

**ATTESTATION REPORT
OF THE
NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.**

JANUARY 1, 2022, THROUGH DECEMBER 31, 2022

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Issued on August 2, 2023

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NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

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NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

BACKGROUND

Milestones Disability Service, Inc., (Milestones) is a nonprofit public benefit corporation that contracts with the Nebraska Department of Health and Human Services (Department) to provide developmental disabilities services and child welfare services.

The Nebraska Auditor of Public Accounts (APA) has been contacted with numerous concerns regarding alleged financial improprieties by Milestones. The following is a timeline of key events pertaining to those allegations:

- On June 18, 2008, the APA issued a report on the Autism Center of Nebraska, Inc., (Autism Center) owned and founded by Randall and Rhonda Bojanski. In that report, the APA detailed the following apparent financial irregularities and improprieties at the Autism Center, resulting ostensibly from the actions of the Bojanskis:
 - Falsified timesheets
 - Overbilling and undocumented billing by Autism Center
 - Underpaying subcontractors
 - Mismanagement of client financials
 - Lack of sufficient documentation that credit card purchases were for business purposes rather than personal use
 - Payments made for unused rental property owned by the parents of Rhonda Bojanski

Per the Department, no administrative action was taken against the Bojanskis or the Autism Center after the issuance of that report.

- According to its Articles of Incorporation, dated December 14, 2017, Milestone's registered office was located at 8609 South 42nd Street, Bellevue, Nebraska 68147, and the name of the initial registered agent was Randall Ray Bojanski. Per the Sarpy County Assessor's website (<https://www.sarpy.gov/159/Assessor>), 8609 South 42nd Street is a property owned by Randall and Rhonda Bojanski. On March 8, 2021, Milestones, on behalf of Rhonda Bojanski (Dir.), filed an Amendment or Correction to Nonprofit Corporation Biennial Report, removing Randall Bojanski as President and Rhonda Bojanski as Secretary and Treasurer, though it appears that Rhonda Bojanski remained on the Board of Directors. On June 1, 2023, Milestones filed its Nonprofit Biennial Report, which reported Rhonda Bojanski as the President.
- According to its Certificate of Organization, dated September 19, 2018, RWR Enterprises, LLC, (RWR) maintains an office at 8609 South 42nd Street, Bellevue, Nebraska 68147. As stated previously, that property is owned by Randall and Rhonda Bojanski, per the Sarpy County Assessor's website. The 2019 - 2020 Biennial Report for RWR listed the same address, and was signed and dated on February 7, 2019, by Rhonda Bojanski, who was designated therein as a Partner. As of May 10, 2023, Randall Bojanski was listed as the Registered Agent for RWR.
- On February 5, 2021, the Department entered into a contract with Milestones to provide Medicaid Home and Community-Based Services (HCBS). The first contract entered into between the Department and Milestones to provide Child Welfare Services began on March 1, 2021.
- On February 19, 2021, Prime Home Developmental Disabilities Services (PHDDS) brought a civil suit in Douglas County District Court against defendants Randall Bojanski, Rhonda Bojanski, William Ehegartner, Robyn Hansen, Pinnacle Bank, RWR, and Milestones. Among the allegations set out in the original complaint and two amendments thereto filed in the case are the following:
 - While employed with PHDDS, the Bojanskis formed Milestones for the purpose of defrauding PHDDS into diverting its own finances, clients and resources in order to fund the growth of an eventual direct competitor to PHHDS while also maintaining employment with PHDDS.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

BACKGROUND

(Continued)

- The Bojanskis and William Ehegartner formed RWR in September 2018 and used that entity to obtain a “prime lease” for property, with an option to purchase the property, and then sublease the property to PHDDS with a “mark-up” on the actual monthly lease payments payable by RWR. Additionally, PHDDS alleged that the Bojanskis and William Ehegartner spent lavishly on capital improvements to the properties subject to the RWR lease scheme using PHDDS funds with the intent to build equity in real property that they intended to purchase, using the RWR purchase option to further their own growing, competitive enterprises at PHDDS’s expense.

As of July 17, 2023, this case was still ongoing.

Department Payments to Milestones

During calendar year 2022, the Department paid \$6,716,704 to Milestones for providing HCBS and Child Welfare Services to 79 individuals:

	HCBS	Child Welfare Services
Paid during 2022	\$5,361,325	\$1,355,379
Clients Served	68	11
Range paid per Client	\$188 to \$454,925	\$9,339 to \$222,245
Average per Client	\$78,843	\$123,216

Medicaid HCBS Waiver Services

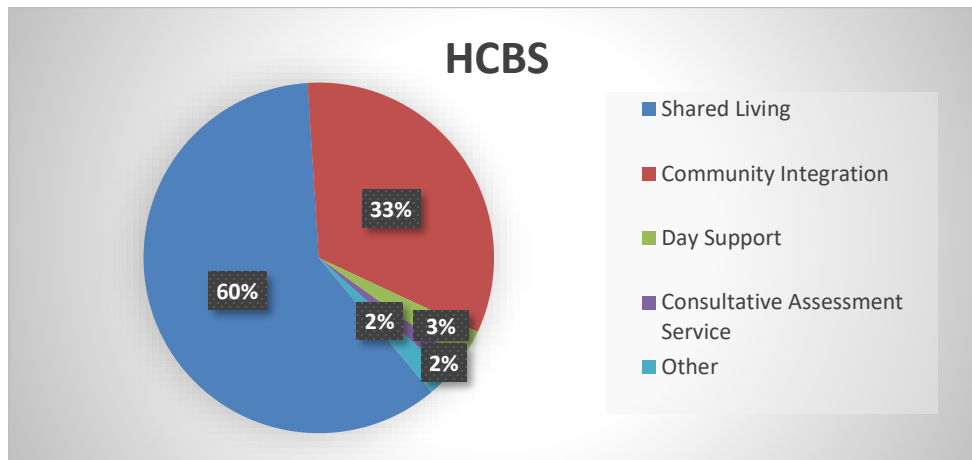
The Medicaid HCBS waiver program was authorized under Section 1915(c) of the Social Security Act of 1935 (42 U.S. Code § 1396n). Through this program, States can help provide different services that allow those who need care to receive services in their homes or communities, rather than in an institutional setting. The Department’s Division of Developmental Disabilities administers Medicaid HCBS waivers. Each Medicaid HCBS Waiver has its own eligibility requirements.

