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To: 1915(c) Home and Community Based Services Waiver Providers

From: Leslie Hoffmann, Acting Director 
Division of Long-Term Services and Supports

Re: Rate Increase Effective Date and Billing Changes

Date: December 23, 2024

*****January 3, 2024:** A previous version of this letter incorrectly identified the new code for Conflict Free Case Management in the Home and Community Based (HCB) as T2016. Please use the code T1016 or 590 when adding traditional or Participant Directed Case Management to HCB person-centered service plans. ***

The Department for Medicaid Services (DMS) received Centers for Medicare and Medicaid Services (CMS) approval for rate-related amendments to all six of Kentucky's 1915(c) Home and Community Based Services (HCBS) waiver programs in mid-December. The amended waiver applications take effect on January 1, 2025. **Some person-centered service plan (PCSP) or billing changes will be required after January 1** for the services listed below. **These changes must be made so providers can bill and receive a higher rate for these services.**

- Financial Management
- Participant Directed Coordination / PDS Case Management
- Support Broker
- Respite (Michelle P. Waiver only)
- Skilled Services by an RN, LPN, and RT

Additionally, several services delivered via the Participant Directed Services (PDS) model will receive a rate increase. This will require PCSP updates if a participant opts to increase their PDS employee(s) pay rate.

DMS encourages providers to thoroughly review the guidance to ensure they understand the required and potential PCSP and billing changes.

Please note that system updates to the Medicaid Waiver Management Application (MWMA) will become active on January 1, 2025. **Any necessary PCSP updates cannot be made until January 1 or later.**

Respite, Michelle P. Waiver (MPW)

Impact: All MPW participants receiving Respite (Traditional and PDS)

Change: Respite will change from \$4,840 per plan of care year to 15-minute units with a maximum of 1,312 units per plan of care year.

Action Required: Case managers must update the PCSP in MWMA.

- End-date the Respite service line that shows the current rate methodology. The end date must be 12/31/24.
- Add a new service line with the number of units of Respite the participant needs and a start date of 1/1/25. Use the same code (T1005 or 660 for traditional or T1005 HI for PDS).
- **A team meeting is not required** to make this change.

Potential PDS Impact: When the case manager updates the PCSP for MPW participants who receive Respite via PDS, MWMA will prompt the case manager to enter the PDS employee information. **If the employee is a Legally Responsible Individual (LRI) and has not yet undergone the LRI review process**, the case manager will have to complete an LRI Review Request in MWMA. Please note that **LRI Review Requests can be entered at any time**. If you know you have participants receiving Respite provided by an LRI PDS employee, you can enter the request at any point before making PCSP changes.

Skilled Services by an LPN, RN or RT, Model II Waiver (MIIW)

Impact: All MIIW participants

Change: All MIIW services will change from hourly units to 15-minute units.

Action Required: The provider must update the PCSP in MWMA.

- End-date the current service line. The end date must be 12/31/24.
- Add a new service line with a start date of 1/1/25. Use the same code. The new line should include the number of 15-minute units of skilled services the participant needs.
- **A team meeting is not required** to make this change.

The units will be updated in the Therap EVV solution effective January 1, 2025.

Support Broker, Acquired Brain Injury (ABI) Waiver, Acquired Brain Injury Long Term Care (ABI LTC), and MPW

Impact: ABI, ABI LTC, and MPW participants using PDS

Change: The Support Broker service will change to Case Management.

Action Required: Case managers must update PCSPs in MWMA for ABI, ABI LTC, and MPW participants who use PDS.

- End-date the Support Broker (T2022 HI) service line. The end date must be 12/31/24.
- Add a new service line for Case Management (T2022) with a start date of 1/1/25. The “Case Management” service now encompasses both traditional and PDS case management. There is not a separate service for each.
- **A team meeting is not required** to make this change.

Participant Directed Coordination / PDS Case Management, Home and Community Based (HCB) Waiver

Impact: HCB participants using PDS

Change: Participant Directed Coordination (PDC) has been broken into two distinct services with separate rates: Case Management and Financial Management. These services must be billed separately on or after January 1, 2025.

Action Required: Case Managers must update PCSPs within MWMA for HCB participants who use PDS.

- End-date the PDC (T2040 HI) service line and/or the PDS Case Management (T1016 HI) service line. The end date must be 12/31/24.
- Add a new service line for **Conflict Free Case Management (T1016 or 590)** with a start date of 1/1/25. The “Conflict Free Case Management” service now encompasses both traditional and PDS case management. There is not a separate service for each.
- **A team meeting is not required** to make this change.
- A new service line is not needed for Financial Management (see section below).

Financial Management, ABI, ABI LTC, HCB, MPW and SCL

Impact: Participants using PDS in ABI, ABI LTC, HCB, MPW and SCL

Change: Financial Management Services (FMS) should be billed as one unit up to the maximum rate for dates of service of January 1, 2025, or later.

