

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



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January 22, 2024

Kristin Sousa  
Deputy Secretary and Acting Medicaid Director  
Rhode Island Executive Office of Health and Human Services  
3 West Rd, Virks Building  
Cranston, RI 02920

Dear Kristin Sousa:

The Centers for Medicare & Medicaid Services (CMS) is approving the state's April 6, 2023, request to amend certain home and community-based services (HCBS) payment rates for individuals with intellectual and developmental disabilities under the section 1115(a) demonstration titled, "Rhode Island Comprehensive Demonstration" (Project Number 11-W-00242/1) (the "demonstration").

CMS is approving the payment rate methodology documentation that supports changes to HCBS payment rates for the services represented in the state's request, including for group homes, supportive living, shared living arrangements, community-based supports, center-based supports, respite, discovery and job development, job coaching, group support employment, personal care in the workplace, transportation, peer supports and family-to-family training, and supports brokerage. The effective date of these rate increases is July 1, 2023.

It is important to note that CMS acceptance of these payment methodology updates only addresses the state's compliance with the applicable Medicaid authorities. CMS approval does not address the state's independent and separate obligations under federal laws including, but not limited to, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, or the Supreme Court's Olmstead decision. Guidance from the Department of Justice concerning compliance with the Americans with Disabilities Act and the Olmstead decision is available at [http://www.ada.gov/olmstead/q&a\\_olmstead.htm](http://www.ada.gov/olmstead/q&a_olmstead.htm).

CMS reminds the state that the state must have an approved spending plan in order to use the money realized from section 9817 of the American Rescue Plan (ARP). Approval of this action does not constitute approval of the state's spending plan.

If you have any questions concerning CMS' review of the state's payment rate methodology, please contact Daphne Hicks at [daphne.hicks@cms.hhs.gov](mailto:daphne.hicks@cms.hhs.gov) or at (214) 767-6471.

You may also contact your project officer for this demonstration, Kathleen O'Malley. She is available to answer any questions concerning your demonstration. Her contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
Mail Stop: S2-25-26  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Email: [Kathleen.OMalley@cms.hhs.gov](mailto:Kathleen.OMalley@cms.hhs.gov)  
Phone: (410) 786-8987

If you have questions regarding this approval, please contact George P. Failla, Jr., Director, Division of HCBS Operations and Oversight at 410-786-7561, or Angela Garner, Director, Division of System Reform Demonstrations, Center for Medicaid and CHIP Services, at (410) 786-1074.

Sincerely,

George P.  
Failla Jr -S

Digitally signed by George  
P. Failla Jr -S  
Date: 2024.01.22  
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George P. Failla, Jr.,  
Director

Angela D.  
Garner -S

Digitally signed by Angela  
D. Garner -S  
Date: 2024.01.22  
09:54:12 -05'00'

Angela Garner  
Director

Enclosure

cc: Joyce Butterworth, State Monitoring Lead, CMS Managed Care Group

**Rhode Island Executive Office of Health and Human Services**  
**Comparison of Proposed Rates to Current Published Rates for Select HCBS Services**

| Service/Variation | Unit | Current Rate | Proposed Rate | Notes |
|-------------------|------|--------------|---------------|-------|
|-------------------|------|--------------|---------------|-------|

*Group Home – CPT Code T2033 and modifiers*

|        |     |          |          |   |
|--------|-----|----------|----------|---|
| Tier A | Day | \$181.91 | \$293.79 | Proposed rates are based on a 344-day billing year; current rates have been converted to a 344-day equivalent for comparative purposes. |
| Tier B | Day | \$181.91 | \$350.56 |   |
| Tier C | Day | \$256.89 | \$407.31 |   |
| Tier D | Day | \$414.29 | \$472.96 |   |
| Tier E | Day | \$464.32 | \$529.78 |   |

