

**RULES  
OF  
DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES  
DIVISION OF MENTAL RETARDATION SERVICES**

**CHAPTER 0940-04-03  
METHODOLOGY UTILIZED TO DETERMINE PAYMENTS  
TO SERVICE PROVIDERS (RATE STRUCTURE)**

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**0940-04-03-.01 PURPOSE.**

This chapter establishes a rate setting methodology for Residential Day and other Services that are provided through the Department of Finance and Administration Division of Intellectual Disabilities Services.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-302 & 303; 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. § 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the “Reimbursement Rate” for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

**0940-04-03-.02 SCOPE.**

These rules apply to the procedures and practices used to establish rates of payment for Residential, Day and other services acquired by the Department of Finance and Administration – Division of Intellectual Disabilities Services for or on behalf of those persons served by it under its various Medicaid Waivers; the provisions of Title 33 and 34 of the Tennessee Code Annotated; and, Executive Orders of the State of Tennessee Nos. 9, 10, 21 and 23, dated February 7, 1996, October 14, 1996, July 29, 1999 and October 19, 1999, respectively.

(Rule 0940-04-03-.02, continued)

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 and 303; 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.* **Administrative History:** *Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

### **0940-04-03-.03 DEFINITIONS.**

As used in these rules, unless the context indicates otherwise, the terms listed below have the following meaning:

- (1) "Administrative Costs" are the allowable percentage of the service rate that includes, for example, the costs for administrative salaries and benefits, home office costs, office supplies and printing, phone and other communication, travel and conference, advertising, professional services, licensure and dues, legal and accounting fees, interest, depreciation, occupancy, general liability insurance, equipment and administrative vehicles.
- (2) "Direct Service Costs" are the costs for direct service such as staff salaries and benefits, overtime, direct supervision wages and benefits, contracted direct service/temporary help, training, recruiting/advertising, drug testing, background checks, Hepatitis B and TB tests, and other costs for direct service staff bonuses and employee appreciation events.
- (3) "Full Time Equivalent (FTE)" means the total cost for one direct support staff for forty hours. It includes direct service costs, non-direct program costs, administrative costs, and twenty (20) annual days of payment to cover service recipient absences.
- (4) "Non-Direct Program Costs" is the allowable percentage of the service rate that includes the costs for multi-site supervisors and benefits, training, off site computer/file storage, depreciation/amortization, internal monitoring, agency case management, personal funds management, healthcare oversight, specific assistance to individuals-room and board, specific assistance to individuals-non-room and board, transportation of individuals, staff travel, facility maintenance, facility supplies, habilitation supplies.
- (5) "Rate" is the amount paid per person to approved service providers for each unit of a DIDS service that is provided. A rate unit may be a portion of an hour, a day, a month, an item or a job, depending on the type of service.
- (6) "Rate Levels" are the series of rates for residential, day and other services that are based on a service recipient's needs and the size or site of the service setting.
- (7) "Rate Level Factor" is the multiplier applied to the FTE daily cost that reflects intensity of support need and number of persons in the home. Rate level factors were based on

(Rule 0940-04-03-.03, continued)

licensure requirements for staffing and professional judgment of estimated hours of direct support staff assistance required for individuals at each rate level.

- (8) "Rate Setting Methodology" is the manner in which the rates for residential, day and other services are calculated or determined.
- (9) "Special Needs Adjustment" is an additional payment that may, within the discretion of the Division and subject to resource availability, be added to the residential rate for an individual in appropriate circumstances, e.g. periodic crisis that require additional support.
- (10) "Uniform Cost Report" is a report relating to costs and/or operating expenses/revenues completed by providers that is submitted as required by the Division of Intellectual Disabilities Services. The Uniform Cost Report is completed and transmitted in the manner, format and timeframe required by the Division.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 and 303; 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 15, 2010; effective February 3, 2011.*

