# Paying for Specialized and Other Services

State payment options for services required by Preadmission Screening and Resident Review (PASRR)

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# Context

**Assumptions about Prior Knowledge**

Webinar participants understand

- PASRR Level I & Level II requirements
- That Level II recommends NF only when accompanied by the additional services and supports an individual is evaluated to need
- Which services are called "Specialized Services" varies with the person and the state; but regardless of labels the requirement is to provide what each person needs

# Context

Webinar participants understand

- State MH and ID authorities work with Medicaid to determine appropriate coverage and payment
- Coverage and payment may differ between inpatient and community services

To learn more about the PASRR topics above:

- Study PASRRassist.org Particularly http://www.pasrrassist.org/sites/default/files/attachments/13-10-01/Specialized_Services_guidance_11Sep2013.pdf
- Call PTAC

# Goals for the webinar

- Understand the options open to states for covering Specialized and other services for PASRR disabilities
- Understand some of the corresponding reimbursement methods
- Explore some processes that facilitate development of these services
- Discuss questions and offer suggestions to each other

# What's new in last 2 years

- CMS, HHS, DOJ emphasize: Level II must recommend community alternatives
  - PASRR is about diversion and transition
- CMS clarified that past debates on defining "Specialized Services" must not block NF residents with MI/ID from needed services
  - PASRR is about individualized support for NF residents
- CMS clarified funding options for SS, including
  - Use of supplemental NF payments to pay for SS

# What's *not* new

Medicaid funding options for Specialized and other services (though some states not aware)

- Services for NF and community residents
  - (Most) State plan services (Section 3.1 of state plan)
  - §1915(b)(3) or §1115 CNOM (costs not otherwise matchable)
- Services for NF residents only
  - NF rate and add-on to NF rate
  - NF supplemental payments (for non-PASRR services)
- Services for Community residents only
  - §1915(c), §1915(i), §1915(k) HCBS
  - Special programs like MFP, PACE
- All may be FFS or managed care, e.g., behavioral health MCO

# What's *not* new

Non- Medicaid funding for Specialized and other services

For NF residents or community residents

- Medicare/Medigap
- Private pay or LTC insurance
- State-only funded services, e.g., from MH or DD agency
- Grants
- Other federal programs

# The funding landscape

- These are funding sources we have seen for services and supports recommended by Level II to supplement NF services or to provide community alternatives -- whether they are called Specialized Services or something else
- What other resources are you using?

# Reminder of your purpose

As your plan for MI/ID services develops, ask yourself whether it addresses this hard truth:

**People with MI/ID at PASRR Level II intensity need more than standard NF care.**

How could it be otherwise?

As in all of Medicaid, the requirement is that you provide these services, not what you label them. Don't be distracted by labels.

# Funding Specialized Services for NF residents

PASRR requirements are more *specific* and *ongoing* for NF than for HCBS

- All Level II—comprehensive evaluations and individualized service recommendations
- In the community — PASRR ends with Level II
- NF residents — PASRR continues, with RR, and Specialized Services required

Therefore, we focus here on SS for NF residents

# “Paying for” Specialized Services

- The requirement is to provide or arrange for needed SS
  - The smart way is to find every service and support out there relevant to NF residents with MI/ID/RC
  - Educate Level II evaluators and Determiners to start including these in recommendations and documentation
- State may need to implement new services not available any other way

# Medicaid State Plan services

"§ 1905(a) services", both mandatory and optional, as provided in section 3.1 of state plan

Advantages

- Whatever they are in your state, the services already exist — just see if NF residents are getting them
- Comparability requires that NF residents access most state plan services (a few exceptions), *unless duplicated in NF rate* (i.e., no double-billing)

Limitations

- Comparability goes both ways: Anyone NOT in institution get the same state plan services as a NF resident
- You can't use the state plan to provide Specialized Services ONLY in NF

# Medicaid State Plan services

Limitations (continued)

- If the kind of care offered in a particular state plan service is considered to be included in NF reimbursement in a state, then the state plan service is not available (double payment)
- Certain state plan services cannot be provided to residents of institutions, like Home Health, including medical equipment under Home Health

# §1915(b) or §1115 waiver — Services not otherwise offered in Medicaid

Complex authorities, often managed care plans of large scope. Review with CMS case by case. For NF or community residents

Advantages

- Very flexible service definitions and delivery methods
- Can also apply to expanded population

Limitations

- Budget neutrality — new services must be offset by savings elsewhere
- Potentially long development and approval process

# Medicare

Whether nursing home is under Medicare SNF or Medicaid NF, other services may be covered by Medicare, such as physicians or therapists

Advantages

- No cost to state or NF, so no disincentive to refer.
- More providers may exist; rates may exceed Medicaid.

