

Understanding Usual and Customary Rate

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Ohio Administrative Code 5123:2-9-06 I (1)

“Providers shall be paid at the lesser of their usual and customary rate or the payment rate for each waiver service that is delivered. The department shall establish a mechanism through which providers shall communicate their usual and customary rates to the department.”

This is the purpose of the usual customary rate field in the Medicaid Billing System.

Usual and Customary Rate [UCR]

- Providers are paid *either* their UCR *or* the Medicaid maximum rate, whichever is *lower*.
- Your UCR is what you would charge an individual who is not receiving Medicaid funded waiver services for the same service that you are providing through a Medicaid funded waiver.
- As an example: if you were providing homemaker/personal care to an individual who was private pay, or who was being funded through local county dollars, and you had negotiated a rate of \$15.00 per hour [\$3.75 per 15-minute unit], that would be your UCR.
- You cannot charge more for an individual who is receiving waiver services.
- If you enter a rate in the Usual and Customary Rate field of eMBS that is lower than the Medicaid maximum rate, the lower rate is what you will be paid.
- If you enter a rate that is higher than the Medicaid maximum rate, you will be paid at the Medicaid maximum rate.

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- DODD is required to have a mechanism through which providers report their usual and customary rate. This is the purpose of the UCR field in eMBS. You report your usual customary rate with every claim.
- You can choose to submit the Medicaid rate as your UCR. What you charge for a service is a decision that only you can make.
- Your UCR must be consistent. You cannot charge a different rate for different individuals if they live in the same service county.

Medicaid maximum rates

Cost-of-doing-business categories

Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Category 7	Category 8
Adams	Carroll	Allen	Ashland	Ashtabula	Clermont	Butler	Hamilton
Athens	Crawford	Auglaize	Darke	Champaign	Franklin	Cuyahoga	
Belmont	Defiance	Brown	Erie	Clark	Geauga	Warren	
Gallia	Highland	Clinton	Fairfield	Delaware	Lake		
Guernsey	Hocking	Columbiana	Fulton	Greene	Lorain		
Harrison	Jackson	Coshocton	Hardin	Lucas	Medina		
Jefferson	Lawrence	Fayette	Henry	Madison	Portage		
Meigs	Mercer	Hancock	Huron	Miami	Summit		
Monroe	Morgan	Holmes	Licking	Montgomery			
Pike	Muskingum	Knox	Logan	Ottawa			
Ross	Noble	Marion	Mahoning	Preble			
Sciota	Paulding	Morrow	Pickaway	Union			
Tuscarawas	Perry	Putnam	Sandusky	Wayne			
Vinton	Van Wert	Richland	Stark				
Washington	Wyandot	Seneca	Trumbull				
		Shelby	Wood				
		Williams					

- The state of Ohio is divided into 8 cost-of-doing-business categories.
- The Medicaid rate for a given service is the same for all counties in the same category.

Medicaid maximum rates

Finding the Medicaid rate

Homemaker/Personal Care (Routine) Agency Provider Rate, Per Individual, by Number of Staff Assigned to the Group, When Multiple Staff Members Simultaneously Provide Service to More Than One Individual

Staff Size: 1

	Serving 1 Individual	Serving 2 Individuals	Serving 3 Individuals	Serving 4 Individuals
Category 1	\$4.57	\$2.45	\$1.78	\$1.49
Category 2	\$4.62	\$2.47	\$1.80	\$1.50
Category 3	\$4.66	\$2.50	\$1.82	\$1.52
Category 4	\$4.71	\$2.52	\$1.84	\$1.53
Category 5	\$4.76	\$2.55	\$1.86	\$1.55
Category 6	\$4.80	\$2.57	\$1.87	\$1.56
Category 7	\$4.85	\$2.60	\$1.89	\$1.58
Category 8	\$4.90	\$2.62	\$1.91	\$1.59

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In this example, we will look for the Medicaid rate for an agency providing homemaker/personal care services in Franklin county.

- The cost category is 6.
- The number of staff is 1.
- The Medicaid rate is \$4.80. The agency will be paid either their UCR, or the Medicaid rate, depending on which is *lower*.

Claims Services Unit
Ohio Department of Developmental Disabilities
Phone: (800) 617-6733
Mobile: (614) 466-7359
Email: dodd.support@dodd.ohio.gov