ARC 1051C

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 249A.4 and 2013 Iowa Acts, Senate File 446, section 12, the Department of Human Services amends Chapter 77, "Conditions of Participation for Providers of Medical and Remedial Care," Chapter 78, "Amount, Duration and Scope of Medical and Remedial Services," Chapter 79, "Other Policies Relating to Providers of Medical and Remedial Care," and Chapter 88, "Managed Health Care Providers," Iowa Administrative Code.

These amendments transfer administrative responsibility for Medicaid habilitation to the contractor for the Iowa Plan for Behavioral Health and integrate targeted case management into integrated health homes for members with chronic mental illness. Additionally, these amendments change the reimbursement method for case management services under habilitation waivers.

Habilitation services are currently administered separately from all other behavioral health care. As a result, the amount, scope, and duration of these services are not effectively aligned with other behavioral and physical health care services. On average, individuals with serious mental illness die 25 years earlier than the general public (based on a 16-state pilot study on mental health performance measures). Providing coordinated physical and behavioral health care should improve access to all services to achieve the best outcomes for individuals. In addition, expenditures for habilitation services have increased 120 percent in the past five years, with no definitive improvement in overall quality of life outcomes.

The transitions implemented by these amendments will not affect individuals who need habilitation services. Individuals served will still receive their habilitation services. They may experience a change in their care coordination with the shift of habilitation case management to integrated health homes. The goal is to improve measurable outcomes for individuals and their families.

A portion of habilitation case management services are currently managed by Magellan. Other case management for habilitation is managed by the Iowa Medicaid Enterprise (IME). Habilitation case management managed by IME will be transitioned to Magellan as a result of these amendments. Habilitation case management will continue with little change until the transition of case management to care coordination through integrated health homes is complete.

As a result of these amendments, habilitation service providers will see little change:

- Magellan will be contracting with habilitation providers, using the same provider requirements in place today. Providers should contact Magellan for information about contracting.
- Magellan will use the current rates set for habilitation providers until standardized rates are developed for habilitation services. Similar to what was done with behavioral health intervention services, Magellan will create a workgroup to collaborate with providers during the next six months to develop a standardized reimbursement rate for habilitation services.
- Magellan will honor all prior authorizations approved before July 1, 2013. After that date, authorizations will be submitted to and approved by Magellan.
- IME will continue to implement habilitation HCBS quality assurance requirements, such as the provider self-assessment and incident reporting.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 0847C** on July 24, 2013. The amendments were also Adopted and Filed Emergency and published as **ARC 0848C** on the same date and became effective July 1, 2013. The Department received no comments. These amendments are identical to those published under Notice of Intended Action and Adopted and Filed Emergency.

The Council on Human Services adopted these amendments on September 11, 2013.

These amendments do not provide for waiver in specified situations because the legislative directive does not allow for waivers and because cost containment would not be achieved with waivers. Further, the Department and the Iowa Plan for Behavioral Health contractor have established procedures

for considering exceptions to policy. Requests for waiver of any rule may be submitted under the Department's general rule on exceptions at 441—1.8(17A,217).

These amendments will have an impact on private sector jobs. Case management for habilitation members will be phased out as integrated health homes are phased in. However, the integrated health home will be responsible for the care coordination for the member and will be hiring individuals to fulfill that role.

These amendments are intended to implement Iowa Code section 249A.4 and 2013 Iowa Acts, Senate File 446, section 12(19)"a"(1) and (9).

These amendments will become effective November 6, 2013, at which time the Adopted and Filed Emergency amendments are hereby rescinded.

The following amendments are adopted.

ITEM 1. Amend rule 441—77.25(249A), introductory paragraph, as follows:

441—77.25(249A) Home- and community-based habilitation services. To be eligible to participate in the Medicaid program as an approved provider of home- and community-based habilitation services, a provider shall be an enrolled provider of habilitation with the Iowa Plan for Behavioral Health and meet the general requirements in subrules 77.25(2), 77.25(3), and 77.25(4) and shall meet the requirements in the subrules applicable to the individual services being provided.

