already been calculated above for direct service staff. Therefore, the auditor must calculate the employee benefits for overhead staff.

Part H: Calculate the fringe benefits for overhead employees. First, add together the W/S A, Col 1 (Salaries) values for 1) Admin & General, 2) Laundry & Linen, 3) Housekeeping, 4) Dietary, 5) Central Services & Supply, and 6) Social Services. Second, divide this sum by the total salaries on W/S A, Row 100, Col. 1 to determine the percentage of total salaries that are attributable to overhead staff. Third, multiply the percentage of Salaries attributable to overhead staff by total employee benefits from W/S A, Line 3, Column 7 to determine the value of fringe benefits attributable to overhead staff.

Component	Component Detail	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Salaries	Administrative & General	\$ 431,822.00	\$ 849,580.00	\$ 1,281,402.00
+ Salaries	Laundry & Linen Service	\$ 83,265.00	\$ 192,544.00	\$ 275,809.00
+ Salaries	Housekeeping	\$ 154,956.00	\$ 300,916.00	\$ 455,872.00
+ Salaries	Dietary	\$ 481,925.00	\$ 223,045.00	\$ 704,970.00
+ Salaries	Central Services & Supply	\$ 59,677.00	\$ -	\$ 59,677.00
+ Salaries	Social Service	\$ 259,787.00	\$ 136,094.00	\$ 395,881.00
= Subtotal Salaries	Allowable Overhead Salaries	\$ 1,471,432.00	\$ 1,702,179.00	\$ 3,173,611.00
÷ Total Salaries	Total Salaries	\$ 7,446,041.00	\$ 11,771,431.00	\$ 19,217,472.00
= Allowable overhead Salaries as a percentage of total salaries	Allowable overhead salaries as a percentage of total salaries	19.8%	14.5%	16.5%
x Employee Benefits	Emp. Benefits, W/S A, Col 7	\$ 3,970,466.00	\$ 4,256,718.00	\$ 8,227,184.00
= Allowable overhead employee benefits	Allowable overhead employee benefits	\$ 786,152.27	\$ 617,224.11	\$ 1,357,485.36

Overhead for "All Other" (Wages and Other, Not Fringe Benefits)

Wage Portion

Part I: Calculate the allowable overhead wage by adding the salaries from W/S A Col 1 for 1) Admin & General, 2) Laundry & Linen, 3) Housekeeping, 4) Dietary, 5) Central Services & Supply, and 6) Social Services. Capital related costs for building & fixtures and for moveable equipment cannot be used because it is considered "room and board".

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Allowable Overhead Wage Portion	\$ 1,471,432	\$ 1,702,179	\$ 3,173,611

Other Portion

Part J: Calculate the overhead other section by subtracting the salaries (Col 1) from the Net Expenses for Allocation (Col 7) for each category of 1) Admin & General, 2) Laundry & Linen, 3) Housekeeping, 4) Central Services & Supply, and 5) Social Services. The other portion of Dietary cannot be used because it is considered "room & board" and is an unallowable waiver expense.

Component	Component Detail	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Net Expenses for Allocation	Administrative & General	\$ 1,787,254	\$ 2,978,491	\$ 4,765,745
Salaries	Administrative & General	\$ 431,822	\$ 849,580	\$ 1,281,402
=	Other Administrative & General	\$ 1,355,432	\$ 2,128,911	\$ 3,484,343
Net Expenses for Allocation	Laundry & Linen Service	\$ 115,390	\$ 194,172	\$ 309,562
Salaries	Laundry & Linen Service	\$ 83,265	\$ 192,544	\$ 275,809
=	Other Laundry & Linen Service	\$ 32,125	\$ 1,628	\$ 33,753
Net Expenses for Allocation	Housekeeping	\$ 217,048	\$ 280,107	\$ 497,155
Salaries	Housekeeping	\$ 154,956	\$ 300,916	\$ 455,872
=	Other Housekeeping	\$ 62,092	\$ (20,809)	\$ 41,283
Net Expenses for Allocation	Central Services & Supply	\$ 462,464	\$ -	\$ 462,464
Salaries	Central Services & Supply	\$ 59,677	\$ -	\$ 59,677
=	Other Central Services & Supply	\$ 402,787	\$ -	\$ 402,787
Net Expenses for Allocation	Social Service	\$ 278,163	\$ 149,917	\$ 428,080
Salaries	Social Service	\$ 259,787	\$ 136,094	\$ 395,881
=	Other Social Service	\$ 18,376	\$ 13,823	\$ 32,199

Part K: Add together the other expenses for the overhead cost centers calculated in Part J.

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Other Administrative & General	\$ 1,355,432	\$ 2,128,911	\$ 3,484,343
Other Laundry & Linen Service	\$ 32,125	\$ 1,628	\$ 33,753
Other Housekeeping	\$ 62,092	\$ (20,809)	\$ 41,283
Other Central Services & Supply	\$ 402,787	\$ -	\$ 402,787
Other Social Service	\$ 18,376	\$ 13,823	\$ 32,199
Total Other General Service Costs	\$ 1,870,812	\$ 2,123,553	\$ 3,994,365

Part L: Calculate the allowable overhead prior to the calculation of the percentage applicable by adding the overhead wage portion from Part J and the overhead other portion from Part K.