*Supportive Living – CPT Code T2016 and modifiers*

|        |                           |     |          |          |   |
|--------|---------------------------|-----|----------|----------|---|
| Tier A | Awake Overnight           | Day | \$181.91 | \$266.03 | New service to replace some Non-Congregate Residential services (others will transition to Community-Based Supports).<br><br>Proposed rates are based on a 344-day billing year; current rates for Non-Congregate Residential have been converted to a 344-day equivalent for comparative purposes. |
|        | Asleep/ On-Call Overnight | Day | \$181.91 | \$208.52 |   |
| Tier B | Awake Overnight           | Day | \$181.91 | \$316.49 |   |
|        | Asleep/ On-Call Overnight | Day | \$181.91 | \$258.98 |   |
| Tier C | Awake Overnight           | Day | \$256.89 | \$369.50 |   |
|        | Asleep/ On-Call Overnight | Day | \$256.89 | \$311.94 |   |
| Tier D | Awake Overnight           | Day | \$414.29 | \$428.79 |   |
|        | Asleep/ On-Call Overnight | Day | \$414.29 | \$371.28 |   |
| Tier E | Awake Overnight           | Day | \$464.32 | \$466.71 |   |
|        | Asleep/ On-Call Overnight | Day | \$464.32 | \$409.20 |   |

*Shared Living Arrangement - CPT Code T2033 and modifiers*

|                  |     |          |          |   |
|------------------|-----|----------|----------|---|
| Tier A, Standard | Day | \$76.24  | \$147.26 | Proposed rates are based on a 344-day billing year; current rates have been converted to a 344-day equivalent for comparative purposes. |
| Tier B, Standard | Day | \$93.04  | \$164.95 |   |
| Tier C, Standard | Day | \$118.13 | \$187.49 |   |
| Tier D, Standard | Day | \$141.51 | \$210.02 |   |
| Tier E, Standard | Day | \$141.51 | \$227.71 |   |
| Tier A, Enhanced | Day |          | \$178.21 |   |
| Tier B, Enhanced | Day |          | \$202.09 |   |
| Tier C, Enhanced | Day |          | \$230.81 |   |
| Tier D, Enhanced | Day |          | \$309.06 |   |
| Tier E, Enhanced | Day |          | \$339.12 |   |

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*Community-Based Supports (includes current Community-Based Supports and Community-Based Day Program)- CPT Code T2017 and modifiers*

|   |         |        |         |  |
|---|---------|--------|---------|--|
| Community-Based Supports, 1:1           | 15 Min. | \$9.47 | \$12.36 |  |
| Community-Based Supports, 1:2           | 15 Min. | \$5.45 | -       |  |
| Community-Based Supports, 1:3           | 15 Min. | \$3.79 | -       | Services currently billed under shared Community-Based Supports will transition to the tiered group rates. |
| Community-Based Supports, 1:4           | 15 Min. | \$2.96 | -       |  |
| Community-Based Supports, 1:5           | 15 Min. | \$2.46 | -       |  |
| Community-Based Supports, 1:6           | 15 Min. | \$2.13 | -       |  |
| Community-Based Supports, Group, Tier A | 15 Min. | \$2.01 | \$5.61  |  |
| Community-Based Supports, Group, Tier B | 15 Min. | \$2.01 | \$5.61  |  |
| Community-Based Supports, Group, Tier C | 15 Min. | \$4.67 | \$6.63  |  |
| Community-Based Supports, Group, Tier D | 15 Min. | \$9.56 | \$8.12  |  |
| Community-Based Supports, Group, Tier E | 15 Min. | \$9.56 | \$10.72 |  |

*Center-Based Supports (current Center-Based Day Program) – CPT Code T2021 and modifiers*

|                                   |         |        |         |  |
|-----------------------------------|---------|--------|---------|--|
| Center-Based Supports, Individual | 15 Min. |        | \$11.78 |  |
| Center-Based Supports, Tier A     | 15 Min. | \$1.38 | \$3.33  |  |
| Center-Based Supports, Tier B     | 15 Min. | \$1.59 | \$3.33  |  |
| Center-Based Supports, Tier C     | 15 Min. | \$2.26 | \$4.04  |  |
| Center-Based Supports, Tier D     | 15 Min. | \$3.45 | \$5.25  |  |
| Center-Based Supports, Tier E     | 15 Min. | \$9.47 | \$6.20  |  |