The Comprehensive Developmental Disabilities (CDD) Waiver is available for people of all ages with a developmental disability. The Developmental Disabilities Adult Day (DDAD) Waiver is available for people ages 21 and over with a developmental disability. For CDD and DDAD, a person must have needs that require services like those provided in an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF- IID). These services should allow people to maximize their independence as they live, work, socialize, and participate to the fullest extent possible in their communities. Developmental Disability (DD) Services are paid at rates that vary with the service and the level of need. See DD Fee Schedule ([Exhibit A](#)).

The two largest services paid to Milestones were for Shared Living, \$3,221,491, and Community Integration, \$1,767,501. Rates paid to Milestones for Shared Living ranged from \$127.20 per day to \$882.78 per day. Rates paid to Milestones for Community Integration ranged from \$9.81 per hour to \$102.12 per hour.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
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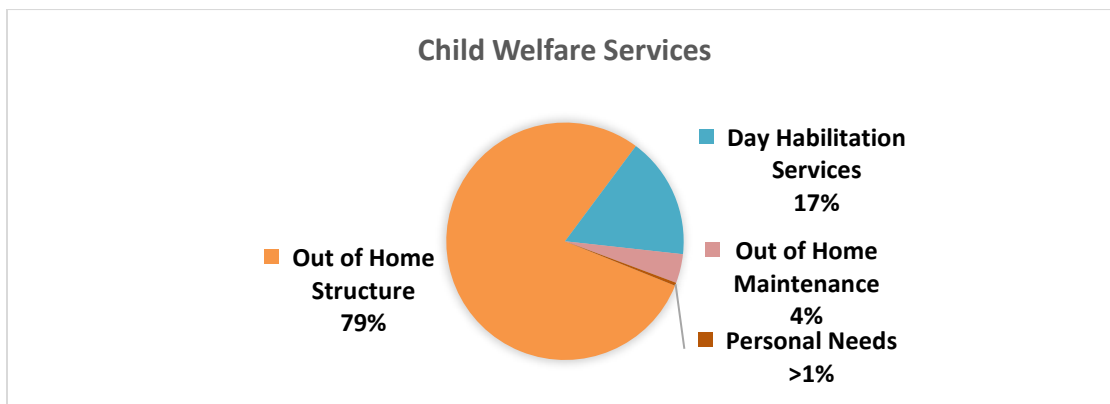
BACKGROUND
(Continued)



Shared Living is delivered in a private home by an individual, couple, or a family chosen by the participant, and who is an independent contractor of the provider agency authorized to deliver services. The Shared Living contractor and the participant live together in the residence, and the participant shares daily life with the family in their home and community. Shared Living includes adaptive skill development of daily living activities, such as personal grooming and cleanliness, laundry, bed making and household chores, eating and the preparation of food, inclusive community activities, transportation, and the social and leisure skill development necessary to enable the participant to live in the most integrated setting appropriate to his or her needs. This service also includes the provision of personal care, health maintenance activities, supervision, and protective oversight.

Child Welfare Services

The Department’s Division of Children and Family Services administers child welfare services. The largest service paid to Milestones was \$1,071,785 for Out-of-Home Structure in calendar year 2022, paid at rates ranging from \$321.08 per day to \$754.51 per day.



- Out of Home Structure is for services provided in a group setting to meet the child’s behavioral, structural, or safety needs. Rates vary based on the needs of the youth.
- Day Habilitation Services involve training/staff support in self-help, behavioral, social, and adaptive services provided to a child on days not attending school due to school not being in session.
- Out of Home Maintenance meets the basic needs of a child in out-of-home care, which includes personal safety, food, and shelter.
- Personal Needs provides a \$60 monthly stipend for a child in a medical or DD setting to cover additional costs, such as personal hygiene supplies, over-the-counter (OTC) medications, and school activity related fees, etc.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
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BACKGROUND
(Concluded)

Milestones Bank Activity

During our audit, we reviewed the bank statements and credit card activity for Milestones. The table below provides a summary of that activity for calendar year 2022.

Milestones Bank Activity Calendar Year 2022				
Deposits	Amount		Credits	Amount
State of Nebraska	\$ 6,734,240		Payroll – BAMBOOHR	\$ 6,200,373
Saint Francis	412,290		American Express (Credit Card)	355,237
RWR Enterprises LLC	54,909		RWR Enterprises LLC	355,450
Randall Bojanski	60,000		Randall Bojanski	80,873
Public Schools	240,266		Blue Cross Blue Shield	292,524
Other	335,132		American Funds Investment	135,971
			Woodhouse	94,605
			METKC Ins Premium	41,653
			WEX Inc. Fleet Debit	33,041
			Lutz (accounting)	10,000
			Midlands Auto Repair	12,711
			Workman Drywall	11,795
			Utilities	10,001
			Stock Yards Bank	14,077
			ATM Withdrawal	7,180
			Nebraska Child Support	6,035
			Cintas Corporation	5,922
			Other	187,169
Total Deposits	\$ 7,836,837		Total Credits	\$ 7,854,617

Milestones had 10 credit cards in calendar year 2022. The following table contains a summary of the types of charges made on those company credit cards throughout that year.

American Express Credit Card Activity Calendar Year 2022	
Description	Amount
Legal Counsel	\$ 85,892
Building Improvement/Maintenance	65,271
Electronics	56,317
Amazon	32,747
Office Supplies/Equipment	29,205
Insurance	18,892
Grocery Stores	18,178
Cleaning Services	16,852
Communications	13,683
Background Checks	11,153
Retail Stores	10,605
Automobile Maintenance	8,724
Training Educational Supplies	8,360
Restaurants	7,979
Gas Stations	6,074
Other	23,629
Total charges January 1, 2022 through December 31, 2022	\$ 413,561
Note: This summary reflects the date that the expenditure was charged to the credit card; therefore, it will not agree to the corresponding bank activity, which shows the date that the credit card billing was paid.	

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Nebraska Department of Health and Human Services Executive Management

Name	Title
Dannette R. Smith	Chief Executive Officer and Interim Director, Division of Children & Family Services
Larry Kahl	Chief Operating Officer
Tony Green	Director, Division of Developmental Disabilities
Kevin Bagley	Director, Division of Medicaid & Long-Term Care
John Meals	Chief Financial Officer

Nebraska Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509
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NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

SUMMARY OF COMMENTS

During our examination of the Nebraska Department of Health and Human Services' (Department) payments to Milestones Disability Services, Inc., (Milestones) we noted certain deficiencies and other operational matters that are presented here.

By using qualifying words such as "alleged" or "allegedly" in comments to describe certain incidents or activities, the Auditor of Public Accounts seeks to avoid the possibility that a report comment might be misconstrued, intentionally or otherwise, as containing an imputation of criminality. However, utilization of such modifying terms is not meant to indicate a lack of supporting documentation for the report comment or any evidentiary insufficiency or other shortcoming relating thereto.