Component	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Allowable Overhead Wage Portion	\$ 1,471,432	\$ 1,702,179	\$ 3,173,611
Total Other General Service Costs	\$ 1,870,812	\$ 2,123,553	\$ 3,994,365
Allowable Overhead Prior to Percentage Application	\$ 3,342,244	\$ 3,825,732	\$ 7,167,976

Part M: Calculate the non-general service costs by subtracting the overhead cost center from W/S A Col. 7, Lines 1-13 from the facility's total expenses from W/S A, Col 7, Line 100.

Component	Component Detail	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
W/S A Col 7	Total Expenses	\$ 16,858,228	\$ 26,400,285	\$ 43,258,513
W/S A Col 7	Cap Rel Costs - Bldgs. & Fixtures	\$ 1,363,802	\$ 4,771,929	\$ 6,135,731
W/S A Col 7	Cap Rel Costs - Movable Equipment	\$ 123,931	\$ 595,518	\$ 719,449
W/S A Col 7	Employee Benefits	\$ 3,970,466	\$ 4,256,718	\$ 8,227,184
W/S A Col 7	Administrative & General	\$ 1,787,254	\$ 2,978,491	\$ 4,765,745
W/S A Col 7	Plant Operation, Maint. & Repair	\$ 768,926	\$ 744,916	\$ 1,513,842
W/S A Col 7	Laundry & Linen Service	\$ 115,390	\$ 194,172	\$ 309,562
W/S A Col 7	Housekeeping	\$ 217,048	\$ 280,107	\$ 497,155
W/S A Col 7	Dietary	\$ 803,304	\$ 601,315	\$ 1,404,619
W/S A Col 7	Nursing Administration	\$ 745,692	\$ 1,493,450	\$ 2,239,142
W/S A Col 7	Central Services & Supply	\$ 462,464	\$ -	\$ 462,464
W/S A Col 7	Pharmacy		\$ 115,777	\$ 115,777
W/S A Col 7	Medical Records & Library	\$ 60,486	\$ 236,466	\$ 296,952
W/S A Col 7	Social Service	\$ 278,163	\$ 149,917	\$ 428,080
=	Non-general service costs	\$ 6,161,302	\$ 9,981,509	\$ 16,142,811

Part N: Calculate the percentage of allowable overhead by dividing the calculated direct service wage from Part C by the non-general service costs. Next, multiply this percentage by the allowable overhead prior to allocation to determine the amount of allowable overhead.

Component Detail	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Calculated Direct Service Wages	\$ 3,914,538	\$ 5,400,015	\$ 9,314,553
÷ Non-general service costs	\$ 6,161,302	\$ 9,981,509	\$ 16,142,811
= Percentage of allowable overhead	63.5%	54.1%	57.7%
x Allowable Overhead Prior to Percentage Application	\$ 3,342,244	\$ 3,825,732	\$ 7,167,976
= Allowable Overhead All Other (Wages and Other, Not FB)	\$ 2,123,470	\$ 2,069,728	\$ 4,135,989

(4) Raw Rate Calculation

Part O: Add together the allowable residential support living costs for 1) direct service wages from Part C, 2) calculated fringe benefits from Part G, 3) allowable overhead for employee benefits from Part H, and 4) the allowable overhead for everything but employee benefits from Part N.

Component Detail	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Calculated Direct Service Wages	\$ 3,914,538	\$ 5,400,015	\$ 9,299,554
+ Calculated Fringe Benefits	\$ 2,086,449	\$ 1,803,605	\$ 3,822,117
+ Allowable overhead employee benefits	\$ 786,152	\$ 617,224	\$ 1,357,485
+ Allowable Overhead All Other (Wages and Other, Not FB)	\$ 2,123,470	\$ 2,069,728	\$ 4,135,989
= Total allowable residential supported living costs	\$ 8,910,609	\$ 9,890,573	\$ 18,615,146

Part P: Calculate the allowable RSL percentage by dividing the total allowable residential supported living costs from Part O by the total Expenses on W/S A, Col. 7, Line 100.

Component Detail	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Total allowable residential supported living costs	\$ 8,910,609.01	\$ 9,890,572.79	\$ 18,801,181.79
÷ Total Expenses	\$ 16,858,228.00	\$ 26,400,285.00	\$ 43,258,513.00
= RSL Percentage	52.9%	37.5%	43.0%

Part Q: Calculate the weight for each Anchorage Nursing Home Facility by dividing the total Medicaid days from the CY20 MR-O-14 for each facility by the total MR-O-14 Medicaid days from each Anchorage facility.

Component Detail	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
CY20 Medicaid Days (MR-O-14)	21,012	30,023	51,035
÷ Total Days all Anchorage NH Facilities	51,035	51,035	n/a
= Weight of Each Anchorage NH Facility	41.2%	58.8%	100.0%

Part R: Calculated the weighted average Anchorage NH facility rate using the weights calculated in Part Q by the CY20 Medicaid rate for each facility from the ORR Rate Memo from 1/22/2020. The weighted average component for each facility is added together.

