

**Iowa Center for Assisted Living**  
the assisted living arm of the Iowa Health Care Association

**Recommendation:** Implement a service description within the HCBS Elderly Services Waiver specifically for community residential settings (Assisted Living Program services) that includes a daily payment rate based on three tiers of acuity needs.

It is important that vulnerable Medicaid beneficiaries who are eligible for Medicaid HCBS retain access to as wide a range as possible of housing and services alternatives under the 1915© waiver program. The marketplace already is witnessing a decrease in residential options for Medicaid beneficiaries. A recent federal government report, for example, states that the assisted living (AL) population served by the Medicaid program declined by 5 percent between 2004 and 2007, even as the overall assisted living population continued to grow. In Iowa this is a similar scenario, where the percentage of seniors accessing the HCBS waiver is less than 4% of the AL capacity. Contributing to this decline in assisted living Medicaid coverage is the inadequate state Medicaid reimbursement.

The purpose of adding an AL service description with daily payment rate levels paid based on acuity needs is to improve the access to Iowa assisted living and residential care programs for low-income elderly. In Iowa, state-licensed/certified assisted living and residential care programs are included under the CDAC portion of the Elderly Waiver. The current process for accessing these limited funds is very complicated and time consuming for both consumers and providers and has a high potential for errors. As a result, the community residential settings such as Assisted Living are not accessible to low-income Iowans.

The proposed recommendation would simply modify this process and make funding more accessible, making it easier for more low-income elderly to reside in and receive services at state-certified assisted living programs. There are systems utilizing HCBS waivers to cover services in assisted living in numerous states, including many Midwest states (Nebraska, Illinois, Indiana, Minnesota, and Ohio).

In FY 08, the maximum assistance an elderly Iowan can receive for assisted living services through the Elderly Waiver is \$36.73 per day (State share is \$13.61 per day). The average nursing facility rate is \$120.13 (State share is \$36.06 per day). Iowa's Elderly Waiver daily payment rate for assisted living services is \$21 per day less than any other Midwest state. See Appendix for details on other states' programs are included on the following pages.

Based on a survey of ICAL member providers, the majority have 3 or 4 levels of service packages based on the needs for the consumer. The levels range on average for a level 1 of \$630 to a level 4 of 1,560, with an average of a \$300 per month increase between each level of services.

#### **Components of the ICAL recommendation**

- The daily payment rate tiers should include three levels based on acuity needs determined by the type, number, and severity of Activities of Daily Living (ADLs) and/or cognitive or behavior impairment.
- The tiered system should be based on a functional assessment tool.

- The daily payment rates for these tiers should be based on a percentage of the case mix nursing facility rate for the specific geographical area, minus the federal SSI payment standard for a single, aged, blind or disabled individual multiplied by 40 percent for Level One, 50 percent for Level Two, and 60 percent for Level Three. Rates should be adjusted annually on July 1 based on the nursing facility case mix rate. (Estimate: Level 1 \$40/day, Level 2 \$50/day, Level 3 \$60/day)
- The HCBS Elderly Waiver upper limit should be adjusted to 60 percent of the average nursing facility rate to accommodate the three levels. (See bullet 3.)
- The service description, levels of acuity needs, and criteria for Medicaid participation as a HCBS Community Residential Setting provider (AL/RCF) should be defined to prevent conflicts between Iowa's AL/RCF certification requirements and the CMS Medicaid requirements for HCBS providers.
- The room and board component – not paid by Medicaid – is determined by the tenant and assisted living service provider.

## **Conclusion**

Like, CMS, the Iowa Health Care Association and the Iowa Center for Assisted Living believes that all individuals should receive their long term care services in the setting that best meets their preferences and needs. Furthermore DHS needs to take care that the full array of community residential options, including assisted living communities, are available to beneficiaries.

