



MEDICAID POLICY CLARIFICATION #000271.1 ELIGIBILITY CRITERIA FOR INTENSIVE RESIDENTIAL SERVICE HOMES (IRSH)

February 28, 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 clarify the eligibility requirements for Intensive Residential Service Homes under the Intellectual Disability (ID) Waiver Supported Community Living (SCL) service and the State Plan HCBS Habilitation Home-Based Habilitation service and scoring clarification of LOCUS/CALOCUS tool.

“Intensive residential service homes” or “intensive residential services” means intensive, community-based services provided 24 hours per day, 7 days per week, 365 days per year to individuals with a severe and persistent mental illness who have functional impairments and may also have multi-occurring conditions. Providers of intensive residential service homes are enrolled with Medicaid as providers of HCBS habilitation or HCBS Intellectual Disability (ID) waiver supported community living and meet additional criteria specified in [44I—subrule 25.6\(8\)](#).

Each Mental Health Disability Services (MHDS) Region designates at least one intensive residential services provider. Only region designated IRSH providers may deliver IRSH services through HCBS Habilitation Home Based Habilitation or ID Waiver Supported Community Living.

HCBS Habilitation Intensive IV for Intensive Residential Service Homes

Home Based Habilitation Intensive IV (H2016 U7) services are provided 24 hours per day, are also referred to as Medically Managed Residential Services on the CALOCUS/LOCUS tool. To be eligible for intensive IV services, a member must meet the following criteria:

- I. The member has a LOCUS/CALOCUS actual disposition of level six (6), medically managed residential services, with a composition score of 28 or more **or**,
 - Member scores a “5” in Dimension I Risk of Harm, **or**
 - Member scores a “5” in Dimension II Functional Status, **or**
 - Member scores a “5” in Dimension III Co-Morbidity II.
2. Meet all the following criteria, per criteria in 441-subparagraph 25.6(8)”c”:
 - 1) The individual is an adult with a diagnosis of a severe and persistent mental illness or multi-occurring conditions.
 - 2) The individual has had a standardized functional assessment and screening for multi-occurring conditions completed 30 days or less prior to application for intensive residential services, and the functional assessment and screening demonstrates that the individual:
 - i. Has a diagnosis that meets the criteria of severe and persistent mental illness as defined in rule 441—25.1(331);
 - ii. Has three or more areas of significant impairment in activities of daily living or instrumental activities of daily living;
 - iii. Is in need of 24-hour supervised and monitored treatment to maintain or improve functioning and avoid relapse that would require a higher level of treatment;
 - iv. Has exhibited a lack of progress or regression after an adequate trial of active treatment at a less intensive level of care;
 - v. Is at risk of significant functional deterioration if intensive residential services are not received or continued; and
 - vi. Meets one or more of the following:
 1. Has a record of three or more psychiatric hospitalizations in the 12 months preceding application for intensive residential services.
 2. Has a record of more than 30 medically unnecessary psychiatric hospital days in the 12 months preceding application for intensive residential services.
 3. Has a record of more than 90 psychiatric hospital days in the 12 months preceding application for intensive residential services.
 4. Has a record of three or more emergency room visits related to a psychiatric diagnosis in the 12 months preceding application for intensive residential services.
 5. Is residing in a state resource center and has an SPMI.
 6. Is being served out of state due to the unavailability of medically necessary services in Iowa.
 7. Has an SPMI and is scheduled for release from a correctional facility or a county jail.
 8. Is homeless or precariously housed.

LOCUS/CALOCUS LEVEL DETERMINATION

The Level of Care Determination Grid below demonstrates how each of the LOCUS Domains Composite rating contributes to the level of care determination.

