



MEDICAID POLICY CLARIFICATION #PC000280.1 PAYMENT FOR INTENSIVE RESIDENTIAL HABILITATION SERVICES (IRHS)

December 21, 2023

To: Iowa Medicaid Managed Care Plans

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
- Clarification of existing Iowa Medicaid policy
- Guidance on new process or policy
- Request for information

The purpose of this letter is to provide clarification to the MCOs regarding the payment for Intensive Residential Habilitation Services (IRHS) provided in Intensive Residential Service Homes (IRSH) under the 1915(c) Intellectual Disability Waiver Supported Community Living (SCL) service and the 1915(i) HCBS Habilitation Home-Based Habilitation (HBH) service. Iowa Medicaid has been notified that it has been communicated to IRHS providers that the provider may not bill for the IRHS tier (H2016 U7) while the member is engaged in activities that occur outside of IRHS.

IRHS providers must deliver IRHS with the clinical oversight of a mental health professional, provide staffing 24 hours a day, 7 days a week, 365 days a year, and maintain a minimum staffing ratio of one staff to every two and one-half residents, and serve members on a no eject no reject basis. IRHS providers must also ensure that IRSH staff are highly qualified through training and experience.

HHS and the MHDS Regions agree that returning to work, completing school, receiving treatment outside the program, and visiting family are all important aspects of recovery, and that the IRHS tier (H2016 U7) should not limit an individual's ability to participate in those activities. In recognition of the importance of members participating in activities that occur outside of the IRSH as part of their recovery, IRHS providers rendering IRHS may submit claims for payment for HBH or SCL IRHS (H2016 U7) for dates of service when the member receives IRHS for any part of the 24-hour period. The MCO may not require providers to submit a lower SCL or HBH tier for payment when the member is residing in an IRSH and receiving IRHS. The provider must receive payment for IRHS while the member remains in the IRSH home receiving IRHS.

Providers may not bill for dates of service when the member was absent from the IRSH for the entire day, 12:00 am to 11:59 pm.

Examples:

Mary Jo is residing in a IRSH and is authorized for Home-Based Habilitation IRHS (H2016 U7). Mary Jo attended church regularly prior to her most recent mental health crisis which led to IRSH placement. Mary Jo has been steadily improving and wishes to participate in Bible Study on Wednesday nights at her church. A church volunteer has offered to provide her transportation. Mary will be gone from the IRSH to participate in Bible Study every Wednesday night from 5:30pm to 8:30pm. This means that on those days Mary will only receive 21 hours of staff supervision and support. If Mary received IRHS during any part of the day the provider may submit a claim for payment.

Betty Ann is residing in a IRHS and is authorized for ID Waiver SCL IRHS (H2016 U7). Betty Ann has been going on weekly therapeutic family visits to the home she shares with her husband and children each Saturday afternoon as she prepares to return home. Some weeks the visit goes very well, and Betty Ann spends the night with her family Saturday night and returns to the IRSH on Sunday. Other weekends Betty Ann struggles with her anxiety during the visit and returns to the IRSH within a couple of hours. The IRHS may bill for the day even when Mary is partially absent from services. This would include billing for Saturday and Sunday when Mary spends Saturday night at her home with her family and then returns to the IRSH on Sunday. If Mary received IRHS during any part of the day the provider may submit a claim for payment.

Related Policy Clarifications:

This policy clarification should be used in correlation with the following policy clarifications:

PC000271.1 Eligibility Criteria for Intensive Residential Service Homes (IRSH)

This formal guidance impacts capitation rates in the following manner:

- This [is was] an Iowa Medicaid practice prior to April 1, 2016 and was included in the experience used to develop the capitation rates.
- This is a new process or policy that does not have a fiscal impact.
- This is a new process or policy that will be reflected in revised capitation rates and implemented July 1, 2021.