**Appendix:**

**Midwest State Comparison: Assisted Living/Residential Care Medicaid Rates**

**Illinois (October 2008)**

<b>Geographic Area/Daily Medicaid Rate</b>	<b>Occupancy</b>	<b>Room and Board</b>	<b>Food Stamps</b>	<b>Medicaid</b>	<b>Totals</b>
Chicago - \$72.10	Single	\$547	\$106	\$2192	\$2845
	Double - unrelated	\$388	\$113	\$2192	\$2693
	Double - married	\$388	\$81	\$2192	\$2661
South Suburb - \$68.18	Single	\$547	\$106	\$2073	\$2726
	Double -unrelated	\$388	\$113	\$2073	\$2574
	Double - married	\$388	\$81	\$2073	\$2542
Northwest - \$63.94	Single	\$547	\$106	\$1944	\$2597
	Double - unrelated	\$388	\$113	\$1944	\$2445
	Double - married	\$388	\$81	\$1944	\$2413
Central - \$62.29	Single	\$547	\$106	\$1894	\$2547
	Double - unrelated	\$388	\$113	\$1894	\$2395
	Double - married	\$388	\$81	\$1894	\$2363
West Central - \$57.43	Single	\$547	\$106	\$1746	\$2399
	Double - unrelated	\$388	\$113	\$1746	\$2247
	Double - married	\$388	\$81	\$1746	\$2215
St. Louis - \$60.98	Single	\$547	\$106	\$1854	\$2507
	Double - unrelated	\$388	\$113	\$1854	\$2355
	Double - married	\$388	\$81	\$1854	\$2323
South - \$55.99	Single	\$547	\$106	\$1702	\$2355
	Double - unrelated	\$388	\$113	\$1702	\$2203
	Double - married	\$388	\$81	\$1702	\$2171

\*The Department shall establish its portion of the reimbursement for Medicaid residents by calculating 60 percent of the weighted average (weighted by Medicaid patient days) nursing facility rates for the geographic grouping as defined in Section 146.290

## Indiana (July 2008)

Indiana Service Payment System	
Level	Daily Rate (7/1/08)
Level 1: (<36 points)	\$66.55
Level 2: (36–60 points)	\$73.33
Level 3: (61–75 points)	\$80.93

\*Provider Bulletin attached

## Nebraska (January 2008)

Nebraska payment rates for assisted living facilities				
	Rural areas		Urban areas	
	Single occupancy	Double occupancy	Single occupancy	Double occupancy
Service	\$1,511	\$1,100	\$1,782	\$1,316
Room & board	\$577	\$577	\$577	\$577
Total	\$2,088	\$1,677	\$2,359	\$1,893

\*Provider Bulletin attached

## Minnesota (July 2008)

Customized Living: The program utilizes caps on the reimbursement for customized living and 24 hour customized living. These caps are determined by **Case Mix** classifications, which are:

Case Mix	24 Customized Living Limit	Group 1 Customized Living Limit	Group 2 Customized Living Limit	Group 3 Customized Living Limit
A	\$2,231	\$1,019	\$1,045	\$1,216
B	\$2,539	\$1,130	\$1,165	\$1,338
C	\$2,978	\$1,285	\$1,348	\$1,606
D	\$3,077	\$1,387	\$1,420	\$1,696
E	\$3,393	\$1,506	\$1,533	\$1,853
F	\$3,496	\$1,568	\$1,568	\$1,884
G	\$3,608	\$1,625	\$1,666	\$1,983
H	\$4,071	\$1,822	\$1,857	\$2,241
I	\$4,178	\$1,875	\$1,926	\$2,301
J	\$4,453	\$1,975	\$2,028	\$2,464
K	\$5,190	\$2,287	\$2,311	\$2,811

Ohio (July 2008)

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Assisted Living Waiver Program Payment rates

Category	Tier 1	Tier 2	Tier 3
Service Rate	\$49.98 per day	\$60.00 per day	\$69.98 per day

Service Tiers Description:

<u>CATEGORY</u>	<u>TIER ONE</u>	<u>TIER TWO</u>	<u>TIER THREE</u>
Cognitive Impairments	Occasional Prompts	Daily cuing	Ongoing cuing/ prompts
Medication	Independent	Supervision w/meds with meds	Administered by staff
Nursing	No individualized care provided by licensed nurse	Weekly/monthly care provided by licensed nurse	Daily or intermittent skilled nursing care provided by facility
Physical Impairments	Requires up to 2.75 hours of service per day	More than 2.75 of service per day	More than 3.35 hours of service per day