Limitations

- Complex limitations and coverage rules. PTAC is working on information as applies to PASRR.

# Private pay and insurance

Any service and support needed for MI, ID, or RC beyond what NF provides can be a Specialized Service. For anyone, under any reimbursement

Advantages

- Some services already exist and can be billed.
- A way of applying PASRR to non-Medicaid residents.

Limitations

- Hard for Level II staff to know about.
- Insurers and private pay individuals may resist paying.

# State services with no FFP (non-Medicaid)

Examine services all your state agencies currently provide, and consider whether they would be useful to certain NF residents as SS

Advantages

- Already exist, may be expert providers. e.g., habilitation
- Continuity after discharge
- Increases options for Level II to recommend

Limitations

- State bears all cost of increased utilization
- Agencies may protect narrow population definitions

# Grants, other federal programs

Be sure you are in regular communication with people in your state who control these for LTC

Advantages

- Can be very flexible; opportunity to try out ideas
- Get in on drafting RFPs — build in PASRR

Limitations

- Sustainability may be a large risk with grants
- Other government programs may have different eligibility and other non congruent features

# NF Rate

By definition, services and supports in the NF rate are not “Specialized Services” (above what a NF provides) but there may be supports for individuals with MI/ID/RC that could be made explicit in the state’s NF benefit

Advantages

- Particularly applicable to supports that are part of daily ADL support by NF staff
- Rate “add-ons” give facilities incentive to utilize
- Facilities can be tracked; may be part of facility expectations enforced by survey

# NF Rate

Limitations (cont.)

- When a support is “in the rate” it may or may not actually provide additional funds to NFs
- There is disincentive to provide care for which no additional reimbursement is available
- Intense disability-specific Specialized Services needs cannot be met with basic NF services

# NF supplemental payments

These are reimbursements to the NF that are *not part of the rate*

Advantages

- Very flexible service definition
- FFP for state
- No comparability requirement to provide to non-NF beneficiaries
- Already exist for other types of NF care, such as equipment or ventilator care
- Line on the CMS 64 for supplemental NF payments

# Providers of Supplemental MI or ID Services and Supports to NF Residents

Services are delivered by providers specially qualified in MI or ID/DD

- Ordinarily not the NF staff
- May be existing providers, who have up till now not served NF residents
- Ideally includes providers of HCBS:
  - Maximizes integration into the community
  - Facilitates transition out of the institution
  - "Services follow the person"
- But note: Different billing codes needed for services provided in NF vs. community

# How does this supplemental payment work?

- Payment SPA defines at § 4.19 of the State Plan, a method for particular services and supports to be delivered by qualified providers and billed as supplemental payment to the NF
- NF contracts with providers, who deliver the supplemental services or supports per Level II and as specified in the plan of care
- NF pays the provider and bills Medicaid agency according to the reimbursement methodology
- Medicaid agency pays NF

Details highly state-specific. Discuss Payment SPA with CMS for specific guidance.

# Additional billing option: Directly billed and paid to qualified providers

- Different from supplemental payments.
- New state option, building on SMIB 11/28/2012
- As above, NF contracts with providers, who deliver the supplemental services and supports
- Instead of the NF paying the supplemental services and supports providers, providers bill Medicaid directly per procedures in the state plan
- Medicaid agency pays providers of supplemental services and supports directly, from the NF benefit, and claims the costs on CMS 64 line 3

Details highly state-specific. Discuss Payment SPA with CMS for specific guidance.

# Important caveats

- Most changes to Medicaid payment will be accomplished with a SPA or waiver amendment. These are worked out with your CMS RO, based on idiosyncrasies of your existing state coverage and payment provisions. There could be some variation from the general principles in this presentation
- Seek PTAC assistance and talk to the RO before you submit an amendment, for easier approval