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

1. ***Milestones Questionable Activity:*** As part of our examination, we reviewed various records of Milestones; however, we did not perform an audit or attestation of Milestones. We noted that Milestones paid RWR Enterprises, LLC, (RWR) \$374,410 in management fees and rent during calendar year 2022. This gave rise to an apparent conflict of interest, as at the date of the agreement, Randall and Rhonda Bojanski were both board members of Milestones and owners of RWR. We noted also that the property Milestones was leasing from RWR was a sublease, and Milestones was paying over double the amount that RWR was paying the actual owner of the property. Furthermore, in addition to the management fees that Milestones was paying RWR, Rhonda Bojanski was receiving an annual salary of \$150,000 as an employee of Milestones. The next highest-paid employee at Milestones received an annual salary of only \$70,000. Consequently, the Bojanskis appear to have been earning an excess profit from Milestones – likely resulting in the loss of over hundreds of thousands of dollars a year to Milestones.

Additionally, we noted that Rhonda Bojanski was using a Milestones credit card for personal expenditures, and RWR expenses that were being paid by Milestones.

On July 18, 2023, Milestones terminated Rhonda Bojanski's employment. In a separate letter, Milestones also notified Rhonda and Randall Bojanski that the management services agreement with RWR was being terminated.

2. ***Waiver Claims Not in Accordance with Regulations:*** Rhonda Bojanski was the guardian of one client for whom Milestones provided services, which is not allowable. Milestones was paid \$116,384 to provide services for Rhonda Bojanski's daughter from December 1, 2021, through June 26, 2022.

We also noted Consultative Assessment Services charged in excess of Department regulations for two clients tested. These claims totaled \$2,858 and \$1,440.

3. ***Inadequate Procedures for Subcontractor Payments:*** The Department lacked policies and procedures for governing the amounts that providers were required to pay subcontractors. The rate methodology used by the Department for Shared Living services included an administration factor of 9.84%. However, our testing of eight clients for one month each revealed that Milestones typically paid the shared living provider (SLP) only 80% of the rate – retaining some 20% for itself. The total paid to Milestones for Shared Living services during calendar year 2022 was \$3,221,491 on behalf of 37 clients. Based on testing, it is estimated that approximately 20%, or \$644,298, would have been retained by Milestones for administration. However, using the rate methodology of 9.84%, only \$316,995 would be reasonable – a variance of \$327,303.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
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SUMMARY OF COMMENTS

(Concluded)

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the Department.

Draft copies of this report were furnished to the Department to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. All formal responses received have been incorporated into this report. Where no response has been included, the Department declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS

1. Milestones Questionable Activity

As part of our examination, we reviewed various records of Milestones; however, we did not perform an audit or attestation of Milestones. We noted the following.

Payments to RWR

During our review, we noted numerous payments that Milestones made to RWR for management fees and rent.

- On September 5, 2020, Milestones and RWR entered into a Management Service Agreement. Per the agreement, RWR was to manage and operate Milestones. Among other things, this included supervising and managing the day-to-day operations; implementing policies and procedures; controlling the bank accounts; administering personnel policies and practices; supervising appropriate accounting and cost control systems and personnel; and establishing, maintaining, revising, and administering the overall charge structure of the programs administered by Milestones. Per the agreement, Milestones was to pay RWR 3% of gross revenues for the services rendered. During calendar year 2022, Milestones paid RWR \$124,519 in fees per this agreement. The monthly amount ranged from \$13,008 to \$21,675. This included fees paid only for the months of December 2021 to July 2022, as fees for the months of August to December 2022 had not been paid as of December 31, 2022.
- In January 2021, Milestones entered into a lease agreement with RWR to rent property in Ralston, NE, for its operations. Rhonda Bojanski signed the lease agreement on behalf of RWR. According to the lease agreement, Milestones was to pay RWR not only \$10,819 per month for rent but also \$2,106 a month for operating expenses – for a total of \$12,925 per month. The lease was amended in January 2022 to increase the space that Milestones was leasing. The additional rent per the amendment was \$6,371 per month, plus an additional \$1,528 for common area maintenance. The lease was amended again in January 2023 for additional space, increasing the rent by another \$1,810 per month, plus an additional \$435 for common area maintenance. The total amount paid to RWR for rent during calendar year 2022 was \$249,891.

RWR did not own the property that it was leasing to Milestones. According to the Douglas County Assessor (dcassessor.org), the property was owned by Copperleaf Partners, LLC. We obtained RWR's bank statements for the calendar year 2022 and we noted that RWR paid the owner of the property \$123,926 during that calendar year. Therefore, RWR appears to have netted \$125,965 in profit from essentially subleasing this property to Milestones.

Other than the management fees and the rent received from Milestones, the only other income RWR received per the bank statements was rent from a for-profit company. For this property, RWR received \$114,300 in rent payments from the for-profit company but paid the property owner only \$67,133 during calendar year 2022 – netting \$47,167 from this additional sublease.

During calendar year 2022, \$153,450 was transferred from RWR's bank account to Randall Bojanski's bank account. The only payroll expenditures that we noted in RWR's bank statements were for \$10,295. We did not obtain information regarding the recipient of the \$10,295.

Additionally, Rhonda Bojanski received \$69,231 in gross pay from Milestones through payroll from July 2022 to December 2022. Prior to July 2022, Rhonda was not paid by Milestones through payroll. Rhonda was paid \$5,769.23 bi-weekly, which would make her annual salary \$150,000 (\$5,769.23 X 26 pay periods). The next highest paid employee at Milestones is the Executive Director, who is paid an annual salary of \$70,000.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Milestones Questionable Activity (Continued)

Article III.D. of Milestones' Articles of Incorporation states the following:

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, Directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article III hereof.

Article X of Milestones' Bylaws contains similar language:

No Director, officer, or employee of, or member of a committee of, or person connected with the Corporation, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation; provided, that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors[.]

Additionally, Neb. Rev. Stat. § 21-1987 (Reissue 2022), which is found in the Nebraska Nonprofit Corporation Act, states the following, in relevant part:

(a) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair at the time it was entered into or is approved as provided in subsection (b) or (c) of this section.

(b) A transaction in which a director of a public benefit or religious corporation has a conflict of interest may be approved:

(1) In advance by the vote of the board of directors or a committee of the board if:

(i) The material facts of the transaction and the director's interest are disclosed or known to the board or committee of the board; and

(ii) The directors approving the transaction in good faith reasonably believe that the transaction is fair to the corporation

* * * *

(d) For purposes of this section, a director of the corporation has an indirect interest in a transaction if (1) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction or (2) another entity of which the director is a director, officer, or trustee is a party to the transaction.