*Respite – CPT Code T1005 and modifiers; S9125 for emergency respite*

|             |         |          |          |   |
|-------------|---------|----------|----------|---|
| Hourly, 1:1 | 15 Min. | \$7.71   | \$11.28  | Daily rate for use in cases of Emergency SLA placements, using the Enhanced Tier E SLA rate |
| Hourly, 1:2 | 15 Min. |          | \$6.37   |   |
| Hourly, 1:3 | 15 Min. |          | \$4.32   |   |
| Daily, 1:1  | Day     | \$277.56 | \$406.08 |   |

*Discovery and Job Development – CPT Code T2025*

|                 |         |         |         |  |
|-----------------|---------|---------|---------|--|
| Discovery       | 15 Min. |         | \$17.61 | Current hourly Development/ Assessment rate is reported as a 15-minute equivalent for comparability. |
| Job Development | 15 Min. | \$15.05 | \$19.73 |  |

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|-------------------|------|--------------|---------------|-------|

*Job Coaching – CPT 2019 and modifiers*

|                       |         |          |         |  |
|-----------------------|---------|----------|---------|--|
| Tier A                | 15 Min. |          | \$18.06 |  |
| Tier B                | 15 Min. |          | \$18.06 |  |
| Tier C                | 15 Min. | \$9.69   | \$18.06 | Current Job Coaching and Job Retention rates will be consolidated under a single reimbursement framework based on hours of support provided. |
| Tier D                | 15 Min. |          | \$18.06 |  |
| Tier E                | 15 Min. |          | \$18.06 |  |
| Job Retention, Tier A | Month   | \$216.39 | -       |  |
| Job Retention, Tier B | Month   | \$299.88 | -       |  |
| Job Retention, Tier C | Month   | \$386.66 | -       |  |
| Job Retention, Tier D | Month   | \$580.00 | -       |  |
| Job Retention, Tier E | Month   | \$727.22 | -       |  |

*Group Support Employment – CPT 2019 and modifiers*

|                                 |         |  |        |        |
|---------------------------------|---------|--|--------|--------|
| Group Supported Employment, 1:2 | 15 Min. |  | \$5.57 | \$8.53 |
| Group Supported Employment, 1:3 | 15 Min. |  | \$3.88 | \$5.79 |
| Group Supported Employment, 1:4 | 15 Min. |  | \$3.03 | \$4.41 |
| Group Supported Employment, 1:5 | 15 Min. |  | \$2.52 | \$3.58 |
| Group Supported Employment, 1:6 | 15 Min. |  | \$2.18 | \$3.01 |

*Personal Care in the Workplace - New CPT codes to be established for this Personal Care service.*

|                                |         |   |  |         |
|--------------------------------|---------|---|--|---------|
| Personal Care in the Workplace | 15 Min. | - |  | \$12.36 |
|--------------------------------|---------|---|--|---------|

*Transportation – CPT Code T2003*

|           |      |         |         |   |
|-----------|------|---------|---------|---|
| Tiers A-C | Trip | \$10.62 | -       | Current tiered rates would be replaced with rates based on the number of individuals transported. |
| Tiers D-E | Trip | \$18.64 | -       |   |
| All Tiers | Trip | -       | \$21.20 |   |

*Peer Supports and Family-to-Family Training - New CPT codes to be established for these Peer Support services.*

|                           |         |   |         |
|---------------------------|---------|---|---------|
| Peer Supports             | 15 Min. | - | \$11.65 |
| Family to Family Training | 15 Min. | - | \$11.18 |