#### **0940-04-03-.04 RATE SETTING METHODOLOGIES FOR MEDICAL, RESIDENTIAL SERVICES.**

- (1) Medical Residential Services.
  - (a) For residential services that are shift-staffed, staff coverage is calculated as follows:
    1. 168 hours per week—7 days at 24 hours per day.
    2. The unit of service for these residential services is a day.
  - (b) The calculation of the daily cost per person for a Full Time Equivalent (FTE) is:
    1. Allowable Hourly direct support staff wages plus % for benefits for the hourly cost for direct support staff.
    2. Annual allowable salary for direct supervision plus % for benefits divided by four residents equals the cost per person per year.
    3. Divide the cost per person per year by 52 weeks and by 168 hours to arrive at the hourly cost for supervision.
    4. Add together the hourly cost for direct support staff and the hourly cost for supervision.

(Rule 0940-04-03-.04, continued)

5. Multiply the result from Step four by one and the % allowed for non-direct program costs.
  6. Multiply the result from Step five by one and the % allowed for administrative costs to arrive at the hourly cost for coverage.
  7. Multiply the hourly cost for an FTE by 168 hours to arrive at the weekly cost for coverage.
  8. Divide the weekly cost by 7 days to arrive at the daily cost for coverage.
  9. Divide the daily cost by allowable FTEs to arrive at the daily FTE cost per person.
- (c) Calculation for the daily rate per person is:
1. For each Rate Level and Home Size, multiply the daily per person FTE cost by the rate level factor.
  2. Divide the result of Step one by the facility size.
  3. Multiply the result of Step two by 385 (to allow for 20 absent days).
  4. Divide the result of Step three by 365 to arrive at the daily rate.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.* **Administrative History:** *Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

**0940-04-03-.05 RATE SETTING METHODOLOGIES FOR RESIDENTIAL AND SUPPORTED LIVING.**

- (2) Residential Habilitation and Supported Living (Shift-Staffed) Model.
- (a) For residential services that are shift-staffed, staff coverage is calculated as follows:
1. 138 hours per week—5 days at 18 hours per day and 2 days at 24 hours per day is equal to one week
  2. The unit of service for these residential services is a day.
- (b) The calculation of the daily cost per person for a Full Time Equivalent (FTE) is:
1. Hourly direct support staff wage plus % for benefits for the hourly cost for direct support staff.
  2. Annual salary for direct supervision plus % for benefits divided by four residents equals the cost per person per year.

(Rule 0940-04-03-.05, continued)

3. Divide the cost per person per year by 52 weeks and by 138 hours to arrive at the hourly cost for supervision.
4. Add together the hourly cost for direct support staff and the hourly cost for supervision.
5. Multiply the result from Step four by one and the % allowed for non-direct program costs.
6. Multiply the result from Step five by one and the % allowed for administrative costs to arrive at the hourly cost for coverage.
7. Multiply the hourly cost for an FTE by 138 hours to arrive at the weekly cost for coverage.
8. Divide the weekly cost by 7 days to arrive at the daily cost for coverage.
9. Divide the daily cost by allowable FTEs to arrive at the daily FTE cost per person.

(c) Calculation for the daily rate per person is:

1. For each Rate Level and Home Size, multiply the daily per person FTE cost by the rate level factor.
2. Divide the result of Step one by the facility size.
3. Multiply the result of Step two by 385 (to allow for 20 absent days).
4. Divide the result of Step three by 365 to arrive at the daily rate.

(2) Supported Living-Companion Model

(a) For non-shift staffed, companion model the unit of service is a day. The calculations are as follows:

(b) Calculate the daily rate per person.

1. Multiply the annual stipend by one and the % for benefits.
2. Add the companion room and board allowance.
3. Add the number of hours per year at the hourly rate for relief staff divided by 365 days.
4. Add costs in steps one through three.
5. Multiply the result of step four by one and the % for non-direct program costs.
6. Multiply the result of step five by one and the % for administrative costs.
7. Divide the result of step six by 365.
8. Multiply the result of step seven by 385 (to allow for 20 absent days).
9. Divide the result of step eight by 365 to arrive at the daily rate.