Neb. Rev. Stat. § 21-19,165(a) (Reissue 2022) requires a nonprofit corporation to keep the following records of its meetings and activities:

a) A corporation shall keep as permanent records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the board of directors as authorized by subsection (d) of section 21-1985.

(b) A corporation shall maintain appropriate accounting records.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Milestones Questionable Activity (Continued)

* * * *

(d) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(e) A corporation shall keep a copy of the following records at its principal office:

* * * *

(4) The minutes of all meetings of members and records of all actions approved by the members for the past three years;

(5) All written communications to members generally within the past three years, including the financial statements furnished for the past three years under section 21-19,170;

We requested all of the minutes for meetings held by the Board of Directors (Board) for Milestones. Per our review of the minutes dated October 6, 2020, the Board approved the Management Service Agreement with RWR; however, the minutes do not reflect that the interest of the Bojanskis in RWR was revealed to the Board, as required by § 21-1987(b)(1)(i). Likewise, the minutes fail to indicate how the Board members voted on the question of approving the agreement.

Additionally, none of the meeting minutes reviewed reflect that the Board approved the lease agreement with RWR.

Additionally, per the Best Practices for a Nonprofit Organization document released by the Nebraska Attorney General's Office in 2020, when setting the executive compensation, the board should use caution in using the compensation figures from for-profit organizations as a factor in determining compensation for executives leading a nonprofit organization. While executives of a nonprofit are not expected to take vows of poverty, their compensation is usually significantly lower than their peers at for-profit companies.

In summary, RWR received \$124,519 in management fees and netted profits of \$125,965 in rent – for a combined total of \$250,484 – from Milestones in the calendar year. Additionally, Rhonda was paid wages of \$69,231 from July to December. So, in total, RWR and the Bojanskis netted \$319,715 in payments from Milestones in the calendar year. As noted previously, the next highest-paid employee is paid only \$70,000 a year. Consequently, the Bojanskis appear to have been using their positions and influence to earn an excess profit from Milestones. Milestones could likely save over hundreds of thousands of dollars a year by leasing its facilities directly from the property's owner and reducing Rhonda's salary.

Loan

Milestones entered into a loan agreement with Rhonda and Randall Bojanski on May 20, 2021, in which Milestones received a start-up loan of \$70,000 from the Bojanskis. While the loan agreement was approved by the Board of Directors on June 14, 2021, the Board meeting minutes do not state that Rhonda Bojanski abstained from the vote, nor did it record the specific votes to approve or disapprove the agreement. This could be a conflict of interest, as Rhonda Bojanski is a board member and an active employee of Milestones.

Additionally, we noted that Rhonda Bojanski was using Milestones' credit card for personal use, including purchasing airline tickets and fees for \$665, \$432, and \$160, and food purchases from DoorDash, ranging from \$30 to \$44, that were delivered to her personal residence. Milestones claimed to have been reimbursed for these expenditures through a reduction of the loan amount. We requested a report of the transactions related to this loan, and Milestones provided a transaction report for calendar year 2022. Per the report, the loan was being reduced for these personal purchases; however, the loan balance was \$74,392 at December 31, 2022, more than the original loan amount of \$70,000. We also noted that Milestones received an additional loan of \$60,000 from Rhonda and Randall

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Milestones Questionable Activity (Concluded)

Bojanski on June 7, 2022, which was repaid on October 19, 2022. No interest was being accrued on this loan during calendar year 2022. Even if these payments were actually reimbursed to Milestones, it is not good business practice to use the company credit card for personal use, as there is a risk of Milestones not being fully reimbursed for these costs.

Attorney Fees

Based in Omaha, Nebraska, Koley Jessen, P.C., L.L.O, (Koley Jessen) is a law firm representing Randall and Rhonda Bojanski, Milestones, and RWR in the PHDDS law suit that was brought against them. During calendar year 2022, Koley Jessen was paid \$85,892 with the credit card. We tested two payments to Koley Jessen for \$34,068 and \$15,947. The invoices for both payments included services rendered for the PHDDS case. Koley Jessen is also representing the Bojanskis and RWR as separate defendants. Additionally, the invoice indicates that other services were rendered specifically for Rhonda Bojanski. Again, this appears to be a conflict of interest. Additional invoices to Koley Jessen for calendar year 2022 were provided which were not paid by Milestones totaling \$18,409. The invoices included services rendered for the PHDDS case; however, there was no agreement between the parties to the lawsuit as to who would be responsible for legal fees and in what proportion.

Other Issues

Milestones has been paying the 401(k) retirement plan contributions for RWR employees. Despite being reimbursed \$24,689 by RWR for these contributions during calendar year 2022, it is not good business practice for Milestones to pay for costs that are not its responsibility – as full reimbursement for those expenses might not be received.

On July 18, 2023, Milestones terminated Rhonda Bojanski's employment. In a separate letter, Milestones also notified Rhonda and Randall Bojanski that the management services agreement with RWR was being terminated.

We recommend the Department thoroughly investigate these findings to determine if any sanctions against Milestones are warranted. We recommend also that the Board of Directors of Milestones analyze its business relationship with RWR and the Bojanskis and consider making changes thereto or even ending those relationships altogether to ensure that Milestones can best serve its clients. Additionally, we recommend the Nebraska Attorney General and the Internal Revenue Service review the findings herein as they pertain to concerns involving possible violations of State law or the Federal tax code.

Department Response: As outlined in Milestone's Provider Agreement, payment is made based on the services delivery as defined in the agreement, not on an expense reimbursement basis. If this were an expense reimbursement payment model, the DHHS would be reviewing reimbursement requests and supporting documentation at each invoicing period for reasonableness, allowability, and determining whether the expense was necessary under the terms of the agreement DHHS has the authority to monitor the quality of service provision of service by entities engaged as service providers. DHHS lacks the authority to investigate businesses beyond that. However, when issues of legality come to our attention, we report such issues to the relevant agencies. The results of the APA review of Milestone's corporate governance documents, staffing model, management contract, leases, and other research indicate potentially serious allegations of self-dealing as well as a pattern of business practices non-conforming with the Nebraska Nonprofit Corporation Act. DHHS will report these serious allegations of self-dealing and non-conformity with the Nebraska Nonprofit Corporation Act to the state agency responsible for investigating non-profit corporations in Nebraska, the Nebraska Attorney General's Office. Additionally, DHHS will coordinate with our Division of Medicaid and Long-term Care Program Integrity Unit and notify the Division of Public Health Licensure Unit to ensure all of the APA's noted concerns are reviewed and appropriate action taken to remediate validated concerns.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS

(Continued)

2. Waiver Claims Not in Accordance with Regulations

During our testing of payments to Milestones for Medicaid Home and Community-Based (HCBS) waiver claims, we noted services that were not in accordance with State and Federal regulations.