**PROVIDER BULLETIN                      NO. 07-28**

DATE:            November 30, 2007

TO:              Aged & Disabled Medicaid Waiver Assisted Living Providers  
Pat Snyder, Nebraska Assisted Living Association  
Ron Jensen, Nebraska Association of Homes & Services for the Aging  
Interested Parties

FROM:          Vivianne M. Chaumont, Director of Medicaid & Long Term Care

RE:              2008 Aged & Disabled Medicaid Waiver Assisted Living Rates

Attached please find the 2008 Medicaid rate schedule that will be effective January 1, 2008 for our Aged & Disabled Medicaid Waiver assisted living program. As a result of legislative direction, both rural and urban provider rates are increasing, along with the rates paid to providers participating in the Nursing Facility Conversion Program, by 2%. Refer to the enclosed Rate Chart for additional details.

The Room and Board rate for individuals qualified under the Aged & Disabled Medicaid Waiver has increased to \$577 per month to coincide with the Social Security cost of living increase effective January 1, 2008. The Personal Need Allowance remains at \$60 per month unless notified differently by the resident's Medicaid Eligibility Worker.

Questions on the new rate schedule may be directed to Jackie Rapier, Program Specialist, at (402) 471-1678 or send e-mail with questions to [jackie.rapier@dhhs.ne.gov](mailto:jackie.rapier@dhhs.ne.gov).

Medicaid Provider Bulletins, such as this one, are posted on the DHHS website at <http://www.dhhs.ne.gov/med.pb/>. The "Recent Web Updates" page will help you monitor changes to the Medicaid pages.

Enclosure

Cc: Area Agencies on Aging Directors  
Center for Independent Living/League of Human Dignity Directors  
Waiver Supervisors and Staff

**AGED & DISABLED MEDICAID WAIVER ASSISTED LIVING RATES  
for Individuals Qualified under the Waiver**

Effective January 1, 2008

* Providers are paid for day of discharge	Room & Board Paid By Client	Level 40 <b>RURAL SINGLE OCCUPANCY</b>	Level 41 <b>RURAL MULTIPLE OCCUPANCY</b>	Level 42 <b>URBAN* SINGLE OCCUPANCY</b>	Level 43 <b>URBAN* MULTIPLE OCCUPANCY</b>
Report on Turnaround Document, MC-4 <ul style="list-style-type: none"> <li>▪ Total NH days</li> <li>▪ All out of facility days</li> <li>▪ Failure to timely report resident medical absences to Services Coordinator and on MC-4 may result in sanctions</li> </ul>	Multiple Occupancy <ul style="list-style-type: none"> <li>▪ Prior HHS Approval</li> <li>▪ Consent signed</li> </ul>	TOTAL AMOUNT RECEIVED FROM CLIENT AND MEDICAID (Minus any Share of Cost) <ul style="list-style-type: none"> <li>▪ Not pro-rated</li> <li>▪ Notice from Medicaid Eligibility Worker</li> </ul>	TOTAL AMOUNT RECEIVED FROM CLIENT AND MEDICAID (Minus any Share of Cost) <ul style="list-style-type: none"> <li>▪ Not pro-rated</li> <li>▪ Notice from Medicaid Eligibility Worker</li> </ul>	TOTAL AMOUNT RECEIVED FROM CLIENT AND MEDICAID (Minus any Share of Cost) <ul style="list-style-type: none"> <li>▪ Not pro-rated</li> <li>▪ Notice from Medicaid Eligibility Worker</li> </ul>	TOTAL AMOUNT RECEIVED FROM CLIENT AND MEDICAID (Minus any Share of Cost) <ul style="list-style-type: none"> <li>▪ Not pro-rated</li> <li>▪ Notice from Medicaid Eligibility Worker</li> </ul>
<b>ON-GOING MONTHLY RATES</b>					
STANDARD (Std.)	\$577.00	\$2088.00	\$1677.00	\$2359.00	\$1893.00
TRUST FUND (TF)	\$577.00	\$1984.00	\$1593.00	\$2241.00	\$1798.00
<b>ADMISSION &amp; DISCHARGE MONTHS</b>					
<ul style="list-style-type: none"> <li>▪ Daily STANDARD rate for all days client is physically present</li> </ul>	\$577.00 Pro-rated	\$49.68	\$36.16	\$58.59	\$43.27
<ul style="list-style-type: none"> <li>▪ Daily TRUST FUND rate for all days client is physically present</li> </ul>	\$577.00 Pro-rated	\$46.26	\$33.40	\$54.71	\$40.14

\*Urban Counties - Cass, Dakota, Dixon, Douglas, Lancaster, Sarpy, Saunders, Seward and Washington Counties

The facility must notify the Services Coordinator by the next working day of a medical absence in which a client is admitted to a hospital or nursing facility. This notice is required in order for the Services Coordinator and Central Office to determine continued appropriateness of the assisted living authorization. Failure to report medical absences to the Services Coordinator may result in the facility being required to reimburse the Department for days the client was out of the facility for medical reasons.



