



# Iowa Department of Human Services

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Director

## INFORMATIONAL LETTER NO. 1155

**DATE:** July 11, 2012

**TO:** Iowa Medicaid Home and Community Based (HCBS) Habilitation and Intellectual Disability Waiver Day Habilitation Service Providers, Case Managers and Targeted Case Managers

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**RE:** **Day Habilitation Units of Service**

**EFFECTIVE:** Immediately

This letter is intended to provide case managers and providers with clarification of the administrative rules for the authorization and reimbursement of HCBS Habilitation and ID Waiver Day Habilitation services. The rules have not changed; the department has consistently interpreted the definition of a unit of service as an hour, a half-day (1 to 4 hours), or a full day (4 to 8 hours) for Day Habilitation with the expectation that providers would bill one unit of service per day based on the member's participation.

It has come to our attention that system edits in the Individualized Services Information System (ISIS) that were designed to allow for flexibility and multiple provider reimbursement, have resulted in the inappropriate authorization of Day Habilitation units of service. We have identified the following concerns:

- Some case managers are authorizing over thirty one units of Day Habilitation services per month.
- Some providers are billing for multiple units of Day Habilitation per day.

The IME intends this letter to serve to educate case managers and providers on appropriate service authorization and billing practices and does not intend to apply penalties at this time. **Case managers and providers will have until August 31, 2012 to make the necessary changes to member's service plans to bring service authorization in line with the intent of the administrative rules.**

Services authorized beginning September 1, 2012 are subject to full enforcement of the Iowa Administrative rules. Services which are not in compliance with the administrative rules will subject case managers and providers to the penalties and sanctions provided in 441 IAC 79.2(2) and recoupment in accordance with 441 IAC 79.4.

## **Iowa Administrative Code**

Habilitation rule 441 Iowa Administrative Code 78.27(8) (c) states that Day Habilitation services shall be furnished for four or more hours per day on a regularly scheduled basis for one or more days per week or as specified in the member's comprehensive service plan. Habilitation rule 441 IAC 79.1(24) (3), defines a unit of day habilitation service as an hour, a half-day (1 to 4 hours), or a full day (4 to 8 hours).

Intellectual Disability Waiver rule 441 IAC 78.41(14) defines a unit of day habilitation service as an hour, a half-day (1 to 4 hours), or a full day (4 to 8 hours).

## **Providers**

A provider should not bill for more than one unit of Day Habilitation service per day; if a member receives 1 hour of service, the provider bills 1 hourly unit; if the member receives 1.25 hours to 4 hours of service, the provider bills 1 half-day unit, and if the member receives 4.25 hours to 8 hours of service throughout the day, the provider must bill 1 full day unit.

Hourly services should be rounded as follows:

- Add all the minutes provided for a day
- When the total minutes for the day is less than 60, round up to one (1) whole unit
- When the total minutes for the day is more than 60, divide the total by 60 to get the number of hours for the day. This should be rounded to the nearest whole unit, by rounding down for 1-30 minutes, and rounding up for 31-59 minutes

## **Habilitation Day Habilitation Services,**

Providers who have a notice of decision for members which authorizes more than 31 units of Day Habilitation services per month shall:

- Submit the projected Habilitation Cost Report to establish rates for the hourly, half-day or full-day Day Habilitation procedure codes when the provider does not have a rate established.
- Contact the member's case manager to coordinate the changes needed for service authorization.

## **ID Waiver Day Habilitation Providers:**

Providers who have a notice of decision for members which authorizes more than 31 units of Day Habilitation services per month shall:

- Establish the rate for any Day Habilitation procedure codes for which you do not currently have a rate established.
- Assess the members current or historical attendance and project future attendance
- Contact the member's case manager to coordinate the changes needed to the service plan for service authorization.

## **Case Managers**

Case managers should not authorize more than 1 unit of Day Habilitation service per day. If a member receives 1 hour of service, then authorize 1 hourly unit; if the member receives 1.25 hours to 4 hours of service, authorize 1 half-day unit, and if the member receives 4.25 to 8 hours of service throughout the day, authorize 1 full day unit.

Case Managers with members who have more than 31 units of Day Habilitation services authorized shall:

- Contact the member's Day Habilitation provider to coordinate the changes needed to the service plan for service authorization
- Assess the hours the member will participate in Day Habilitation each day and authorize the number of units the individual needs accordingly. Services must be individualized and based on the individual's comprehensive functional assessment rather than authorizing the maximum units to allow for maximum utilization.
- Authorize no more than 31 units of Day Habilitation per member per month. This will most likely be a combination of hourly, half-day and daily units
- See example below.

### **Example:**

In this example, the member needs to attend the Day Habilitation program for 3 half-day units, 1 full-day unit and 1 hourly unit each week. For a 31 day month the Case Manager would authorize: 13 half- day units (W1205), 5 units full-day units (W1204), and 4 hourly units (W1206) (30 units total for the month)

	<b>Mon</b>	<b>Tues</b>	<b>Wed</b>	<b>Thurs</b>	<b>Fri</b>
<b>Times attending</b>	9:00am-12:00pm	9:00am-3:00pm	9:00am-12:00pm	1:00pm-2:15pm	9:00am - 10:00am
<b>Hours per day</b>	3 hours	6 hours	3 hours	1.25 hours	1 hour
<b>Units to authorize</b>	1 half- day W1205	1 full-day W 1204	1 half- day W1205	1 half- day W1205	1 hour W1206

Provider questions should be addressed to IME Provider Services at: [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us) or 1-800-338-7909

Case manager questions should be addressed to the Program Manager for Habilitation Services, LeAnn Moskowitz at: [lmoskow@dhs.state.ia.us](mailto:lmoskow@dhs.state.ia.us) or the Program Manager for the Intellectual Disability Waiver, Brian Wines, at: [bwines@dhs.state.ia.us](mailto:bwines@dhs.state.ia.us)