

# STATUS OF THE STUDY OF THE QUALIFIED SERVICE PROVIDER SYSTEM

## STUDY RESPONSIBILITY

Section 9 of 2011 Senate Bill No. 2012 ([Appendix A](#)) provides for a Legislative Management study of the state's qualified service provider (QSP) system. The Human Services Committee has been assigned this responsibility for the 2011-12 interim.

## QUALIFIED SERVICE PROVIDERS

A QSP is an individual or agency providing care for people to enable them to continue to live in their own homes and communities. A QSP does not need to have a special certificate or license but needs skills necessary to provide care.

### Types

There are two types of QSPs:

- An individual QSP needs to have competency in all the standards to provide a specific service. Individual QSPs are self-employed, independent contractors who are responsible to withhold or pay any Social Security, federal or state income tax, unemployment insurance, or workers' compensation insurance premiums from the payment received as a QSP.
- An agency QSP hires staff and is responsible for ensuring its staff has the skills necessary to provide a specific service. The agency QSP is also responsible for withholding or paying any Social Security, federal or state income tax, unemployment insurance, or workers' compensation insurance premiums relating to its employees.

As of July 16, 2012, the Department of Human Services had 1,699 enrolled QSPs--1,556 individual and 143 agency.

## Enrollment and Services

To become enrolled as a QSP, an individual or agency must submit appropriate forms to the Department of Human Services. The department will provide the individual or agency with a provider number, instructions on how to bill for services provided, and rules about providing services as a QSP. Enrolled QSPs can choose to have their name added to a public list of QSPs, which is given to clients by county home and community-based services case managers. Home and community-based services recipients use this list to choose an individual or agency QSP. Once chosen, the QSP is authorized to provide services by the county case manager. The authorization provides the amount and type of care the QSP is approved to provide to the client.

Qualified service providers provide care to recipients receiving services from one or more of the following programs:

- Service payments for elderly and disabled (SPED);
- Expanded SPED;
- Home and community-based services waiver;
- Technology dependent Medicaid waiver;
- Developmental disabilities (DD) Medicaid waiver; and
- Medicaid state plan personal care.

A QSP may provide the following services:

- Adult day care.
- Adult family foster care.
- Adult residential service.
- Case management.
- Chore service.
- Emergency response system.
- Environmental modification.
- Extended personal care/nurse education.
- Family personal care.
- Home-delivered meals.
- Homemaker service.
- Nonmedical transportation.
- Personal care.
- Respite care.
- Specialized equipment.
- Supported employment.
- Transitional living service.

The Department of Human Services had 2,328 clients served by QSPs in May 2012.

## Payment Rates

The QSP may bill the individual who is provided care or the Department of Human Services for each 15-minute block of time during which services were provided. The QSP may not bill for time or expenses associated with travel because provider transportation is not considered a Medicaid benefit by the Centers for Medicare and Medicaid Services (CMS). The following is a summary of individual and agency QSP payment rates of the Department of Human Services in recent years:

	Individual Unit (15-Minute) Rate	Agency Unit (15-Minute) Rate
July 2007	\$3.29	\$4.68
July 2008	\$3.45	\$4.91
July 2009	\$3.92	\$5.47
July 2010	\$4.16	\$5.80
July 2011	\$4.28	\$5.97

The following is a summary of QSP service expenditures by program and funding source for the 2009-11 biennium:

Program	General Fund	Federal Funds	Other Special Funds	Total
Medicaid state plan personal care	\$7,150,025	\$15,852,467		\$23,002,492
Targeted case management	401,377	876,520		1,277,897
SPED	11,081,443		\$583,221	11,664,664
Expanded SPED	679,041			679,041
Home and community-based services waiver	2,616,244	5,751,139		8,367,383
Technology dependent Medicaid waiver	75,572	164,122		239,694
DD Medicaid waiver	316,664	693,558		1,010,222
<b>Total</b>	<b>\$22,320,366</b>	<b>\$23,337,806</b>	<b>\$583,221</b>	<b>\$46,241,393</b>

### TESTIMONY AND OTHER RELATED INFORMATION

The committee has received the following comments regarding the study of the QSP system:

- The committee should consider financial incentives to encourage individuals to become QSPs.
- Funding shortfalls have forced many home health care agencies to discontinue their QSP services. The committee should consider the possibility of increasing the QSP rates for travel costs or to increase reimbursement rates for home health services.

- The committee should consider the possibility of providing a rate increase for QSPs working nights, evenings, and weekends and QSPs traveling to rural areas.

In April 2012 the Department of Human Services provided the Human Services Committee with information ([Appendix B](#)) regarding cost estimates for increasing QSP rates by \$1 per hour and providing reimbursement for mileage. The following is a summary of the estimated cost of increasing QSP rates by \$1 per hour for the 2013-15 biennium:

	General Fund	Federal Funds	County Funds	Total
SPED	\$1,843,636		\$97,034	\$1,940,670
Expanded SPED	94,232			94,232
Medicaid waivers	480,673	\$484,340		965,013
DD	74,828	75,399		150,227
Medicaid state plan personal care services	755,133	760,894		1,516,027
<b>Total</b>	<b>\$3,248,502</b>	<b>\$1,320,633</b>	<b>\$97,034</b>	<b>\$4,666,169</b>

The following is a summary of the estimated cost of implementing a QSP rate differential to provide reimbursement for mileage for any round trip over 20 miles for the 2013-15 biennium:

	General Fund	Federal Funds	County Funds	Total
Agency QSPs	\$2,704,957	\$790,447	\$90,453	\$3,585,857
Individual QSPs	844,946	246,913	28,256	1,120,115
Contract service for review and compliance	77,957	22,043		100,000
<b>Total</b>	<b>\$3,627,860</b>	<b>\$1,059,403</b>	<b>\$118,709</b>	<b>\$4,805,972</b>

Any increases to QSP rates would require approval from CMS.

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