

**Department of Human Services
Division of Rehabilitation Services
Division of Service to the Blind and Visually Impaired**

**PROGRAM GUIDE
DRS/DSBVI – 2021-01
Revised Date: February 5, 2021**

**FROM: Eric Weiss, DRS Director
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TO: All DRS & DSBVI Offices

SUBJECT: Service Rates Policy

Service rates are set as guidelines for service providers to bill DRS and SBVI for services provided on a fee-for-services payment structure. Based on the service rates set, providers are paid the standardized fee following the provision or completion of a service. In addition to set rates, procedures for providers are set forth in the Service Descriptions for Providers document. These standards must be adhered to for DRS/SBVI to allow for billing of a services. This maintains the consistency and positive impact of services provided to individuals in South Dakota.

Rate Setting Methodology/Assigning of Costs

In accordance with 34 CFR§361.50 “Written policies governing the provision of services for individuals with disabilities” this Program Guide identifies the policy and guidelines of rates for services commonly used by the Division of Rehabilitation (DRS) and Service to the Blind and Visually Impaired (SBVI) programs. This Program Guide is effective immediately.

The Division of Rehabilitation Services and Service to the Blind and Visually Impaired will utilize fee rates established from other State agencies that are the primary monitoring agency for providers.

- Department of Social Services
- Other Divisions within the Department of Human Services
- SD Department of Labor

For medical related services, the Current Procedural Terminology (CPT) rates established by the Department of Social Services will be utilized. Service rates for other services commonly purchased by DRS or SBVI have been defined in this

program guide. Other services not commonly purchased by the Divisions may be purchased at the going rate in the community.

Fee rates from the other State Agencies and our providers may change at any time throughout the year. The most current rates will be maintained electronically in the Mainframe for the CPT rates or in the VR FACES for all the other established rates. It will not be necessary to revise this program guide or provide addendums when rates change.

The public Vocational Rehabilitation (VR) programs utilize or establish rates that are:

- Reasonable in cost;
- Not so low as to effectively deny an individual a necessary service;
- Not absolute and permit exceptions so that individual needs can be addressed; and
- Do not include absolute dollar limits on specific service categories or on the total services provided to an individual;
- Comparable to industry rates in the state or other states in our region;
- Allowable and allocable to the VR Program.

DRS and SBVI maintain a fee schedule of common services purchased or unique services with the rates established. This document is maintained electronically and provided to DRS/SBVI offices when rates change. This fee schedule does offer flexibility for purchasing services from a Community Rehabilitation Program, Private Provider or an Independent Living Center when the services are not listed on the fee schedule or the agency is requesting a higher fee rate. These situations may arise when providing for the unique needs of the individuals we serve. In these situations, the following procedure must be used:

- DRS/SBVI counselors will discuss the case and the request with their Supervisor and submit a written request to the DRS/SBVI Assistant Director. This request must describe the situation, reasons for the service, justification for additional costs, and any other relevant information;
- The case narrative must reflect the circumstances for the request.

If approved, the state office will confirm the request in writing with a copy attached to the authorization which will be placed in the file.

The Divisions of Rehabilitation Services and Service to the Blind and Visually Impaired are required to consider comparable benefits (i.e., Supplemental Security Income (SSI), private insurance, workers compensation, funding from other divisions, etc.) when purchasing services for VR clients. Duplicate funding for services is not allowed.

New Service Similar to Existing Services Rates

When a new service is added that is similar to and complimentary to an existing service, the rates will be the same or comparable to those existing services. This method is used as these rates have been determined to be appropriate through regular monitoring and similar rates for a similar service increases understanding of billing procedures, accuracy in billing, and consistency in service provision.

New Service Unique to Existing Services Rates

When a new service is created that can't be compared to other similar services for rate setting, we review the rates of providers of similar services in South Dakota as well as to other states to get comparison rates. Once data is gathered, the median rate for this or similar services is used as the initial set rate for this service. This is to maintain consistency across our division and our providers.