Component Detail	Anchorage Nursing Home #1	Anchorage Nursing Home #2	Combined
Weight of Each Anchorage NH Facility	41.2%	58.8%	100.0%
x Medicaid Rate CY20	\$ 513.72	\$ 798.37	
= Weighted portion for each provider	\$ 211.51	\$ 469.67	\$ 681.17

Part S: Calculate the raw rate by multiplying the RSL percentage from Part P by the weighted average Anchorage Nursing Home rate calculated in Part R.

Component	Combined
Weighted Average Anchorage Nursing Home Rate	\$ 681.17
x RSL Percentage	43.0%
= Raw Rate	\$ 293.13

(5) Converting Raw Medicaid Reimbursement Rates into Final Rate

Part T: Calculate the average benchmark rate by multiplying the weight of the units of service of the most recent state fiscal year past timely filing for each procedure code by the rate during the prior state fiscal year.

Component	DOS SFY20 Units	Weight	SFY22 Rate	Weighted Average Calc
T2031 UR	110,897	31.4%	\$ 154.97	\$ 48.71
T2032 US	118,261	33.5%	\$ 159.54	\$ 53.47
T2031	123,687	35.1%	\$ 170.27	\$ 59.69
Calculation	352,845			\$ 161.86

Part U: Calculate the upper and lower bound of a proposed rate for the Stop Loss by determining 95% of the average RSL benchmark rate and 105% of the average RSL benchmark rate.

95% of average RSL benchmark rate = $\$161.86 \times 95\% = \153.77
 105% of average RSL benchmark rate = $\$161.86 \times 105\% = 169.96$

Part V: Compare the raw rate calculated in Part S against the stop loss thresholds calculated in Step U.

If the raw rate is between the 95% and 105%, then the raw rate becomes the proposed RSL rate.

If the raw rate is less than the 95% threshold rate, the 95% threshold rate becomes the proposed RSL rate.

If the raw rate is greater than the 105% threshold rate, the 105% threshold rate becomes the proposed RSL rate.

Result: The raw rate of \$293.12 from Part S is higher than the 105% threshold stop loss rate from Part U of \$169.96. Therefore, the \$169.96 would become the proposed rate.

Note: The Alaska Legislature appropriated an additional 10% increase to rates to allow providers to provide a 10% increase to allow providers to provider a 10% increase to employee wages. Therefore, the proposed rate above is increased 10% to align with Legislative intent.

Source: <https://www.akleg.gov/PDF/32/Bills/HB0281Z.PDF>

17 It is the intent of the legislature that the employer entities receiving the increased
 18 reimbursement rate for providing services under the Home and Community Based Service
 19 Waivers, Personal Care Assistant State Plan, Community First Choice, and the Long Term
 20 Services and Supports, Targeted Case Management programs provide a 10% increase to
 21 employee wages.

Proposed rate pre-Legislative increase: \$169.96
Legislative appropriation: 10% increase
 Proposed rate post-Legislative increase: \$186.96 (T2031, T2031 UR, T2031 US, T2031 CG)

Transportation (T2003, T2003 TN, T2001 SE, T2003 CG)

Modeled Component	Components	Calculation
Wage	\$14.52	A
Fringe Benefits	26.30%	B
<i>Direct Service Cost per Hour</i>	\$18.34	$C = A * (1+B)$
Administrative	11.50%	D
<i>Total Service Cost per Hour</i>	\$20.45	$E = C * (1+D)$
Average time to complete trip (minutes)	23.90	F
Average time to complete trip (% of hour)	39.8%	$G = F / 60 \text{ minutes}$
Total Service Cost per Trip	\$ 8.14	$H = E * G$
Miles per trip	15	I
IRS Standard Mileage Rate	\$ 0.625	J
Mileage Cost Per Trip	\$ 9.38	$K = I * J$
Total Service Cost per Trip	\$ 8.14	See H
Mileage Cost per Trip	\$ 9.38	See K
Proposed Rate 0-20 Miles	\$ 17.52	$L = E + K$

Note: The Alaska Legislature appropriated an additional 10% increase to rates to allow providers to provide a 10% increase to employee wages. Therefore, the Proposed Rate above is increased 10% to align with Legislative intent.

Source: <https://www.akleg.gov/PDF/32/Bills/HB0281Z.PDF>

17 It is the intent of the legislature that the employer entities receiving the increased
 18 reimbursement rate for providing services under the Home and Community Based Service
 19 Waivers, Personal Care Assistant State Plan, Community First Choice, and the Long Term
 20 Services and Supports, Targeted Case Management programs provide a 10% increase to
 21 employee wages.

Proposed Rate pre-Legislative increase =	\$17.52	
Legislative appropriation:	10% increase	
Proposed rate post-Legislative increase =	\$19.27	(T2003 and T2001 SE)
Rate differential:	2x	See Methodology Page 12
Proposed Rate post-Legislative increase=	\$38.54	(T2003 TN and T2003 CG)