## PROVIDER BULLETIN

BT 200830

JULY 3, 2008

**To: Aged and Disabled Waiver Providers, Indiana  
Association for Home and Hospice Care, Indiana  
Association of Area Agencies on Aging**

**Subject: Rate Increases – Home- and Community-Based  
Services Waiver**

### Overview

The Division of Aging in collaboration with the Office of Medicaid Policy and Planning is pleased to announce the new rate structure for services provided under the Aged and Disabled Waiver. These rates are effective July 1, 2008

### New Rates

Table 1 – New Rates for Aged and Disabled Waiver

Service Description	Service Code	Modifier 1	Modifier 2	Modifier 3	Modified Description	Rate	Unit of Service
Assist Living Waiver/Diem	T2031	U7	U1		U7=Waiver; U1=Level1	\$66.55	Day
Assist Living Waiver/Diem	T2031	U7	U2		U7=Waiver; U2=Level2	\$73.33	Day
Assist Living Waiver/Diem	T2031	U7	U3		U7=Waiver; U3=Level3	\$80.93	Day
Attendant Care Services (Nonagency)	S5125	U7			U7=Waiver	\$3.00	0.25 Hour
Attendant Care Services (Consumer Directed)	S5125	U7	U1		U7=Waiver; U1=ATTC FI	\$2.84	0.25 Hour
Attendant Care Services (Agency)	S5125	U7	UA		U7=Waiver; UA=Provider (Agency)	\$4.95	0.25 Hour
Case Management	T1016	U7			U7=Waiver	\$11.34	0.25 Hour



Service Description	Service Code	Modifier 1	Modifier 2	Modifier 3	Modified Description	Rate	Unit of Service
Case Management, Per Mnth	T2022	U7	U1		U7=Waiver; U1=Level 1, Health Care Coordination	\$9.74	0.25 Hour rate, max 8 Hrs
Comm Trans Waiver/Service	T2038	U7			U7=Waiver	\$1,500.00	Life cap
Commercia Car, Multi-Pass	T2004	U7	U1		U7=Waiver; U1=Non-Assisted	\$0.45/\$233	Per mile/ annual cap
Commercia Car, Multi-Pass	T2004	U7	U2		U7=Waiver; U2=Assisted	\$0.90/\$452	Per mile/ annual cap
Day Care Services, Adult	S5100	U7	U1		U7=Waiver; U1=Level1	\$3.00	0.25 Hour
Day Care Services, Adult	S5100	U7	U2		U7=Waiver; U2=Level2	\$3.00	0.25 Hour
Day Care Services, Adult	S5100	U7	U3		U7=Waiver; U3=Level3	\$3.00	0.25 Hour
Emergency Response System	S5160	U7			U7=Waiver	\$54.41	Install
Emergency Response System	S5161	U7			U7=Waiver	\$54.41	Monthly Rate
Nutritional Supplement	B4150	U7			U7=Waiver (Annual Cap)	\$1,200.00	Annual cap
Foster Care, Adult	S5141	U7	U1		U7=Waiver; U1=Level1	\$57.48	Day
Foster Care, Adult	S5141	U7	U2		U7=Waiver; U2=Level2	\$67.93	Day
Foster Care, Adult	S5141	U7	U3		U7=Waiver; U3=Level3	\$78.38	Day
Home Delivered Meals, Inc	S5170	U7			U7=Waiver	\$5.32	Per meal
Home Modification Install	S5165	U7	NU		U7=Waiver; NU=New DME	\$15,000.00	Life cap
Home Modification Maintenance	S5165	U7	RP		U7=Waiver; RP=Replacement And Repair	\$500.00	Annual cap
Homemaker Service, NOS (Nonagency)	S5130	U7			U7=Waiver	\$2.70	0.25 Hour
Homemaker Service, NOS (Agency)	S5130	U7	UA		U7=Waiver; UA=Provider	\$3.71	0.25 Hour

