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State of Indiana

*Division of Disability and Rehabilitative Services*  
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**Provider Implementation Requirements: 14% rate increase for DSP wages  
Effective for Date of Service Beginning July 1, 2021  
(Pending Centers for Medicare and Medicaid Services Approval to Implement)**

The Division of Disability and Rehabilitative Services is implementing a 14% rate increase specifically to increase the wages of Direct Support Professionals (DSPs), effective for dates of service beginning July 1, 2021, for the following services:

- Adult day services – Level 1, 2 and 3
- Prevocational services
- Respite
- Extended services
- Day habilitation – Individual and Group Small, Medium and Large
- Workplace assistance
- Transportation services – Level 1, 2 and 3
- Participant assistance and care
- Facility based support
- Residential habilitation and support (daily & hourly)

**System Changes and Billing**

Currently, system changes are in development to reflect these rate increases by July 19, 2021. However, the effective date of these rates will be retroactive to July 1, 2021, upon approval by CMS. Providers will be able to bill their eligible July dates of service to claim the increased rates after the system rate changes are in place and the Family Support Waiver cap increase is applied.

The 2021 Budget Bill includes specific requirements for the providers of these services in the implementation of the rate increase. The following requirements must be met and adhered to by the providers of these Medicaid waiver services to access the 14% rate increase amount:

- The services are delivered to an individual receiving these services by a direct care staff.



- An authorized service provider shall use at least ninety-five percent (95%) of the amount of the increase in the reimbursement rate to pay payroll tax liabilities and to increase the wages and benefits paid to direct care staff in comparison to payroll tax liabilities wages, and benefits paid to direct care staff as of the provider's most recent fiscal year ended on or before December 31, 2019, who are employed by the authorized service provider to provide services in Indiana and provide the support services listed above **and are paid on an hourly basis.**

### **Required Written Notice by Providers**

If a provider does not use at least ninety-five percent (95%) of the increase to pay payroll tax liabilities and to increase wages and benefits paid to direct care staff, FSSA shall recoup part or all of the increase in the reimbursement rate that the provider receives.

In addition, all authorized service providers providing these specific services in Indiana shall provide written and electronic notification of its plan to increase wages and benefits to their eligible direct care staff, as described in the 2021 Budget Bill. The provider must share this plan with all direct care staff who are employed by the provider to provide the support services listed above **and are paid on an hourly basis.** The plan must also be submitted to the Bureau of Developmental Disabilities Services no later than August 19, 2021, using [this link](#) and completing all required fields in the form.

### **Maintenance of Records**

Providers of the affected Medicaid waiver shall maintain all books, documents, papers, accounting records, and other evidence required to support the reporting of payroll information for payment of payroll tax liabilities and for increased wages and benefits to eligible direct care staff. Wages are defined as:

- total compensation, including paid time off and training, less overtime and shift differential for direct care staff providing services to individuals receiving the affected services as reported on the provider's payroll records.

Providers shall make these materials available at their respective offices at all reasonable times and for three (3) years from the date of final payment for the affected services for inspection by the state or its authorized designees. Providers shall furnish copies at no cost to the state if requested.

### **Recoupment**

The Office of the Secretary of FSSA or its designee may recoup all or a part of the amount paid using the increased reimbursement rates based upon an audit or review of the supporting documentation required to be maintained if the provider cannot provide adequate documentation to support the payment of payroll tax liabilities and the payment of increased wages and benefits to direct care staff. This may include a recoupment of the difference between ninety-five percent (95%) of the amount received by a provider as a result of increased reimbursement rates and the amount of the increase that is actually used by the provider to pay payroll tax liabilities and to pay an increase in wages and benefits to direct care staff.