ITEM 2. Amend subrule 77.25(10) as follows:

77.25(10) *Provider enrollment.* A prospective provider that meets the criteria in this rule ~~shall be enrolled~~ and the provider criteria of the Iowa Plan for Behavioral Health contractor must be enrolled through the Iowa Plan for Behavioral Health contractor as an approved provider of a specific component of home- and community-based habilitation services. Enrollment carries no assurance that the approved provider will receive funding. The Iowa Medicaid enterprise will enroll providers with Medicaid only when the provider is enrolled in the Iowa Plan for Behavioral Health. Payment for services will be made to a provider only ~~upon department approval of the provider and of the service the provider is authorized to provide~~ when the provider is enrolled in the Iowa Plan for Behavioral Health and the provider is authorized to provide the services. This includes payments made by the Iowa Medicaid enterprise for services provided to members who are not eligible to enroll in the Iowa Plan for Behavioral Health.

a. The ~~Iowa Medicaid enterprise~~ Iowa Plan for Behavioral Health contractor shall review compliance with standards for initial enrollment. Review of a provider may occur at any time.

b. The department or the Iowa Plan for Behavioral Health contractor may request any information from the prospective service provider that is pertinent to arriving at an enrollment decision. This information may include:

(1) Current accreditations.
(2) Evaluations.
(3) Inspection reports.
(4) Reviews by regulatory and licensing agencies and associations.

ITEM 3. Amend rule 441—78.27(249A), introductory paragraph, as follows:

441—78.27(249A) Home- and community-based habilitation services. Payment for habilitation services will only be made to providers enrolled to provide habilitation through the Iowa Plan for Behavioral Health.

ITEM 4. Adopt the following **new** definitions of "Care coordinator" and "Integrated health home" in subrule **78.27(1)**:

"Care coordinator" means the professional who assists members in care coordination as described in paragraph 78.53(1)*"b."*

"Integrated health home" means the provision of services to enrolled members as described in subrule 78.53(1).

ITEM 5. Amend subrule 78.27(2) as follows:

78.27(2) *Member eligibility.* To be eligible to receive home- and community-based habilitation services, a member shall meet the following criteria:

a. to *c.* No change.

d. Needs assessment. The member's case manager or integrated health home care coordinator has completed an assessment of the member's need for service, and, based on that assessment, the Iowa Medicaid enterprise medical services unit or the Iowa Plan for Behavioral Health contractor has determined that the member is in need of home- and community-based habilitation services. A member who is not eligible for ~~Medicaid case management services under 441—Chapter 90~~ integrated health home services shall receive Medicaid case management under 441—Chapter 90 as a home- and community-based habilitation service. The designated case manager or integrated health home care coordinator shall:

(1) and (2) No change.

e. Plan for service. The department or the Iowa Plan for Behavioral Health contractor has approved the member's plan for home- and community-based habilitation services. ~~A~~ Home- and community-based habilitation services included in a comprehensive service plan or treatment plan that has been validated through ISIS or in a treatment plan that has been authorized by the Iowa Plan for Behavioral Health contractor shall be considered approved by the department. Home- and community-based habilitation services provided before ~~department~~ approval of a member's eligibility for the program cannot be reimbursed.

(1) to (3) No change.

f. Iowa Plan for Behavioral Health eligibility. Members eligible to enroll in the Iowa Plan for Behavioral Health shall be eligible to receive home- and community-based habilitation services only through the Iowa Plan for Behavioral Health.

ITEM 6. Amend subrule 78.27(3) as follows:

78.27(3) *Application for services.* The member, case manager or integrated health home care coordinator shall apply for habilitation services on behalf of a member by contacting the Iowa Plan for Behavioral Health contractor or by entering a program request for habilitation services in ISIS for members who are not eligible to enroll in the Iowa Plan for Behavioral Health for any reason. The department or the Iowa Plan for Behavioral Health contractor shall issue a notice of decision to the applicant when financial eligibility, determination of needs-based eligibility, and approval of the comprehensive service plan or treatment plan have been completed.