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| Service/Variation                                    | Unit                            | Current Rate | Proposed Rate | Notes   |
|--|---------------------------------|--------------|---------------|---|
| <i>Supports Brokerage – CPT Code T2041</i>           |                                 |              |               |   |
| Supports Brokerage                                   | 15 Min.                         | \$12.50      | \$15.99       |   |
| <i>Professional Services – CPT Codes T2017/T2021</i> |                                 |              |               |   |
| Registered Nurse                                     | Community<br>Office/ Telehealth | 15 Min.      | \$13.13       | Service incorporates current Natural Supports Training by Professional Staff and Professional Supports while at Day Program services. |
| Licensed Practical Nurse                             | Community<br>Office/ Telehealth | 15 Min.      |               |   |
|  |                                 | 15 Min.      |               |   |
|  |                                 | 15 Min.      |               |   |

**Service Rate Methodology**

Except as noted below, home and community-based services for individuals with intellectual and developmental disabilities are reimbursed on a prospective, fee-for-service basis. The services above are all Core services under Attachment B of the state’s 1115 Demonstration Waiver (none are “Preventive.”

Responsibility for rate determination and oversight of rates for home and community-based services for individuals with I/DD is shared between the Executive Office of Health and Human Services (EOHHS) and the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH).

BHDDH contracted with the Burns & Associates division of the national consulting firm Health Management Associates (HMA-Burns) in 2022 to conduct a comprehensive evaluation of payment rates for private providers. HMA-Burns’ rate-setting methodology included the following:

- A series of meetings with BHDDH staff, the District Court’s appointed Court Monitor, service providers, and family members of individuals receiving services to discuss service requirements and opportunities to strengthen supports.
- Development and administration of a provider survey related to service design and costs. All providers were sent the survey and given an opportunity to participate. HMA-Burns provided technical assistance throughout the survey period, including drafting detailed instructions for completing the survey, recording and posting online a webinar to walk-through the survey, responding to questions via phone calls and emails, and working with providers to resolve potential errors.
- Identification of benchmark data, such as Rhode Island-specific cross-industry wage data from the Bureau of Labor Statistics and rates paid for similar services in other New England states.
- Development of rate models that include specific assumptions related to the various costs associated with delivering each service, including direct care worker wages, benefits, and

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‘productivity’ (i.e., billable time); staffing ratios; mileage; facility expenses; and agency program support and administration.

- A public comment process through which proposed rate models were posted online and emailed to providers and other stakeholders. Interested parties were given several weeks to submit written comments. HMA-Burns prepared written responses to all comments received and revised the rate models as appropriate.

BHDDH was responsible for day-to-day management of the rate determination process with final rates subject to EOHHS review and approval. The fee schedule resulting from this rate study was implemented effective July 1, 2023 and are available at <https://bhddh.ri.gov/media/6476/download?language=en>. The fee schedule is also available upon request. The state’s entire Medicaid fee schedule can be found here: [Fee For Service Fee Schedule \(riproviderportal.org\)](https://riproviderportal.org).

Room and board related costs were excluded from the rate study and no room and board expenses are included in the rate models for any services.

A comprehensive rate study was previously conducted approximately ten years previously. Rates were periodically reviewed between rate studies, resulting in rate adjustments in 2017, 2019, 2021, and 2022.

Rates for certain services are tiered with higher rates paid for services provided to individuals with more significant needs to account for more intensive staffing expectations. The State uses the Supports Intensity Scale (SIS) to assign individuals to rate tiers. Rates do not vary geographically.

Rhode Island Community Living and Supports (RICLAS), a governmental provider of day and residential services for people with developmental disabilities, has a different rate than the rates described here. RICLAS rates are not affected by the rate changes described in this document.

For individuals who self-direct services, the published fee schedule represents the maximum rate they may pay their employees. They may choose to pay less than the published rates.

The following services are reimbursed based on the cost of the item or service:

- Equipment for Remote Supports
- Home Modifications
- Vehicle Modifications
- Assistive Technology

The source for the non-federal share of payment for the services receiving the rate increases with this amendment is state general revenue.