Milestones was paid \$5,361,325 during calendar year 2022 for HCBS waiver services on behalf of 68 clients. We tested claims for one month of services for each of nine clients. Claims tested totaled \$219,847. We noted the following:

- One client was the daughter of Randall and Rhonda Bojanski. Rhonda was both her guardian and the Director of Milestones. Per the Federally approved waiver, services cannot be provided by a guardian. Rhonda Bojanski was the legal guardian through June 21, 2022. She is also listed as the primary contact and the managing employee (Director) on the Service Provider Agreement. During calendar year 2022,

Milestones was paid \$116,384 to provide services for Randall and Rhonda Bojanski's daughter from December 1, 2021, through June 26, 2022.

According to the Department, no conflict exists if the legal guardian is not part of the direct support staff. However, the waiver makes no distinction between provider and direct support staff regarding the provision of services. The service delivery method for shared living and day services is checked as "provider managed," and Milestones is the provider authorized by the Department. The waiver does not allow the services to be provided by a legal guardian.

- Consultative Assessment Services charged exceeded State regulations for two clients tested and exceeded the service authorization for one client tested. For one client, 25 hours were paid for the month, which exceeded the service authorization of 10 hours and the State limit of 5 hours per month. For another client, 10 hours were paid for the month, which exceeded the 5 hour limit. These claims totaled \$2,858 and \$1,440, respectively.

Good internal control requires procedures to ensure adherence to applicable policies and regulations.

The 1915(c) Home and Community-Based Services Waivers, effective October 1, 2021, and March 1, 2022, do not allow a legal guardian to provide services for Shared Living, Community Integration, or Habilitative Community Inclusion.

Additionally, the Waiver provides the following:

The direct services and supports delivered in Shared Living must be by an independent contractor of an agency provider. Shared Living is the only service that can be provided by an independent contractor for the delivery of direct services and supports. The agency provider remains responsible for indirect services of the Shared Living service.

Community Inclusion is a habilitative service that provides formalized teaching, regularly scheduled activities, and staff supports for the acquisition, retention, or improvement in self-help, behavioral skills, and adaptive skills that enhance social development. Community Inclusion primarily take place in the community in a non-residential setting, separate from the participant's residential setting or any facility owned or leased, operated or controlled by a provider.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS
(Continued)

2. Waiver Claims Not in Accordance with Regulations (Continued)

Community Integration is a habilitative service that provides formalized teaching, person-centered activities, and staff supports for the acquisition, retention, or improvement in self-help, behavioral skills, and adaptive skills that enhance social development. Habilitative activities are designed to foster greater independence, community networking, and personal choice. Community Integration provides an opportunity for the participant to practice skills taught in therapies, counseling sessions, or other settings to plan and participate in regularly scheduled community activities.

Community Integration Services may be provided by a relative but not a person legally responsible for the participant.

The Nebraska Department of Health and Human Services (DHHS), Division of Developmental Disabilities, "Policy Manual" (updated March 2022), Section 7.1(B), "General Provider Requirements," states the following, in relevant part:

All providers of Medicaid HCBS DD Waiver services must meet these general provider requirements:

* * * *

10. Not be legally responsible for the participant when providing direct services. Legally responsible people include:

* * * *

b. Guardian;

11. Avoid all conflicts of interest and any appearance of conflicts of interest. A provider must immediately notify DDD of any conflicts of interest so the Individual Support Plan (ISP) team can make other arrangements for services to be provided.

Per 403 Nebraska Administrative Code (NAC) 5-004.04(A)(i), "Consultative Assessment Services is billed at an hourly rate for up to 5 hours per month[.]" The DHHS Division of Developmental Disabilities "Policy Manual" (updated March 2022), Section 5.10, "Service Authorizations," says, "The Service Coordinator authorizes services and funding amounts. A service authorization is an agreement between the provider and DDD to allow the provider to bill for Medicaid HCBS DD Waiver Services."

Per 45 CFR §75.403(c) (October 1, 2022) costs must "[b]e consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity."

Without adequate procedures to ensure compliance with State and Federal regulations, there is an increased risk for misuse of funds and Federal questioned costs.

We recommend the Department strengthen procedures to ensure adherence to both State and Federal regulations. In particular, we recommend that a client not be allowed to receive services from an entity whose Director is the client's legal guardian.

Department Response: The Agency disagrees that the client is not allowed to receive services from an entity whose Director is the client's legal guardian. In the Waivers, language is prohibiting a legally responsible individual or guardian from being a paid caregiver, not from working in an agency.

Additionally, NE Rev Statute 30-2627 (b) (4) allows parents of the incapacitated person to be guardian and are not excluded from employment at the same agency as identified in NE Rev Statute 30-2627 (a).

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS

(Continued)

2. Waiver Claims Not in Accordance with Regulations (Concluded)

APA Response: The APA does not dispute that Neb. Rev. Stat. § 30-2627(b)(4) (Reissue 2016) authorizes a parent to be appointed as the legal guardian of a client. The language in that statute is neither controlling nor determinative regarding the issue at hand, however. As pointed out in the comment, the CDD Waiver, which governs both Shared Living and Day Supports services, states explicitly that such services are to be “Provider managed.” That provider, the document continues unambiguously, may be neither a “Legally Responsible Person” nor a “Legal Guardian.” As both the client’s legal guardian and the Director of Milestones, the designated provider, Rhonda Bojanski was precluded, under the applicable Waiver language, from involvement with the services for which Federal funding was received. When first contacted about this concern, the Department responded that the client’s parents “are not the direct support staff to her while she is in the day services.” That message concluded, “As long as they are not her direct staff, it is not a legal conflict according to our waiver or statute.” The message offered no support for the claimed distinction between “direct support staff” and the provider entity itself. Likewise, no such distinction is found in the language of the Waiver. The Department argues now that the CDD Waiver prohibits a “legally responsible individual or guardian from being a paid caregiver, not from working in an agency.” Again, no support is offered for that assertion. As the Department well knows, moreover, Rhonda Bojanski was more than a run-of-the-mill Milestones employee; she was that facility’s Director, who exercised enormous control over the services provided to Milestone’s clients. If the Department insists upon distinguishing between a provider entity and its “support staff” or employees, some form of support – such as formal guidance from the Federal awarding agency – should be obtained.