Determining Allowability and Allocability of Services

To ensure allowability and allocability of services the divisions follows CFR § **200.403** and § **200.405**

Allowability

- (a) Be necessary and reasonable for the performance of the [Federal award](#) and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the [Federal award](#) as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the [non-Federal entity](#).
- (d) Be accorded consistent treatment. A cost may not be assigned to a [Federal award](#) as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the [Federal award](#) as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for [state](#) and [local governments](#) and [Indian tribes](#) only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet [cost sharing or matching](#) requirements of any other federally-financed program in either the current or a prior period. See also [§ 200.306\(b\)](#).
- (g) Be adequately documented. See also §§ [200.300](#) through [200.309](#) of this part.
- (h) Cost must be incurred during the approved [budget period](#). The [Federal awarding agency](#) is authorized, at its discretion, to waive prior written approvals to carry forward [unobligated balances](#) to subsequent [budget periods](#) pursuant to [§ 200.308\(e\)\(3\)](#).

Allocability

(a) A cost is allocable to a particular [Federal award](#) or other [cost objective](#) if the goods or services involved are chargeable or assignable to that [Federal award](#) or [cost objective](#) in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the [Federal award](#);
- (2) Benefits both the [Federal award](#) and other work of the [non-Federal entity](#) and can be distributed in proportions that may be approximated using reasonable methods; and
- (3) Is necessary to the overall operation of the [non-Federal entity](#) and is assignable in part to the [Federal award](#) in accordance with the principles in this subpart.

(b) All activities which benefit from the [non-Federal entity](#)'s indirect (F&A) cost, including unallowable activities and donated services by the [non-Federal entity](#) or third parties, will receive an appropriate [allocation](#) of indirect costs.

(c) Any cost allocable to a particular [Federal award](#) under the principles provided for in this part may not be charged to other [Federal awards](#) to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the [Federal awards](#), or for other reasons. However, this prohibition would not preclude the [non-Federal entity](#) from shifting costs that are allowable under two or more [Federal awards](#) in accordance with existing Federal statutes, regulations, or the terms and conditions of the [Federal awards](#).

(d) Direct cost [allocation](#) principles: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding [paragraph \(c\)](#) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

Where the purchase of [equipment](#) or other capital asset is specifically authorized under a [Federal award](#), the costs are assignable to the [Federal award](#) regardless of the use that may be made of the [equipment](#) or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§ 200.310 through 200.316 and 200.439.

(e) If the [contract](#) is subject to CAS, costs must be allocated to the [contract](#) pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the [allocation](#) of costs in accordance with CAS takes precedence over the [allocation](#) provisions in this part.

Increasing Rates for Services Due to Inflation

Each year, services are increased by the Department of Human Services approved inflation rate established in the approved budget.

To do this, our service rate sheets, and VRFACES case management system are updated to reflect the percentage increase set by the annual budget. The increases are usually prepared in the late spring, to be implemented at the beginning of the state fiscal year beginning in July. The new rates are announced before the end of the state fiscal year in June to allow for final billing and other preparations to be made to provider systems and other processes.

Increases Related to Unique Circumstances

In unique circumstances, the Divisions may change a service rate outside of the annual review and increase process. In this event, there is usually a set rate put in place or a new service added that needs to be changed/added to our rates.

When this occurs, the rate sheets and the VRFACES case management system are updated, and the change is communicated to VR staff and providers as soon as possible.

Situations may arise when providing for the unique needs of the individuals we serve. In these situations, the following procedure must be used:

- The DRS/SBVI counselors will discuss the case and the request with their Supervisor and submit a written request to the DRS/SBVI Assistant Director. This request must describe the situation, reasons for the service, justification for additional costs, and any other relevant information.
- The case narrative must reflect the circumstances for the request.

If approved, the state office will confirm the request in writing with a copy attached to the authorization which will be placed in the file.

Monitoring Rates for Existing Services

To ensure that South Dakota's service rates continue to be competitive and appropriate for the current times, a review of rates will be completed on a three-year cycle. This review will include

- Surveying service rates of states in our region
- Surveying service rates of states outside our region with similar population and numbers served
- Comparison of rates to other programs and State Departments that set rates for provider services
- Utilize median rate of data collected, compare to our rate, and assess need for increase/decrease based on this data

To complete the review process, DRS/SBVI will review information received and assess the need for rate adjustments.

If you have any questions on this Program Guide, please contact the appropriate DRS or SBVI Assistant Director.