



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1150

DATE: June 28, 2012

TO: Iowa Medicaid Intellectual Disability (ID), Brain Injury (BI) Home and Community Based Services (HCBS) Providers, Case Managers (CM), and Targeted Case Managers (TCM)

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

RE: Medicaid Mental Health and Disability Services (MHDS) System: Letter #2, Service Plan Authorization and Rate Setting

EFFECTIVE: July 1, 2012

The 2012 Legislature enacted Senate File (SF) 2336, Health and Human Services Appropriations Act, and SF 2315, Mental Health and Disability Services (MHDS) Redesign Act. These pieces of legislation will affect the state's mental health and disability service system over the next two years. On July 1, 2012, the state will 'buy out' the non-federal share of Medicaid from counties (SF 2336). This will have little to no impact on provider and member participation in Medicaid waiver programs. This letter provides information regarding service plan authorization and the rate setting process within the ID and BI Waivers.

This is the second letter in a series of Informational Letters that will provide guidance regarding Medicaid programs and services. The first Informational Letter No.1141 provided an overview of changes. Following the release of Informational Letter 1141, the IME and MHDS division hosted a webinar on June 20 and 22, 2012. Future informational letters, webinars, and frequently asked question documents will continue to release additional details regarding changes to the MHDS system.

Service Plan Authorization

The Central Point of Coordination (CPC) for each county will no longer authorize Medicaid service plans and continue to calculate provider Supported Community Living (SCL) rates. The IME will begin authorization of all service plans for adults on the ID and BI Waivers beginning July 1, 2012.

Please note the following points related to service plan authorization for **adult members on the ID and BI Waivers:**

- All service plan changes (units, rates, services, dates, etc.) will require the CM or TCM to certify whether there was an increase to service unit amounts, service cost (rates) and services identified.
- Any increase in service unit amounts, service costs or the addition of a new service will trigger a new milestone in the Individualized Services Information System (ISIS) that will require service plan approval by the IME.

- The IME reviewers will gather member details from ISIS, review assessment documentation, and may make telephonic contact with the CM or TCM for more information if necessary.
- CMs and TCMs should be prepared to answer questions related to the medical necessity of service plan changes.
- Information related to the service plan is reviewed by the IME.
- The IME staff will provide final authorization for the plan when it is determined that it meets the medical needs of the member.
- Waiver Prior Authorization (WPA) workflow has been replaced with service plan authorization.
- The CM is no longer required to submit the WPA Certificate of Medical Necessity unless requested by the IME. The CM should be prepared, however, to answer any or all questions that are in the Certificate of Medical Necessity.

Daily Supported Community Living (SCL) Rates

Beginning July 1, 2012, the IME will be the authorizing agent for daily SCL rates. As done in the past, HCBS providers will submit individual D-4 schedules for projected rates to the IME Provider Cost Audit (PCA) Unit. The D-4 will be reviewed by the IME to assure reasonable justification of the financial and service need components. Please note the following points:

- A revised D-4 schedule (form 470-3449) will be used beginning July 1, 2012.
- Rate changes will be the product of communication between the provider and member's CM or TCM and reflective of the member's medical needs.
- Rate requests and D-4 line items (including \$1570 allocations) must be properly justified, individualized, and documented in the member's service plan.
- **Providers and CM/TCMs must complete the revised D-4 in full** and submit to the IME PCA prior to approval.
- All service plan changes, including rate changes, will require the CM or TCM to certify whether there was an increase to service unit amounts, service cost (rates) and services identified.
- Any increase in service unit amounts, service costs or the addition of a new service will trigger a new milestone in ISIS that will require service plan approval by the IME.
- All other rate changes (decreases, change in service location, etc.) that do not trigger the service plan approval will be reviewed internally at the IME.
- All rate change approvals will be communicated with the provider by the IME, as it is done today. The CM or TCM will be notified of approval for increased rates through ISIS.
- Rates cannot be authorized in ISIS until approved by the IME.
- The provider will be responsible to notify the CM or TCM of any approved rate decreases.

County Contract Rates

Please note the following expectations regarding county contract rates:

- County contract rates in effect on June 30, 2012, will be accepted by the IME for the **duration of the contract** if the county intends to purchase these services for non-Medicaid members.
- The CM or TCM must have documentation to support the county contracted rate.

- In the absence of a county contract rate, the upper maximum fee schedule will be applied (Iowa Administrative Code 441-79.1(2)).

ISIS Changes for CPCs

References to the role of CPCs in the workflow and CPC access have been removed from ISIS. Please note the following impacts:

- All milestones that previously required CPC approval have been changed to the IME service plan approval.
- CPC access will be removed due to HIPPA compliance issues.
- If ISIS information for county related activities prior to July 1, 2012, (e.g., billing) is needed, please contact ematney@dhs.state.ia.us.

Webinars

A series of webinars began June 20, 2012, and will continue during this transition. Informational Letters and ISIS blasts will communicate the dates, times and topics. If you are not able to view a webinar, please contact Jennifer Johnson, jjohnso@dhs.state.ia.us, for a link to view the recorded webinar.

Questions should be addressed to the IME HCBS program at HCBSwaivers@dhs.state.ia.us.