

1407 Webinar Q&A (3/21/19)

What are the new SPALs/plan spending limits for the SLS and CES waivers?

The new SPAL amounts and Overall Service Plan Limits for SLS And CES can be found on the [March 2019 rate schedule](#). These amounts are also pasted below:

HCBS-Supported Living Services:

Support Level Authorization Limits (SPAL)	
Support Level 1	\$14,379.06
Support Level 2	\$19,206.56
Support Level 3	\$21,607.47
Support Level 4	\$24,830.58
Support Level 5	\$29,904.77
Support Level 6	\$39,225.90

Overall Service Plan Limit
\$50,336.13

HCBS-Children's Extensive Supports:

Overall Service Plan Limit
\$40,552.29

Can a 1-person PASA (LLC) with no employees get the increase? If so, how would you track the 6.5% as not going into business?

Yes, a 1-person PASA can get the increase. If the owner/employee meets the definition of Direct Support Professional in the law, they can receive an increase in compensation. Agencies should consult with a tax professional regarding how to track the funds as going to compensation instead of business expenses.

If all your DSP's are sub-contractors, simply raising the rate they are paid by 6.5% would suffice, correct?

Not necessarily. Agencies must allocate the total dollar amount of revenue they receive as a result of the 6.5% rate increase to DSP compensation. This amount may or may not translate to the amount of money it would cost to give all contractors a 6.5% pay increase. This will depend how much these contractors were receiving on June 30, 2018.

How is staff turnover viewed? That is, we were starting employees at minimum wage in July '18 and they leave we then rehire that position in January at the new min wage. How is the calculation done?

Increasing the starting wage based on the Jan 1 minimum wage increase does count as an increase in DSP compensation under the law. Agencies do not need to demonstrate that they raised a specific person's or position's compensation. Rather, they will report their compensation outlays in the aggregate. Agencies will use compensation rates in place for DSPs on June 30, 2018 as the comparison for demonstrating increases.

I'm assuming a copy of our HHP's contract will suffice as a job description for HCPF?

Yes, we believe this will suffice to demonstrate the responsibilities of host home providers and other contractors.

Just to clarify, we can spend the entire 6.5% increase on employed DSPs only, correct? We'd like to hold off giving an increase to Host Home Providers until July 2019.

Yes, agencies have flexibility to determine what type of compensation increase they give, to whom, in what amount, and when, so long as items increased meet the definition of "compensation" in the law, are given to workers who meet the definition of "direct support professional" in the law, and are allocated within 60 days from the close of the applicable state fiscal year (*i.e.*, the end of August).

Can the funds be utilized for the hiring of new DSPs?

No, the funds cannot be used to create new positions. But, the funds can be used to increase compensation for positions that were vacant on June 30, 2018. If an agency adds new positions after June 30, 2018, the funds can be used to increase the compensation to DSPs hired into these positions; in this instance, agencies should use "the lowest funding paid to DSPs performing similar functions and duties on June 30, 2018" as the baseline compensation rate to demonstrate the increase for new positions.

We just billed on the 15th, and the 17th, and the rates still kicked back to the old rates of Jan 2019.

We have notified HCPF about this issue and will follow up to make sure that billing issues are corrected ASAP. For billing issues, agencies can contact joanne.svenningsen@state.co.us for assistance. Alliance members can contact Josh Rael at jrael@alliancecolorado.org for rapid escalation of billing issues.

Can the funds be used to pay an accountant to configure the report?

No, the funds must be spent exclusively on DSP compensation. HCPF has specifically excluded expenses for budget and finance in its rules.

How do we get a breakdown for revenue by services? The current remittance advice does not have this breakdown by services. It does not even have a breakdown by waivers.

HCPF is working on revising its remittance advice to make this breakdown available for providers.

As I understand it, an agency can decline to receive the 6.5% increase. Is that true?

Yes. Agencies can choose to continue to bill at the Jan 2019 rates and not pass through a compensation increase to their DSPs. However, all agencies still have to report to HCPF per the reporting deadlines in the law. We note, however, that agencies choosing to do this may struggle to recruit and retain DSPs as most other agencies will be providing significant compensation increases. In addition, agencies that opt out will be at a disadvantage because they will likely have to use the 1% increases on compensation rather than other expenses like administration, facilities costs, technology updates, etc.

For the recoupment - would the amount recouped by taken back in a chunk or in a percentage?

HCPF has authority to recoup the total amount of funds that an agency received as a result of the 6.5% rate increase that it did not spend on increasing DSP compensation.

What if we have to write off fees we billed for? Can we use actual receipts rather than billed amounts?

The draft reporting tool that HCPF has created includes a section to account for both paid and unpaid claims. See below:

6.5% Pass-Through Usage Summary

Only include services & impacts to Direct Support Professionals as required in House Bill 18-1407 on this reporting tool. The Reporting Period reflects dates of service, not payment date or dates. Claim payment issues and Timely Filing requirements may prevent reporting of all paid claims for the Fiscal Year. All paid claims are subject to Department review of compliance with the pass through, irrespective of paid date.

Provider has chosen not bill at the increased rate and not to pass-through the resulting funding increase to Direct Support Professionals.	<input type="checkbox"/>
Total Paid Claims for Reporting Fiscal Year	\$ 3,200,000.00
Total Dollar Amount - 6.5% Required Pass-Through	\$ 208,000.00
Are there additional claims that your agency is anticipating payment for? (unresolved PAR and eligibility issues, etc.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
If so, how much are there in unpaid claims?	\$ 50,000.00
Are barriers to payment of the unpaid claims above?	(Narrative)

The agency will be taxed on the income increase. Is there an example of how to address this?

While agencies will be receiving additional revenue, but once that revenue is spent on DSP compensation, the agency will have an expense to offset the additional revenue and therefore no increased tax liability. Agencies should consult with a tax professional about how to account for these funds.

The 1% additional increase on July 1st, does that need to be spent the same as the 6.5% increase?

No. The 1% across-the-board increase that went into effect on July 1, 2018 can be used as needed by agencies. The 1% rate increase that is expected to be passed by the legislature this year and effective on July 1, 2019, can also be used as needed by agencies. There are additional targeted rate increases under consideration this session. Alliance members will receive detailed information about these rate increases and their implementation.

How do I become an Alliance member?

Please contact our Membership Coordinator, Kylie Kampbell, at kkampbell@alliancecolorado.org or (303) 832-1618 ext. 12 for more information on becoming a member! Please [click here](#) for a comprehensive list of Alliance member benefits.