3. Inadequate Procedures for Subcontractor Payments

During calendar year 2022, the Department paid Milestones \$1,355,379 for Child Welfare services and \$5,361,325 for HCBS Waiver services. HCBS included \$3,221,491 for Shared Living services. Providers, like Milestones, subcontract with foster parents or shared living providers for both Child Welfare and Shared Living services.

We noted that the Department lacked policies or procedures for governing those subcontracts or the amounts that the provider was required to pay the subcontractor and how much could be retained by the provider for administrative costs.

HCBS Waiver

The amount retained by Milestones for Shared Living services appears to have been unreasonable. The rate methodology used by the Department for Shared Living services included an administration factor of 9.84%. However, our testing of eight clients for one month revealed that Milestones typically paid each shared living provider (SLP) only 80% of the rate – retaining some 20% for itself.

Client	Month Tested	DHHS Paid Milestones	Milestones paid SLP	% to SLP	% retained by Milestones
1	February	\$ 10,159.52	\$ 8,127.56	80%	20%
2	March	\$ 11,248.04	\$ 8,998.37	80%	20%
3	June	\$ 22,635.30	\$ 16,740.10	74%	26%
4	August	\$ 13,160.12	\$ 10,528.22	80%	20%
5	August	\$ 8,659.23	\$ 6,937.26	80%	20%
6	October	\$ 27,366.18	\$ 27,366.18	100%*	0%*
7	October	\$ 22,969.76	\$ 18,375.87	80%	20%
8	November	\$ 22,228.80	\$ 15,282.90	69%	31%

*SLP received a bonus for coming to Milestones with a placement, received 80% in subsequent month

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Inadequate Procedures for Subcontractor Payments (Continued)

The total paid to Milestones for Shared Living services during calendar year 2022 was \$3,221,491 on behalf of 37 clients. Based on testing, it is estimated that approximately 20%, or \$644,298, would have been retained by Milestones for administration. However, using the rate methodology of 9.84% only \$316,995 would be reasonable, a variance of \$327,303.

Per Neb. Rev. Stat. § 83-1202(7) (Cum. Supp. 2022), “Persons who deliver services to persons with developmental disabilities shall be assured a uniform system of compensation and training and a full range of work-site enhancements which attract and retain qualified employees.”

Per 45 CFR § 75.403, costs must be both necessary and reasonable. Per 45 CFR §75.404, “A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.”

If the amounts retained by the provider are unreasonable, it is likely that the rates being paid are also unreasonable.

Good internal control requires procedures to ensure that costs are reasonable.

Child Welfare

Milestones was paid \$1,355,379 during calendar year 2022 for child welfare services. Milestones also received \$412,290 as a subcontractor of St. Francis Ministries for providing child welfare services. We selected payments, totaling \$222,245 and \$198,952, to Milestones for services provided to two clients, testing one month of services for each. Services included \$600 per month for out-of-home maintenance and \$60 per month for personal needs. Services also included Day Habilitation at \$567.35 per day and Out-of-Home Structure of \$633.30 per day and \$754.51 per day.

Out-of-Home Structure is for additional support above and beyond that required for typical youth. Some examples are youth with high safety concerns or high medical needs. That support is paid at a negotiated rate comparable with Developmental Disability rates.

The Department lacks policies and procedures for determining how much of the for Out-of-Home Structure payment should go to the foster parent and how much can be retained by the contractor for administration.

The Department contracted with Milestones through a Letter of Agreement (LOA) for each client. Per the LOAs, the contractor (Milestones) was to pay the total daily amount for Out-of-Home Structure to the foster parent. However, the Milestones subcontract with the foster parent stated that Milestones would pay only 80% of the 1:1 rate of the Residential Habilitation rate.

Client	Month Tested	DHHS Paid Milestones for Out-of-Home Structure	Milestones paid foster parent	% paid to foster parent	% retained by Milestones
1	July	\$ 23,390	\$ 20,087	86%	14%
2	October	\$ 19,632	\$ 15,706	80%	20%

Without policies and procedures specifying the amounts to be paid to foster parents, there is an increased risk that contractors will retain unreasonable amounts for administration, and therefore, rates paid would be unreasonable.

Per Neb. Rev. Stat. § 71-1926(3) (Reissue 2018), “Child-placing agency means any person other than the parent or legal guardian of a child that receives the child for placement and places or arranges for the placement of a child in a foster family home, adoptive home, residential child-caring agency, or independent living[.]”

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Inadequate Procedures for Subcontractor Payments (Continued)

Per 479 NAC 2-002.01A2 Agency Based Foster Home:

When the child is placed in an Agency Based Foster Home, payment is made to the child placing agency rather than directly to the foster parent. Rate is established in the contract between the child placing agency and the Department and is based on the Department's standardized rate for this type of service. The rate includes recruitment, training, and support of the foster parent by the agency, as well as maintenance related payments for the child. Payment to the foster parent is made by the child placing agency. {Effective 02/23/04}

The contract between the Department and Milestones (Contractor) states, in relevant part, the following:

Payment will be made for the following service(s), at the following rate(s), and as authorized by DHHS through the NFOCUS System:

* * * *

(5616): Out of Home Structure at \$754.51 for each day during the contract period that the identified youth resides with the Contractor. The Contractor agrees to pay this total daily amount directly to the foster parent(s) where the identified youth is placed.

Sound business practices require procedures to ensure that amounts paid to a foster parent by a contractor are fair and reasonable.

We recommend the Department implement policies and procedures to ensure shared living subcontractors are paid equitably in relation to the rate methodology. We also recommend the Department implement procedures to ensure LOA's for child welfare services specify the amounts that the contractor must provide to the foster parent. Additionally, we recommend the Department strengthen procedures for ensuring compliance with State and Federal regulations.

Department Response: For the HCBS waiver, the auditor's office is taking a single factor from a rate model build-up. While there is a 9.84% Administration Factor in the build-up, there is also other factors to cover and agencies expenses. Program Support is built in with an additional 9.8% - 33% depending on the clients Tier level. Program Support is to cover things like manager/supervisors of the Shared Living Providers (SLP), quality staff/oversight of the SLP;s, Medical oversight etc. Therefore, to just identify the 9.84% as the only overhead costs a provider incurs and should deduct, is inaccurate.

DHHS agrees that a rate methodology is a sound practice for the standardization of foster care payments. However, high-acuity youth with unique needs are not always able to have standardized rates across all Letters of Agreement (LOAs). This requires individualized rates to reflect unique circumstances and case plans. DHHS is working on improving LOAs between providers and the agency to ensure that services listed in the LOA are delivered for the benefit of the youth in care.

