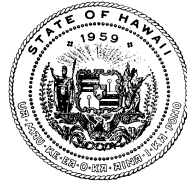


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Medicaid I/DD Waiver
Memo No.: FY2018-07
Date: June 4, 2018

TO: Medicaid I/DD Waiver Providers

FROM: Mary Brogan, Administrator
Developmental Disabilities Division

SUBJECT: Clarifications Regarding Provision of Residential Habilitation (ResHab)
Services in Context of Waiver Enhancements

Over the past several years, the Developmental Disabilities Division (DDD) has launched initiatives to improve services and the way we support participants and their families to achieve their vision of a good life. These initiatives, collectively referred to as *Possibilities Now!*, include the establishment of new services, such as Community Learning Services (CLS) to provide more opportunities for community engagement, the implementation of the Supports Intensity Scale (SIS) to improve the consistency and accuracy of participant assessments, the adoption of the LifeCourse framework, and enhancements to the Individual Supports Planning process. Building on this progress, the Centers for Medicare and Medicaid Services (CMS) recently approved a number of changes to the State's Medicaid Waiver for persons with intellectual and developmental disabilities, including the implementation of Individual Supports Budgets.

Under the Individual Supports Budget framework, participants are granted a budget based upon their living situation and their support needs as measured by the SIS. The Individual Supports Budgets cover 'base' services such as Personal Assistance/Habilitation (PAB), Adult Day Health (ADH), CLS, and Respite. The budget amounts were established based upon a review of historical usage patterns and input from DDD staff and external stakeholders. Participants may access other non-'base' services in addition to those services governed by the Individual Supports Budgets.

The adoption of Individual Supports Budgets will align access to services with participants' needs. Coupled with the wider array of services in the new waiver, participants will have greater variety and choices for the types and amounts of services they desire to help them achieve their goals. DDD chose this direction and model to promote community integration, to ensure services are provided based on assessed

needs, and to allocate resources in a fair and equitable way. In order to be successful, this will require careful management of the service system at all levels.

DDD recently conducted a review of Cohort 1 participants (those living in licensed or certified homes) for cost and authorization trends for this fiscal year to date. The review provided information at the individual level and allowed DDD to conduct an analysis of overall trends and impact. The analysis also allowed DDD to consider the appropriateness of services, trends by island, and noticeable patterns of service authorization.

The findings of the analysis indicate that while many people were authorized services within what would be expected based upon their SIS level, there were many others who were authorized services far beyond what would be expected. This pattern is concerning as it does not meet the requirement to allocate services in ways that are fair and equitable based on each participant's assessed needs. Additionally, there is a considerable cost impact when services are authorized beyond what is projected, which could require rate cuts or other reductions to manage within available funding. DDD recognizes that many factors impact decisions about authorizations. These include many ResHab caregivers' expectations that participants leave the home during the day despite the move to a per diem rate and the rate assumptions for payment of caregivers; limited availability of ADH services in various parts of the State, particularly on the neighbor islands; use of CLS-Individual (CLS-Ind) to accompany participants who are working; and added emphasis on assisting participants to develop community roles and relationships in accordance with the CMS Final Rule.

As DDD reviewed authorization data, however, a particularly concerning trend is the high authorization of CLS-Ind by participants who are also authorized ResHab services. It appears that services being authorized do not consistently align with service standards, the rate framework, and participants' assessed support needs as measured by the SIS. The purpose of this memo is to re-clarify the purpose and expectations of ResHab and CLS-Ind services.

The Purpose of ResHab

Per Waiver Standards Section 3.12, the ResHab service description includes community activities as part of the responsibility of the agency or independent contractor delivering ResHab, stating that the service is intended to assist participants with:

“... the acquisition, retention, or improvement in skills related to living in the community. These supports include adaptive skill development; assistance with activities of daily living and instrumental activities of daily living; community inclusion; transportation as part of routine and typical household activities, such

as doctor’s visits, shopping for the household, participating in family functions and community events attended by household members; and social and leisure skill development that assist the participant to reside in the most integrated setting appropriate for his/her needs.”

What ResHab Requires:

- ResHab is paid on a per diem basis. All the services must be provided as specified in the service description and as authorized by the participant’s ISP to meet the identified goals.
- ResHab services are to be provided both in the home and the community. The service description specifies the intent, emphasizes skills development (teaching and training the participant in areas listed in the service definition), and includes assisting participants to develop social and leisure skills in their homes and communities.
- The caregiver receiving payment for ResHab must provide services as described in the Waiver Standards. As the definition makes clear, ResHab providers are expected to assist participants to improve, retain or improve skills, including engaging in their communities.
- If the participant requests services that exceed the Individual Supports Budget amount, the ResHab provider agency must provide documentation that all hours built into the rate model assumptions are being delivered by staff other than the primary caregiver.

Clarifications and Exclusions:

- ResHab is not the same as Personal Assistance/Habilitation (PAB), which is only provided in participants’ private or family home.
- ResHab is not used solely for the purpose of providing personal care to the participant. The Waiver Standards specify that personal care cannot comprise the entirety of the service.
- ResHab is not used to pay for room (“rent”) and board (“meals and snacks”).
- The primary caregiver’s (“home manager”) activities do not count toward the “Allocated Staff Hours per Participant per Week” in Figure 1 below.

Understanding the ResHab Rate Model:

The ResHab rate models provide full funding for the salary and benefit costs of a home manager for each residence (an assumed \$62,715.80 per year). The primary caregiver in the licensed or certified home is considered to be the “home manager”. In addition, the models include funding for additional staff support for each participant to allow individualized care in the home and community. The staffing assumptions are outlined in Figure 1.