ITEM 7. Amend subrule 78.27(4) as follows:

78.27(4) *Comprehensive service plan.* Individualized, planned, and appropriate services shall be guided by a member-specific comprehensive service plan or treatment plan developed with the member in collaboration with an interdisciplinary team, as appropriate. Medically necessary services shall be planned for and provided at the locations where the member lives, learns, works, and socializes.

a. Development. A comprehensive service plan or treatment plan shall be developed for each member receiving home- and community-based habilitation services based on the member's current assessment and shall be reviewed on an annual basis.

(1) The case manager or the integrated health home care coordinator shall establish an interdisciplinary team for the member. The team shall include the case manager or integrated health home care coordinator and the member and, if applicable, the member's legal representative, the member's family, the member's service providers, and others directly involved.

(2) With the interdisciplinary team, the case manager or integrated health home care coordinator shall identify the member's services based on the member's needs, the availability of services, and the member's choice of services and providers.

(3) to (8) No change.

(9) The initial comprehensive service plan or treatment plan and annual updates to the comprehensive service plan or treatment plan must be approved by the Iowa Plan for Behavioral Health contractor, or by the Iowa Medicaid enterprise for members who are not eligible to enroll in

the Iowa Plan for Behavioral Health, in the individualized services information system before services are implemented. Services provided before the approval date are not payable. The written ~~case~~ comprehensive service plan or treatment plan must be completed, signed and dated by the case manager, integrated health home care coordinator, or service worker within 30 calendar days after plan approval.

(10) Any changes to the comprehensive service plan or treatment plan must be approved by the Iowa Plan for Behavioral Health contractor, or by the Iowa Medicaid enterprise for members not eligible to enroll in the Iowa Plan for Behavioral Health, in the individualized services information system before the implementation of services. Services provided before the approval date are not payable.

b. No change.

c. Rights restrictions. Any rights restrictions must be implemented in accordance with 441—subrule 77.25(4). The comprehensive service plan or treatment plan shall include documentation of:

(1) to (3) No change.

d. Emergency plan. The comprehensive service plan or treatment plan shall include a plan for emergencies and identification of the supports available to the member in an emergency. Emergency plans shall be developed as follows:

(1) The member's interdisciplinary team shall identify in the comprehensive service plan or treatment plan any health and safety issues applicable to the individual member based on information gathered before the team meeting, including a risk assessment.

(2) and (3) No change.

e. Plan approval.

(1) A treatment plan that has been validated and authorized by the Iowa Plan for Behavioral Health contractor shall be considered approved.

(2) ~~Services~~ For members who are not Iowa Plan-eligible, services shall be entered into ISIS based on the comprehensive service plan. A comprehensive service plan or treatment plan that has been validated and authorized through ISIS shall be considered approved by the department. Services must be authorized in ISIS as specified in paragraph 78.27(2)*"e."*

ITEM 8. Amend paragraph **78.27(6)"b"** as follows:

b. ~~*Exclusion*~~ *Exclusions.*

(1) Payment shall not be made for case management provided to a member who is enrolled for integrated health home services under rule 441—78.53(249A) except during the transition to the integrated health homes.

(2) Payment shall not be made for case management provided to a member who is eligible for case management services under 441—Chapter 90.

ITEM 9. Amend subrule 78.27(11) as follows:

78.27(11) *Adverse service actions.*

a. Denial. Services shall be denied when the department or the Iowa Plan for Behavioral Health contractor determines that:

~~(1) Rescinded IAB 12/29/10, effective 1/1/11.~~

~~(2)~~ (1) The member is not eligible for or in need of home- and community-based habilitation services.

~~(3)~~ (2) The service is not identified in the member's comprehensive service plan or treatment plan.