Action Required: No PCSP changes are required as **this change can be billed in KY HealthNet without adding a service line.** Financial management does not require a prior authorization. The code for FMS in ABI, ABI LTC, MPW, and SCL is T2040 HI. The code for FMS in HCB is T2040.

Specialized and Non-Specialized Respite, HCB

Impact: All HCB participants receiving Specialized and/or Non-Specialized Respite

Change: The limit for Specialized and Non-Specialized Respite in HCB will change from \$200 per day or 45 units per week to 42 units per day alone or in combination with one another.

Action Required: No updates to the PCSP are needed for this change.

Potential PDS Impact: The rate for Non-Specialized Respite will increase to \$5.92 per unit. If the participant and/or PDS representative requests an increase in pay for a PDS employee, the case manager will need to update the participant's PCSP in MWMA. When updating the PCSP, MWMA will prompt the case manager to enter the PDS employee information. **If the employee is an LRI and has not yet undergone the LRI review process**, the case manager will have to complete an LRI Review Request in MWMA. Please note that **LRI Review Requests can be entered at any time.**

PDS Rate Increases

Impact: ABI, ABI LTC, HCB, MPW, or SCL participants receiving any of the services listed below via the PDS option.

Change: Rates will increase for the following services:

Waiver	Service	Code	Unit	Rate
ABI	Respite	T1005 HI	15-minute	\$5.92
ABI LTC	Supported Employment	H0039 HI	15-minute	\$10.54
HCB	Non-Specialized Respite	T1005 HI	15-minute	\$5.92
MPW	Attendant Care	S5125 HI	15-minute	\$6.36
	Respite	T1005 HI	15-minute	\$5.92
	Supported Employment	H0039 HI	15-minute	\$10.54
SCL	Respite	T1005 HI	15-minute	\$5.92

Potential Action: PCSP updates and completion of documentation should a participant decide to change a PDS employee's pay rate. Participants can pay their PDS employee(s) a rate between what they are currently paying and up to the maximum rate listed above. If a participant or PDS representative requests a pay increase, the case manager should schedule a meeting to discuss it or discuss it at their next scheduled case management visit. Updating the rate should only be discussed with the participant and/or PDS representative, if applicable. **The PDS employee(s) should not be involved in discussions about raising their pay rate.** The case manager is responsible for working with the participant and/or the PDS representative to determine if an increase is appropriate. Key considerations include:

- What does the employee do for the participant?
- How much training does your employee have?
- How well does the employee do their job?
- How many hours does the employee work?
- Taxes will be taken out of any pay a PDS employee receives.
- If a participant has multiple employees, they do not need to pay all of them the same rate.

A full person-centered team meeting, a team meeting sign-in sheet, and a MAP-116 **are only required if the amount or scope of the service is changing.** If a participant is just changing a pay rate, the following documentation is needed:

- Documentation of the meeting/discussion with the participant and/or PDS representative to discuss the pay rate. This can be documented as a case note.

- A signed contract from the participant and the PDS employee. Case managers can guide the completion of these steps, but it is the responsibility of the participant or the PDS representative to obtain these signatures and return the signed contract to the financial management agency. Pay rates cannot be changed without a signed contract in place.
- If a participant does not pay their PDS employee(s) the maximum rate, the financial management agency will need to adjust the rate in the state-sponsored electronic visit verification system.
 - Directions for entering an override rate in the Netsmart Mobile Caregiver+ system are available at <https://bit.ly/evvqrgoverriderates>.
 - To adjust rates in Therap, contact Therap at kysupport@therapservices.net for assistance.
- When the case manager updates the PCSP, MWMA will prompt the case manager to enter the PDS employee information. **If the employee is an LRI and has not yet undergone the LRI review process**, the case manager will have to complete an LRI Review Request in MWMA. Please note that **LRI Review Requests can be entered at any time**. If you have a participant requesting a pay change for an LRI PDS employee, you can enter the request at any point before making PCSP changes.

Resources and Support

User guides for end dating and adding service lines in MWMA are available in the [Adobe Learning Management System](#).

If you encounter a technical or system issue with MWMA, please call the MWMA Contact Center at 844-784-5614, option 1.

If you have policy questions about the above guidance, please contact the appropriate operating agency for the waiver and/or topic below.

Waiver or Waiver Topic	Operating Agency	Contact Information
Acquired Brain Injury Waiver Acquired Brain Injury Long Term Care Model II Waiver	Department for Medicaid Services	(844) 784-5614 1915cWaiverHelpDesk@ky.gov
Home and Community Based Waiver Participant Directed Services (all waivers)	Department for Aging and Independent Living	(877) 315-0589 HCBIquiries@ky.gov
Michelle P. Waiver Supports for Community Living Waiver	Department for Behavioral Health, Developmental and Intellectual Disabilities	(502) 564-7700 DDID.Info@ky.gov