(Rule 0940-04-03-.05, continued)

(3) Family Model for Residential Services

- (a) Family Model Residential Services are those provided in a family home under the supervision of a residential services agency. The unit of service is a day.
- (b) Calculate the daily rate per person.
  1. Multiply the annual stipend by one and the % for benefits.
  2. Add the number of hours per year at the hourly rate for relief staff divided by 365 days.
  3. Add direct supervision at annual salary plus % for benefits divided by 10 individuals divided by 365 days.
  4. Add costs in steps 1 through 3 above.
  5. Multiply the result of step four by one and the percent for non-direct program costs.
  6. Multiply the result of step five by one and the percent for administrative costs.
  7. Divide the result of step six by 365 days.
  8. Multiply the result of step seven by 385 days (to allow for 20 absent days).
  9. Divide the result of step eight by 365 days to arrive at the daily rate.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare.* **Administrative History:** *Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

**0940-04-03-.06 SPECIAL NEEDS ADJUSTMENTS.**

- (1) An adjustment up to an additional thirty-five dollars (\$35.00) per day is available to Residential Habilitation and Supported Living Levels 1-4, for homes with 1-4 persons.
- (2) An adjustment of twenty dollars (\$20.00) per day is available to Residential Habilitation homes with 5 or more people except for reasons of a vacancy in the home.
- (3) This adjustment may be used for additional staff coverage or higher wages for staff.

(Rule 0940-04-03-.06, continued)

- (4) A special needs adjustment does not change the rate level designated for the individual, but adjusts the rate level as a result of one or more of the following circumstances:
  - (a) The individual has a history of significant behavioral or psychiatric problems such as DSM-IV diagnosis, violent acting out, serious self-injury or danger to others that are now not apparent due to the design or intensity of services being received or the person has a situation that is unique and results in the need for additional resources.
  - (b) Less intensive services will likely result in recurrence of previous problems. The Regional Office must review the special adjustment at least annually.
  - (c) The individual is in circumstances that are time limited but that require support(s) at a higher level than described by the Level. (For example, the person has had a serious illness, injury, or surgery that requires more support while he is recovering than the Level describes.) A special adjustment may be approved for up to ninety (90) days and may be extended for an additional ninety (90) days.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 and 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

#### **0940-04-03-.07 RATE SETTING METHODOLOGIES FOR DAY SERVICES.**

- (1) The unit of service is a day.
- (2) For day services staff coverage is calculated for 6 hours per day for 243 days per year.
- (3) The cost models are calculated with the following direct service cost factors:
  - (a) Non-direct program costs at the allowable percentage.
  - (b) Administrative costs at the allowable percentage.
  - (c) Transportation costs per day per person.
  - (d) Twenty (20) leave days.
- (4) Rate level factor based on service setting and of need of the individual.

(Rule 0940-04-03-.07, continued)

- (5) Day Service settings include day habilitation facilities, community locations, and community employment locations.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

#### **0940-04-03-.08 RATE SETTING METHODOLOGIES FOR CLINICAL SERVICES.**

- (1) The unit for therapy and nursing services is a quarter hour.
- (2) The Unit for behavioral services is one quarter (1/4) of an hour.
- (3) The rate for clinical services is based on comparison with national rates of payment and comparable rates of payment within the State for like services.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and, the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

#### **0940-04-03-.09 RATE SETTING METHODOLOGIES FOR RESPITE AND PERSONAL ASSISTANCE SERVICES.**

- (1) The unit for respite and personal assistance services may be one quarter (1/4) of an hour or daily rates as determined by DIDS.
- (2) The determination of rates in this section (.09) is calculated based on units of one quarter (1/4) of an hour for one (1) staff person or of one day of allowable direct service costs for one (1) staff person and a percentage of administrative costs. Reimbursement for two (2) staff to

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deliver services to one (1) service recipient at the same time is not covered under any circumstances.

