



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

IME Policy Clarification # 000150

September 30, 2016

MCO Name
MCO
Address Line 1
Address Line 2
City, State XX

Dear Ms./Mr.:

This letter is a formal notification of the state's expectations related to the operations and implementation of Iowa Medicaid under the managed care program. This purpose of this letter is to do following:

- Provide formal guidance
- Request for information

This technical guidance is in regards to the ability of a managed care organization (MCO) to fund supported community living (SCL) services in a host home where services are provided by a parent, guardian of family member.

As you know, each MCO has entered into a contract with the state of Iowa to manage the medical care, including long term cares services, of Medicaid recipients assigned to their organization. Each MCO is required to follow all of the policies of the department as identified in the Iowa Administrative Code (IAC) that pertain to the HCBS waiver programs. The department has an established process for requesting an exception to policy (ETP) which grants fee-for-service (FFS) member's approval to receive services beyond what is allowed in the IAC rules. Each ETP request by a FFS member is reviewed by the department based on an individual's need and circumstance and final approval is made by the Director of the department.

Per section 8.15.9 of the managed care contract:

The Contractor may operate an exception to policy process. Under the exception to policy process, a member can request an item or service not otherwise covered by the Agency or the Contractor. Exceptions to policy may be granted to Contractor policies, but they cannot be granted to federal or State law and regulations. An exception to policy is a last resort request.

Over the past few years the department has seen an increase in the use of host homes to provide daily SCL services. The host home service model allows a member to live in the home of host family. The host homes service is funded through HCBS supported community living (SCL) daily rates. Rather than hiring staff at an hourly rate, the agency contracts with or directly hires the Host Home provider for daily per diem reimbursement. The host home provider is responsible for all service care needs identified by the member's service plan. The provider agency is responsible for the services provided meeting the HCBS accreditation and quality assurance requirements.

The department has also seen an increase in the number of requests to have parents of adult children, guardians and siblings to become the host home provider. While host homes do not require an exception to policy for the provisions of SCL services, the IAC rules do not allow daily SCL services be provided while the member is living in the family home. The department is reviewing all such ETP requests through FFS and is working to assure SCL services are provided within the rules of IAC.

IAC rules in 441-78.41(1)b.(1) and (2) and 441-78.43(2)b.(1)and (2) states:

- (1) Supported community living services shall be available at a daily rate to members living outside the home of their family, legal representative, or foster family and for whom a provider has primary responsibility for supervision or structure during the month. This service will provide supervision or structure in identified periods when another resource is not available.
- (2) Supported community living services shall be available at a 15-minute rate to members for whom a daily rate is not established.

The department has defined the family home to be that of the member's immediate family, i.e., a parent or sibling. In the past, the department has granted ETPs for the FFS population to allow a parent or sibling to be the host home for the member.

Daily SCL services are authorized for a member when they receive eight or more hours of service per day as averaged over a month. The use of daily SCL is appropriate when services are provided outside of the home of the family or legal representative. The department's current policy acknowledges that SCL services may continue to be provided in the home of a family member, but in 15-minute units. The IAC rules allow up to 31, 15-minute units (7 3/4 hours) be provided each day to support the member to live within the home of their parent or sibling. Additional services, like Consumer Directed Attendant Care (CDAC), may also be provided to meet the needs of the member.

The following members are currently served by Amerigroup Iowa, Inc., and were previously granted an ETP through FFS:

- [REDACTED]
- [REDACTED]

To comply with the IAC rules and continue to meet the member's needs, please identify how the member's service plan will be addressed after the effective date of the department's ETP

Please sign and return the attached receipt and attestation of understanding by October 12, 2016.

Sincerely,

Becky R. Blum
Managed Care Account Manager

Attestation:

I hereby attest to understanding this communication including all requirements and due dates.

Name_____

Date_____