~~(4)~~ (3) Needed services are not available or received from qualifying providers, or no qualifying providers are available.

~~(5)~~ (4) The member's service needs exceed the unit or reimbursement maximums for a service as set forth in 441—subrule 79.1(2).

~~(6)~~ (5) Completion or receipt of required documents for the program has not occurred.

b. Reduction. A particular home- and community-based habilitation service may be reduced when the department or the Iowa Plan for Behavioral Health contractor determines that continued provision of service at its current level is not necessary.

c. Termination. A particular home- and community-based habilitation service may be terminated when the department or the Iowa Plan for Behavioral Health contractor determines that:

(1) to (4) No change.

(5) The member has received care in a medical institution for 30 consecutive days in any one stay. When a member has been an inpatient in a medical institution for 30 consecutive days, the department or the Iowa Plan for Behavioral Health contractor will issue a notice of decision to inform the member of the service termination. If the member returns home before the effective date of the notice of decision and the member's condition has not substantially changed, the decision shall be rescinded, and eligibility for home- and community-based habilitation services shall continue.

(6) to (9) No change.

d. Appeal rights.

(1) The Iowa Plan for Behavioral Health contractor shall give notice of any adverse action and the right to appeal in accordance with 441—Chapter 7.

(2) The department shall give notice of any adverse action and the right to appeal in accordance with 441—Chapter 7. The member is entitled to have a review of the determination of needs-based eligibility by the Iowa Medicaid enterprise medical services unit by sending a letter requesting a review to the medical services unit. If dissatisfied with that decision, the member may file an appeal with the department.

ITEM 10. Amend rule 441—78.33(249A) as follows:

441—78.33(249A) Case management services.

78.33(1) Payment will be approved for targeted case management services that are provided pursuant to 441—Chapter 90 to:

~~1.~~ *a.* Members who are 18 years of age or over and have a primary diagnosis of mental retardation, developmental disabilities, or chronic mental illness as defined in rule 441—90.1(249A).

~~2.~~ *b.* Members who are under 18 years of age and are receiving services under the HCBS intellectual disability waiver or children's mental health waiver.

78.33(2) Notwithstanding subrule 78.33(1), payment shall not be made for targeted case management services for members who are enrolled in the Iowa Plan for Behavioral Health to receive habilitation pursuant to rule 441—78.27(249A) and are enrolled in an integrated health home as described in rule 441—78.53(249A). Members enrolled in the Iowa Plan for Behavioral Health for habilitation and an integrated health home shall receive care coordination in lieu of case management.

This rule is intended to implement Iowa Code section 249A.4.

ITEM 11. Amend subrule **79.1(2)**, provider category "Home- and community-based habilitation services," as follows:

Provider category	Basis of reimbursement	Upper limit
Home- and community-based habilitation services:		
1. Case management	~~Fee schedule with cost settlement. See 79.1(1)"d."~~ See 79.1(24)*"d"*	Retrospective cost-settled rate.
2. Home-based habilitation	~~Retrospective cost-related.~~ See 79.1(24)*"d"*	Effective 7/1/13: $11.68 per 15-minute unit, not to exceed $6,083 per month, or $200 per day.
3. Day habilitation	~~Retrospective cost-related.~~ See 79.1(24)*"d"*	Effective 7/1/13: $3.30 per 15-minute unit or $64.29 per day.
4. Prevocational habilitation	~~Retrospective cost-related.~~ See 79.1(24)*"d"*	Effective 7/1/13: $13.47 per hour or $48.22 per day.