DHHS acknowledges regulation 479 NAC 2-002.01A2. However, these are unique situations that are not covered by the standard Agency Supported Foster Care contract. The LOAs are not for a standardized foster care home. Thus, the regulation does not apply to the Shared Living home.

The Shared Living agency supports the home as needed above and beyond a typical Agency Supported Foster Care home. The support varies widely from home to home and case to case. Support can change on a day-to-day basis.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

COMMENTS AND RECOMMENDATIONS

(Concluded)

3. Inadequate Procedures for Subcontractor Payments (Concluded)

Therefore, it is up to the agency to determine the appropriate amount of funding that is paid to the home after determining the level of support that the agency provided to the home.

DHHS would like to highlight that we are in compliance with all federal regulations in relation to this audit.

APA Response: As detailed in the table above, Milestones retained \$6,945.90 for one client during a single month. We find it highly unlikely that Milestones had expenses related to that one client totaling such a considerable amount. We recommend the Department implement procedures to ensure all shared living providers and all foster parents are treated equitably.



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NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Department of Health and Human Services
Lincoln, Nebraska

We have examined the accompanying Schedule of Expenditures of the Nebraska Department of Health and Human Services (Department) Payments to Milestones Disability Services, Inc., (Milestones) for the calendar year ended December 31, 2022. The Department's management is responsible for the Schedule of Expenditures based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Expenditures based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Expenditures is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Expenditures. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Expenditures, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedule of Expenditures for the calendar year ended December 31, 2022, is based on the accounting system and procedures prescribed by State of Nebraska Director of Administrative Services, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Schedule of Expenditures; fraud that is material, either quantitatively or qualitatively, to the Schedule of Expenditures; and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of management concerning our findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Schedule of Expenditures is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule of Expenditures or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

The purpose of this report is to express an opinion on the Schedule of Expenditures, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.

July 28, 2023



Mike Foley
Auditor of Public Accounts
Lincoln, Nebraska

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

SCHEDULE OF EXPENDITURES

For the Calendar Year Ended December 31, 2022

	General Fund 10000	Federal Fund 40000	Totals (Memorandum Only)
EXPENDITURES:			
Government Aid	\$ 3,284,226	\$ 3,432,478	\$ 6,716,704

The accompanying notes are an integral part of the schedule.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

NOTES TO THE SCHEDULE

For the Calendar Year Ended December 31, 2022

1. Criteria

The accounting policies of the Nebraska Department of Health and Human Services (Department) are on the basis of accounting, as prescribed by State of Nebraska Director of Administrative Services.

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2014), the duties of the State of Nebraska's Director of the Department of Administrative Services (DAS) include:

The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes[.]

In accordance with Neb. Rev. Stat. § 81-1111(1) (Reissue 2014), the State Accounting Administrator has prescribed the system of accounts and accounting to be maintained by the State and its departments and agencies and has developed necessary accounting policies and procedures. The prescribed accounting system currently utilizes EnterpriseOne, an accounting resource software, to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by the DAS State Accounting Division (State Accounting) and are available to the public.

The financial information used to prepare the Schedule of Expenditures (Schedule) was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. EnterpriseOne is not an accrual accounting system; instead, accounts are maintained on a modified cash basis. Expenditures and related accounts payable are recorded in the general ledger as transactions occur. As such, the Schedule includes those expenditures and related accounts payable posted in the general ledger as of December 31, 2022, and not yet paid as of that date. The amount recorded as expenditures on the Schedule, as of December 31, 2022, **does not** include amounts for services received before December 31, 2022, which had not been posted to the general ledger as of December 31, 2022.

The following fund types are established by the State and used by the Department:

10000 – General Fund – accounts for activities funded by general tax dollars and related expenditures and transfers.

40000 – Federal Funds – account for the financial activities related to the receipt and disbursement of funds generated from the Federal government as a result of grants and contracts. Expenditures must be made in accordance with applicable Federal requirements.

The following major expenditure account classifications are established by State Accounting and used by the Department:

Government Aid – Payment of Federal and/or State money to governmental subdivisions, State agencies, local health and welfare offices, individuals, etc., in furtherance of local activities and accomplishment of State programs.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

NOTES TO THE SCHEDULE

(Concluded)

2. Reporting Entity

The Department is a State agency established under and governed by the laws of the State of Nebraska. As such, the Department is exempt from State and Federal income taxes. The Schedule includes all payments to Milestones Disability Services, Inc. of the Department included in the general ledger.

The Department is part of the primary government for the State of Nebraska.

3. Totals

The Totals “Memorandum Only” column represents an aggregation of individual account balances. The column is presented for overview informational purposes and does not present consolidated financial information because interfund balances and transactions have not been eliminated.

4. St. Francis Ministries, Inc.

In 2019, the Department contracted with St. Francis Ministries (St. Francis), a non-profit, faith-based organization that is operative in Arkansas, Kansas, Mississippi, Nebraska, Oklahoma, and Texas, to provide child welfare services in Douglas and Sarpy counties. The contract was subsequently terminated, and cases returned to State management in 2022. Milestones was a subcontractor of St. Francis and was paid \$412,290 by St. Francis in calendar year 2022 for child welfare services. Those payments are not included in the Schedule.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.

SUPPLEMENTARY INFORMATION

Our examination was conducted for the purpose of forming an opinion on the Schedule of Expenditures. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the Schedule of Expenditures; accordingly, we express no opinion on it.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
 PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.
DEVELOPMENTAL DISABILITIES SERVICE RATES

Exhibit A

As of January 1, 2022, & July 1, 2022

DHHS implemented a rate increase of 17% for all DD services for FY2023. An additional rate increase of 9% for services specified in LB1014 was also implemented for FY2023, bringing the total rate increase to 26% for the specified services.

This schedule does not include enhanced supervision rates. For example we tested services for one client with a shared living rate of \$882.78 per day and \$102.12 per hour rate for community integration. The client was approved for 2:1 staffing during the day and 1 awake staff overnight.