AACP LEVEL OF CARE DETERMINATION GRID

Level of Care Dimensions	Recovery Maintenance Health Management	Low Intensity Community Based Services	High Intensity Community Based Services	Medically Monitored Non-Residential Services	Medically Monitored Residential Services	Medically Managed Residential Services
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
I. Risk of Harm	2 or less	2 or less	3 or less	3 or less	④ 3	⑤ 4
II. Functional Status	2 or less	2 or less	3 or less	3 or less	④* 3	⑤ 4
III. Co-Morbidity	2 or less	2 or less	3 or less	3 or less	④* 3	⑤ 4
IV A. Recovery Environment "Level of Stress"	Sum of IV A + IV B	Sum of IV A + IV B	Sum of IV A + IV B	3 or 4	4 or more	4 or more
IV B. Recovery Environment "Level of Support"	is 4 or less	is 5 or less	is 5 or less	3 or less	4 or more	4 or more
V. Treatment & Recovery History	2 or less	2 or less	3 or less	3 or 4	3 or more	4 or more
VI. Engagement & Recovery Status	2 or less	2 or less	3 or less	3 or 4	3 or more	4 or more
Composite Rating	10 to 13	14 to 16	17 to 19	20 to 22	23 to 27	28 or more

○ indicates independent criteria - requires admission to this level regardless of composite score

* Unless sum of IV A and IV B equals 2

The HCBS Habilitation Home-based Habilitation (HBH) Tier Grid below demonstrates how the LOCUS Composite Score derives the HBH Tier that is recommended based on the member's needs.

Level	Level 0	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
HBH Procedure Code/ Modifier	H2016 UA	H2016 UB	H2016 UC	H2016 UD	H2016 U8	H2016 U9	H2016 U7

HBH Procedure Code Description	High Recovery	Recovery Transitiona I	Medium Need	Intensive I	Intensive II	Intensive III	Intensive IV
Hours of Staff Supervision and Support / per day	.25 to 2	2.25 to 4	4.25 to 8.75	9 to 12.75	13 to 16.75	17 to 24	24
LOCUS Composite Score	07-09	10-13	14-16	17-19	20-22	23-27	28+
Disposition Score	0	1	2	3	4	5	6
LOCUS Level of Care	Basic Services	Recovery Maintenance	Low Intensity Community - Based Services	High Intensity Community- Based Services	Medically Monitored Non- Residential/ Residential	Medically Monitored Residential Serivces	Medically Managed Residential Services

Each of the levels and domains on the CALOCUS/LOCUS tool includes specific individual scores required to meet that level,. If the composite Score range is higher than the recommended disposition score, the composite score will be utilized to determine the disposition level for the member.

If the recommended disposition score and the composite score differ, the Reviewer will enter the corresponding actual disposition score into the LOCUS/CALOCUS tool along with reason for variance, see screen shot example below.

Previous Disposition: None
Recommended Disposition: 4 Medically Monitored Non-Residential Services
Actual Disposition: 5 Medically Monitored Residential Services
Reason For Variance: Composition Score States 23
Program / Referred To:

Dimension I Risk of Harm, Dimension II Functional Status and Dimension III Co-Morbidity are independent criteria.

- A score of “4” in dimensions I, II, or III requires admission to Level 5 regardless of the Composite score, which actual disposition of 5.
- A score of “5” in dimensions I, II, or III requires admission to Level 6 regardless of the Composite Score, which would be an actual disposition of 6.

Intellectual Disability Waiver Supported Community Living (SCL)

To be eligible for Intensive Residential Service Homes the ID Waiver member must meet the criteria in 441—subparagraph 25.6(8) “c” as noted above, no LOCUS/CALOCUS will need to be completed.

Managed care members approved for IRSH under the ID Waiver SCL service are currently authorized for H2016 U6 or H2016 U7 depending on the member’s managed care organization (MCO). The reimbursement rate for H2016 U6 or H2016 U7 is negotiated between the member’s MCO and the IRSH approved provider. Fee for services members would use their assigned tier level rate or request an alternative rate through the exception to policy (ETP) process.

Effective for dates of service beginning April 1, 2023, Iowa Medicaid and the MCOs will each use H2016 U7 to authorize IRHS for ID Waiver members. Consistent authorization and billing codes will enable the department and MCOs to effectively monitor IRHS utilization.

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.