Service Description	Service Code	Modifier 1	Modifier 2	Modifier 3	Modified Description	Rate	Unit of Service
Adult Day Service Transport	T2003	U7			U7=Waiver	\$17.83	Per trip
Respite Care Services	T1005	U7	UA	TD	U7=Waiver; UA=Provider; TD=RN	\$9.74	0.25 Hour
Respite Care Services	T1005	U7	UA	TE	U7=Waiver; UA=Provider; TE=LPN	\$6.70	0.25 Hour
Specialized Medical Equip	T2029	U7	NU		U7=Waiver; NU=New DME	Manual review	
Specialized Medical Equip	T2029	U7	RP		U7=Waiver; RP=Replacement And Repair	\$500.00	Annual cap
Unskilled Respite Care, Not Hospice	S5150	U7	UA	U9	U7=Waiver; UA=Provider; U9=Home Health Aide	\$5.02	0.25 Hour
Vehicle Modifications	T2039	U7			U7=Waiver	\$15,000.00	Life cap
Waiver Service, NOS	T2025	U7	U1		U7=Waiver; U1=Pest Control	\$600.00	Annual cap

## Contact Information

Direct questions about this article to: Karen Smith Filler, Deputy Director, Division of Aging, 402 W. Washington Street, Room W454, Indianapolis, Indiana 46204 or [Karen.Filler@fssa.in.gov](mailto:Karen.Filler@fssa.in.gov).

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Rod R. Blagojevich, Governor

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**Provider Fact Sheet**

What:	Affordable assisted living model administered by the Department of Healthcare and Family Services that offers frail elderly (65 and older) or persons with disabilities (22 and older) housing with services. The aim of the Program is to preserve privacy and autonomy while emphasizing health and wellness for persons who would otherwise need nursing facility care.
Who Can be a Provider:	The Supportive Living Program is open to any provider who can meet application criteria (which include site control, zoning approval, marketing study, phase one environmental study, architectural drawings). A site can be certified when program requirements found at 89 Ill. Adm. Code Part 146 are met within 24 months of an approved application.
Services:	Residents choose from the following menu of services that are provided by the facility: <ul style="list-style-type: none"> <li>• Nursing</li> <li>• Social/Recreational Programming</li> <li>• Health Promotion &amp; Exercise Programs</li> <li>• Medication Oversight</li> <li>• Ancillary Services</li> <li>• 24-hour Response/Security</li> <li>• Personal Care</li> <li>• Laundry</li> <li>• Housekeeping</li> <li>• Maintenance</li> </ul> Providers must also regularly assess each resident's health status and consult with the resident on an ongoing service plan that promotes health and wellness.
Rates:	Certified providers can charge a different rate for private pay residents, and must accept the Department's rate for services rendered on behalf of Medicaid-eligible persons. (Department rates are based upon 60% of weighted average nursing facility rates for the applicable geographic grouping.)  Each Medicaid-eligible resident must have income equal to or greater than the current SSI and must contribute all but \$90 each month to the provider for lodging and meals. Additionally, a provider may become a food stamp agent and receive food stamp allotments from residents as payment toward meal costs.
Exceptions:	Certified providers are exempt from: <ul style="list-style-type: none"> <li>• Nursing Home Care Act</li> <li>• Health Facilities Planning Act</li> <li>• Assisted Living and Shared Housing Act</li> </ul>
Where Can a Site be Located:	Approval of the application is subject to various factors including, but not limited to, accuracy, completeness, geographic distribution and waiver limits.
How Can I Get More Information:	Contact the Department of Healthcare and Family Services, Bureau of Long Term Care for more information.  Phone: 217-524-7245 Fax: 217-524-7114 E-mail: <a href="mailto:Illinois.Department.of.Healthcare.and.Family.Services">Illinois.Department.of.Healthcare.and.Family.Services</a>
Complaint Hotline:	Complaints concerning supportive living facility may be directed to:  Complaints Hotline <b>1-800-226-0768</b>