5. Supported employment:		
Activities to obtain a job:		
Job development	~~Fee schedule~~ See 79.1(24)*"d"*	$909 per unit (job placement). Maximum of two units per 12 months.
Employer development	~~Fee schedule~~ See 79.1(24)*"d"*	$909 per unit (job placement). Maximum of two units per 12 months.
Enhanced job search	~~Retrospective cost-related.~~ See 79.1(24)*"d"*	Effective 7/1/13: Maximum of $8.75 per 15-minute unit and 104 units per 12 months.
Supports to maintain employment	~~Retrospective cost-related.~~ See 79.1(24)*"d"*	Effective 7/1/13: $1.55 per 15-minute unit for services in an enclave setting; $4.95 per 15-minute unit for personal care; and $8.75 per 15-minute unit for all other services. Total not to exceed $2,883.71 per month. Maximum of 160 units per week.

ITEM 12. Amend subrule 79.1(24) as follows:

79.1(24) *Reimbursement for home- and community-based habilitation services.* Reimbursement for case management, job development, and employer development services provided prior to July 1, 2013, is based on a fee schedule developed using the methodology described in paragraph 79.1(1)*"d."* Reimbursement for home-based habilitation, day habilitation, prevocational habilitation, enhanced job search and supports to maintain employment services provided prior to July 1, 2013, is based on a retrospective cost-related rate calculated using the methodology in ~~this subrule.~~ paragraphs 79.1(24)*"b"* and *"c."* Reimbursement for all home- and community-based habilitation services provided on or after July 1, 2013, shall be as provided in paragraph 79.1(24)*"d."* All rates are subject to the upper limits established in subrule 79.1(2).

a. No change.

b. Submission of cost reports. ~~The~~ For services provided prior to July 1, 2013, the department shall determine reasonable and proper costs of operation for home-based habilitation, day habilitation, prevocational habilitation, and supported employment based on cost reports submitted by the provider on Form 470-4425, Financial and Statistical Report for HCBS Habilitation Services.

(1) to (5) No change.

(6) If a provider fails to submit a cost report for services provided through June 30, 2013, that meets the ~~requirement~~ requirements of this paragraph, ~~79.1(24)*"b,"*~~ the ~~department~~ Iowa Medicaid enterprise or the Iowa Plan for Behavioral Health contractor shall reduce ~~payment~~ the provider's rate to 76 percent of the current rate. The reduced rate shall be paid until the provider's cost report has been received by the Iowa Medicaid enterprise's provider cost audit and rate setting unit pursuant to subparagraph 79.1(24)*"b"*(4) but for not longer than three months, after which time no further payments will be made.

(7) No change.

c. Rate determination based on cost reports. ~~Reimbursement~~ For services provided prior to July 1, 2013, reimbursement shall be made using a unit rate that is calculated retrospectively for each provider, considering reasonable and proper costs of operation.

(1) to (3) No change.

d. Reimbursement for services provided on or after July 1, 2013.

(1) For dates of services July 1, 2013, through December 31, 2013, providers shall be reimbursed by the Iowa Plan for Behavioral Health contractor at the fee schedule or interim rate for the service and the provider in effect on June 30, 2013, with no retrospective adjustment or cost settlement. However, if a provider fails to submit a cost report for services provided prior to July 1, 2013, that meets the requirements of paragraph 79.1(24)*"b,"* the Iowa Plan for Behavioral Health contractor shall reduce the

provider's reimbursement rate to 76 percent of the rate in effect on June 30, 2013. The reduced rate shall be paid until acceptable cost reports for all services provided prior to July 1, 2013, have been received.

(2) For dates of services on or after January 1, 2014, providers shall be reimbursed by the Iowa Plan for Behavioral Health contractor at the rate negotiated by the provider and the contractor. However, if a provider fails to submit a cost report for services provided prior to July 1, 2013, that meets the requirements of paragraph 79.1(24)*"b,"* the Iowa Plan for Behavioral Health contractor shall reduce the provider's reimbursement rate to 76 percent of the negotiated rate. The reduced rate shall be paid until acceptable cost reports for all services provided prior to July 1, 2013, have been received.

ITEM 13. Adopt the following **new** subparagraph **88.65(3)"a"(18)**:

(18) Home- and community-based habilitation services as described at rule 441—78.27(249A).

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/2/13.