- (3) There will be one (1) maximum rate for one-quarter (1/4) of an hour of Personal Assistance.
- (4) There will be one (1) maximum rate for one-quarter (1/4) of an hour of Respite services.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

#### **0940-04-03-.10 RATE SETTING METHODOLOGIES FOR DENTAL SERVICES.**

Dental Services rates are those set by TennCare for reimbursement of Medicaid funded dental care.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 27, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

#### **0940-04-03-.11 RATE SETTING METHODOLOGIES FOR PERSONAL EMERGENCY RESPONSE SYSTEMS.**

Rates paid are the usual and customary rates for installation and monitoring set by the company providing the service.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules;*

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and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.

#### **0940-04-03-.12 RATE SETTING METHODOLOGIES FOR SPECIALIZED MEDICAL EQUIPMENT AND SUPPLIES.**

Rates paid are the usual and customary costs for the equipment or supplies.

**Authority:** Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.

#### **0940-04-03-.13 RATE SETTING METHODOLOGIES FOR ENVIRONMENTAL MODIFICATIONS.**

Rates paid are the usual and customary costs for the modification.

**Authority:** Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.

**0940-04-03-.14 RATE SETTING METHODOLOGIES FOR VEHICLE MODIFICATIONS.**

Rates paid are the usual and customary costs for the modification.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

**0940-04-03-.15 RATE SETTING METHODOLOGIES FOR VISION SERVICES.**

Rates paid are a combination of the usual and customary charges for examination and corrective lenses and those set by TennCare for reimbursement of Medicaid funded vision care.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Public necessity rules 0940-04-03-.01 through 0940-04-03-.14 filed January 14, 2005; effective through June 28, 2005. Public necessity rules filed on January 14, 2005, expired June 29, 2005; chapter reverted to reserved status. Original rule filed October 20, 2005; effective January 3, 2006. Public necessity rule filed February 24, 2009; effective through August 8, 2009. Public necessity rule filed August 7, 2009; effective through February 3, 2010. Public necessity rule filed August 7, 2009 expired on February 4, 2010; rule reverted to its previous status. Emergency rule filed May 6, 2010; effective through November 2, 2010. Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.*

**0940-04-03-.16 RATE SETTING METHODOLOGIES FOR INDEPENDENT SUPPORT COORDINATION SERVICES.**

Current rates in this category are found at Rule 0620-06-03-.04 (h) and were derived after consideration of provider input, resource availability as well as system service requirements. Future changes in amounts paid for this service will be made utilizing such tools as: consultation with stake-holders (e.g. Independent Support Coordinators, Independent Support Coordination Agencies/Organizations), review of similar services in other states, market conditions, and system needs. Rates are always subject to DIDS funding/resource availability.

**Authority:** *Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October*

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19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.

**0940-04-03-.17 RATE SETTING METHODOLOGIES FOR SERVICES FUNDED EXCLUSIVELY BY THE STATE [NON-WAIVER; STATE FUNDED (NWSF) SERVICES.**

Rates paid are discretionary and based upon Service Recipient need, limited by system and service requirements and subject to DIDS funding and resource availability.

**Authority** Tenn. Code Ann. (T.C.A.) §§ 33-1-309 (d); 33-1-204; Executive Orders of the State of Tennessee Nos. 9, 10, 21 & 34 dated February 7, 1996, October 14, 1996, July 29, 1999, and October 19, 1999 respectively; State of Tennessee Delegated Purchase Authority DP 10-28649-00 Reg. 515; T.C.A. §§ 33-1-302 & 303, 4-5-208 et seq. and its applicable regulations concerning emergency rules; and the "Reimbursement Rate" for Medical Services under DIDS federal waiver(s) for provision of services as administered by TennCare. **Administrative History:** Emergency rule filed June 30, 2010; effective through December 27, 2010. Emergency rule filed August 6, 2010; effective through February 2, 2011. Amendment filed June 30, 2010; to have been effective November 28, 2010; amendment was petitioned on August 3, 2010. Repeal and new rule filed November 5, 2010; effective February 3, 2011.