Developmental Disabilities Service Fee Schedules

Service	Level	Unit	Rate 1/1/22	Rate 7/1/22	% Increase
<i>Day Services</i>					
Adult Day – Agency	All	Hour	\$8.82	\$10.32	17%
Community Integration - Agency	Basic	Hour	\$10.01	\$12.61	26%
Community Integration - Agency	Intermediate	Hour	\$13.94	\$17.56	26%
Community Integration - Agency	High	Hour	\$24.42	\$30.77	26%
Community Integration - Agency	Advanced	Hour	\$41.16	\$51.86	26%
Community Integration - Agency	Risk	Hour	\$45.41	\$57.22	26%
Community Integration - Independent	Basic	Hour	\$15.89	\$18.59	17%
Community Integration - Independent	Intermediate	Hour	\$15.89	\$18.59	17%
Community Integration - Independent	High	Hour	\$18.54	\$21.69	17%
Community Integration - Independent	Advanced	Hour	\$27.29	\$31.93	17%
Child Day Habilitation - Agency	Basic	Hour	\$10.01	\$12.61	26%
Child Day Habilitation - Agency	Intermediate	Hour	\$13.94	\$17.56	26%
Child Day Habilitation - Agency	High	Hour	\$24.42	\$30.77	26%
Child Day Habilitation - Agency	Advanced	Hour	\$41.16	\$51.86	26%
Child Day Habilitation - Agency	Risk	Hour	\$45.41	\$57.22	26%
Child Day Habilitation - Independent	Basic	Hour	\$15.89	\$18.59	17%
Child Day Habilitation - Independent	Intermediate	Hour	\$15.89	\$18.59	17%
Child Day Habilitation - Independent	High	Hour	\$18.54	\$21.69	17%
Child Day Habilitation - Independent	Advanced	Hour	\$27.29	\$31.93	17%
Day Support - Agency	Basic	Hour	\$7.85	\$9.89	26%
Day Support - Agency	Intermediate	Hour	\$12.03	\$15.16	26%
Day Support - Agency	High	Hour	\$22.33	\$28.14	26%
Day Support - Agency	Advanced	Hour	\$34.31	\$43.23	26%
Day Support - Agency	Risk	Hour	\$36.77	\$46.33	26%
Medical In-Home Habilitation – Agency	Medical	Hour	\$26.31	\$33.15	26%
Behavioral In-Home Habilitation - Agency	Behavioral	Hour	\$32.24	\$40.62	26%
<i>Prevocational Services</i>					
Prevocational - Agency - Individual	Individual (1:1)	Hour	\$42.28	\$53.27	26%
Prevocational - Agency - Small Group	Small Group (1:2 – 1:3)	Hour	\$16.91	\$21.31	26%
Prevocational - Agency - Large Group	Large Group (1:4 – 1:5)	Hour	\$9.39	\$11.83	26%
<i>Employment Services</i>					
Small Group Vocational Support - Agency	Agency	Hour	\$10.33	\$13.02	26%
Supported Employment -Follow Along - Independent	Independent	Hour	\$25.87	\$30.27	17%
Supported Employment -Follow Along - Agency	Agency	Hour	\$44.29	\$55.81	26%
Supported Employment Individual - Independent	Independent	Hour	\$27.35	\$32.00	17%

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
 PAYMENTS TO MILESTONES DISABILITY SERVICES, INC.
DEVELOPMENTAL DISABILITIES SERVICE RATES

Exhibit A

As of January 1, 2022, & July 1, 2022

Service	Level	Unit	Rate		%
			1/1/22	7/1/22	Increase
Supported Employment Individual - Agency	Agency	Hour	\$46.92	\$59.12	26%
<i>Residential Habilitation Services</i>					
Independent Living - Agency	Individual	Hour	\$33.04	\$41.63	26%
Independent Living - Agency	Group (2)	Hour	\$16.52	\$20.82	26%
Independent Living - Agency	Group (3)	Hour	\$11.02	\$13.89	26%
Independent Living - Independent	Individual	Hour	\$20.84	\$24.38	17%
Independent Living - Independent	Group (2)	Hour	\$10.41	\$12.18	17%
Independent Living - Independent	Group (3)	Hour	\$6.95	\$8.13	17%
Supported Family Living - Agency	Individual	Hour	\$30.30	\$38.18	26%
Supported Family Living - Agency	Group (2)	Hour	\$15.16	\$19.10	26%
Supported Family Living - Agency	Group (3)	Hour	\$10.10	\$12.73	26%
Supported Family Living - Independent	Individual	Hour	\$20.30	\$23.75	17%
Supported Family Living - Independent	Group (2)	Hour	\$10.15	\$11.88	17%
Supported Family Living - Independent	Group (3)	Hour	\$6.76	\$7.91	17%
Continuous Residential Habilitation - Agency	Basic	Day	\$166.44	\$209.71	26%
Continuous Residential Habilitation - Agency	Intermediate	Day	\$192.19	\$242.16	26%
Continuous Residential Habilitation - Agency	High	Day	\$280.53	\$353.47	26%
Continuous Residential Habilitation - Agency	Advanced	Day	\$429.73	\$541.46	26%
Continuous Residential Habilitation - Agency	Risk	Day	\$651.42	\$820.79	26%
Host Home Residential (Employee) - Agency	Basic	Day	\$135.19	\$170.34	26%
Host Home Residential (Employee) - Agency	Intermediate	Day	\$163.05	\$205.44	26%
Host Home Residential (Employee) - Agency	High	Day	\$254.41	\$320.56	26%
Host Home Residential (Employee) - Agency	Advanced	Day	\$386.02	\$486.39	26%
Host Home Residential (Employee) - Agency	Risk	Day	\$534.66	\$673.67	26%
Shared Living (Independent Contractor) - Agency	Basic	Day	\$127.20	\$148.82	17%
Shared Living (Independent Contractor) - Agency	Intermediate	Day	\$153.55	\$179.65	17%
Shared Living (Independent Contractor) - Agency	High	Day	\$238.74	\$279.33	17%
Shared Living (Independent Contractor) - Agency	Advanced	Day	\$362.84	\$424.52	17%
Shared Living (Independent Contractor) - Agency	Risk	Day	\$512.09	\$599.15	17%
Therapeutic Residential Habilitation	Agency	Day	\$819.63	\$1,032.73	26%
<i>Consultative Assessment Service</i>					
Consultative Assessment Service – Independent	Independent	Hour	\$114.32	\$144.04	26%
Consultative Assessment Service – Agency	Agency	Hour	\$114.32	\$144.04	26%
<i>Homemaker Services</i>					
Homemaker - Independent	Independent	Hour	\$11.81	\$13.82	17%
Homemaker - Agency	Agency	Hour	\$16.86	\$19.73	17%
<i>Respite Services</i>					
Respite Individual - Independent	Independent	Hour	\$13.49	\$15.78	17%
Respite Individual - Agency	Agency	Hour	\$24.38	\$28.52	17%
<i>Other Services</i>					
Transportation – Agency	Agency	Mile	\$ 1.755	\$1.875	7%
Transportation – Independent	Independent	Mile	\$ 0.585	\$0.625	7%