



## A Guide to Reasonable and Customary Rates

Under the *New Directions* waiver, participants can establish their own payment rates, however these rates must be “reasonable and customary.” Reasonable and customary standards are based on historical expenditure and utilization patterns (payment ranges) under the *New Directions* waiver. While participants may choose payment rates for staff and other services, participants must work within their overall budget and ensure that health and safety needs are met through the Individual Plan and Budget (IP&B). In other words, the designation of payment rates at levels higher than average may not compromise the availability of other necessary services and supports. As well, the overall cost of providing participant-directed services under the *New Directions* waiver may not be greater than the overall cost of providing those services under a provider-managed method of service delivery through the *Community Pathways* waiver. In effect participant-directed services must be "cost neutral" in comparison to provider-managed services.

Within an individual's overall service budget, requests to use payment rates outside reasonable and customary standards must be fully explained and justified on the IP&B forms. When individuals request payment rates outside reasonable and customary standards for items or vendor services, DDA may request evidence of cost research indicating the item/vendor is the lowest cost among 3 similar items/vendors. Staff hourly wages outside customary standards will be reviewed based on whether the individual has the maximum Individual Indicator Rating Scale level on either the health/medical or supervision/assistance scales, their identified service and support needs, and the professional certifications of the staff. Family members (parents, step-parents, siblings) and guardians acting as staff for an adult waiver participant may not receive payment for more than 40 hours per week and may not be paid rates greater than those determined reasonable and customary. The following table provides information on average rates for services and the range of approved rates considered “reasonable and customary”:

Service	Average	Range	Additional Information
Community Support Living Arrangement / Respite Care	\$14.17 per hour	\$9 - \$20 per hour	Rates over \$20 per hour may be allowed for a professional (individual with a specialized degree/certification). DDA may request that a significant annual raise in staff salaries be justified based on whether the waiver participant successfully reached his or her goals, a significant change in the participant’s needs, and/or the staff member’s successful completion of additional training or education.
Supported Employment/Job Coach/Community Learning Services	\$14.28 per hour	\$7.50 - \$20 per hour	Rates over \$20 per hour may be allowed for a professional (individual with a specialized degree/certification). DDA may request that a significant annual raise in staff salaries be justified based on whether the waiver participant successfully reached his or her goals, a significant change in the participant’s needs, and/or the staff member’s successful completion of additional training or education.

Transportation	\$ .46 per mile	\$.32 - \$.585 per mile	Individuals are expected to use public transportation as much as possible. Transportation to medical appointments is not covered under the waiver unless the use of natural supports (ie. family) or transportation services available through the Medicaid State Plan pose an undue hardship. Please phone your local health department regarding Medicaid State Plan coverage for medical transportation.
Support Brokerage	\$36.69 per hour	\$0 - \$65 per hour	Support Brokerage must be provided for at least 4 hours per month. DDA reviews the combination of Fiscal Management Service fees and Support Brokerage costs as a percentage of an individual's budget to ensure appropriate allocation of funds for direct services. To date, rates \$50 per hour and above have been approved for Support Broker agencies only.
Assistive Technology	Based on individual needs/assistive technology device.		DDA may request a comprehensive assistive technology assessment.
Environmental Modifications	Based on individual needs/environmental modification.		DDA may require a lien on substantial home modifications.
Family and Individual Support Services	Based on individual needs/specific service required.		
Transition Services/Residential Set-Up	Limited to \$3,000		For individuals moving into their own homes for the first time. The proposed budget must include an itemized list of necessary start-up/transition expenses.
Live-In Caregiver Rent	<p>1) Within a multiple-family dwelling unit, the actual difference in rental costs between a 1 and 2-bedroom (or 2 and 3-bedroom, etc.) unit. Rental rates must fall within Fair Market Rent (FMR) for the jurisdiction as determined by the Department of Housing and Urban Development (HUD).</p> <p>2) Within a single-family dwelling unit, the difference in rental costs between a 1 and 2-bedroom (or 2 and 3-bedroom, etc.) unit based on the Fair Market Rent (FMR) for the jurisdiction as determined by the Department of Housing and Urban Development (HUD).</p>		<p>The live-in caregiver may not be related to the individual. Live-in caregiver rent is not available to individual's living in their family's home, the caregiver's home or a residence owned or licensed by a DDA-licensed provider. Prior authorization for this service is required. Explicit agreements, including detailed service expectations, arrangement termination procedures, recourse for unfulfilled obligations, and monetary considerations must be executed and signed by both the individual receiving services (or his/her legal representative) and the caregiver. DDA will pay for this service for only those months that the arrangement is successfully executed, and will hold no liability for unfulfilled rental obligations. Upon entering in the agreement with the caregiver, the individual (or his/her legal representative) will assume this risk for this contingency. DDA does not include the coverage of food, utilities, and other room and board costs as part of its reimbursement for live-in caregiver rent.</p>