Figure 1: Residential Habilitation Rate Model Staffing Assumptions

ResHab Tier	# of Beds	Allocated Staff Hours per Participant per Week <i>(the primary caregiver cannot provide these supports)</i>
1	3 or fewer	6.7
1	4	7.5
1	5 or more	8.0
2	3 or fewer	20.0
2	4	20.0
2	5 or more	20.0
3	3 or fewer	26.7
3	4	25.0
3	5 or more	24.0

NOTE: The allocated staffing hours assumed in the rate model are in addition to the support provided by the primary caregiver (“home manager”). In situations where the authorization of base waiver services would result in exceeding the participant’s Individual Supports Budget, these allocated staff hours must be met.

For example, if a participant assigned to ResHab Tier 2 and living in a four-person home requests CLS-Ind services in an amount that exceeds their Individual Supports Budget, the ResHab provider agency must document that the participant is receiving at least the allocated 20 hours of support – separate from the primary caregiver – as they are being paid to do through the ResHab model.

The Purpose of CLS-Ind

Per Waiver Standards Section 3.5.2, the reimbursable activities for CLS-Ind state that services:

“Assist the participant to acquire, retain, or improve social and networking skills; develop and retain social valued roles; independently use community resources; develop adaptive and leisure skills and hobbies; and exercise civil rights and self-advocacy skills required for active community participation.”

CLS-Ind is designed to teach and coach, with a plan to fade (proximity and duration of the staff providing the service) as appropriate for that individual and includes individualized timelines specified in the ISP as the participant gains skills, confidence and natural supports.”

“CLS-Ind must be delivered only in integrated settings in the community, outside the participant’s place of residence.”

Requirements When Participants Receive ResHab and CLS-Ind:

- The service description for CLS-Ind specifies the intent, emphasizes skills development (teaching and training the participant in areas listed in the service definition) toward becoming more independent in the community, and requires that the provider have a plan to fade supports as the participant gains skills and natural supports.
- CLS-Ind is only provided in the community.
- For participants who have authorized ResHab services, CLS-Ind may only be authorized for hours beyond the hours built into the rate model assumptions and that can be afforded – in combination with all other ‘base’ services – within their Individual Supports Budget. Requests for hours that exceed the Individual Supports Budget will be subject to a utilization review process.
- CLS-Ind is paid on a per 15-minute basis. All the services must be provided as specified in the service description and as authorized by the participant’s ISP to meet the identified goals.

Clarifications and Exclusions:

- The primary caregiver is prohibited from being the direct support worker delivering CLS-Ind to participants who are residents of the primary caregiver's home.
- Per Waiver Standards Section 3.5.2, "CLS-Ind is generally not provided by any worker or member of the ResHab household (someone residing at the same address as the participant)." Waiver Standards will be revised to clarify that the worker or member of the household cannot be the primary caregiver (the "home manager" in the rates model).
- If a participant currently utilizes CLS-Ind delivered by the primary caregiver, the case manager and circle of supports will review and begin planning to transition service delivery to a different worker.

Individual Supports Budgets will be part of the Cohort 1 participant's Individualized Service Plan (ISP) meetings held on and after July 1, 2018. DDD will be implementing a utilization review process for requesting and approving exceptions to the Individual Support Budget ranges. The budget ranges are displayed at the end of this memo. As you work with case managers, participants, and others in the circle of support, these are the budget ranges that will be phased in and used in concert with how participants choose to use their services to meet their ISP goals.

DDD will continue to work closely with case managers, I/DD Waiver providers, participants, families and stakeholders to identify best practices and creative approaches to support participants to achieve their goals for a good life in their communities.

Thank you very much for all the work you do on behalf of people with I/DD. Please watch for announcements about upcoming training opportunities. We know this is complex work, and we will continue to work together to implement system improvements to support people with I/DD and their families.

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SIS Level	Budget	Licensed / Certified Settings - All Other Islands	Licensed / Certified Settings - Big Island	Living in Family Home - All Other Islands	Living in Family Home - Big Island	Living Independently - All Other Islands	Living Independently - Big Island
1	Low	\$15,938	\$18,555	\$30,041	\$34,465	\$34,754	\$40,887
1	High	\$21,250	\$24,740	\$40,054	\$45,953	\$46,338	\$54,516
2	Low	\$16,938	\$19,698	\$40,941	\$47,075	\$43,587	\$51,102
2	High	\$22,584	\$26,264	\$54,588	\$62,766	\$58,116	\$68,136
3	Low	\$21,326	\$24,588	\$49,698	\$56,951	\$50,885	\$59,508
3	High	\$28,434	\$32,784	\$66,264	\$75,934	\$67,846	\$79,344
4	Low	\$21,326	\$24,588	\$55,293	\$63,431	Requires exceptions review. (Individuals living independently who have exceptional support needs are authorized on a case by case basis)	
4	High	\$28,434	\$32,784	\$73,724	\$84,574		
5	Low	\$24,477	\$27,971	\$74,384	\$85,255		
5	High	\$32,636	\$37,294	\$99,178	\$113,673		
6	Low	\$25,260	\$28,652	\$86,070	\$97,742		
6	High	\$33,680	\$38,202	\$114,760	\$130,322		
7	Low	\$26,055	\$29,736	\$86,811	\$99,130		
7	High	\$34,740	\$39,648	\$115,748	\$132,174		

- Licensed / Certified Settings – Includes ADH, CLS-Ind, and CLS-G
- Living in Family Home – Includes ADH, CLS-Ind, CLS-G, PAB, Chore, and Respite
- Living Independently – Includes ADH, CLS-Ind, CLS-G, PAB, and Chore

c: Jon Fujii, DHS-MQD
 DDD Branch Chiefs