

System Changes and Public Financing to Support Specialized Services

**Division of Long-Term Services and Supports
Disabled and Elderly Health Programs Group
Centers for Medicaid and CHIP Services**

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Power and Possibility of PASRR Webinar Series

Presented by the PASRR Technical Assistance Center

Facilitator

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Learning Objectives

- Understand the importance of state inclusion of specialized services in any PASRR system change initiatives.
- Understand the regulatory requirements for identifying and providing or securing appropriate specialized services for individuals with qualifying PASRR conditions.
- Understand the role specialized services plays in promoting continuity of care and community transition for PASRR populations.
- Understand the funding mechanisms states can utilize to support the delivery of specialized services .
- Understand how states have modified their State Plan to include specialized services as a Nursing Facility benefit and how those with PASRR conditions have benefited from those services.

The Importance of Specialized Services

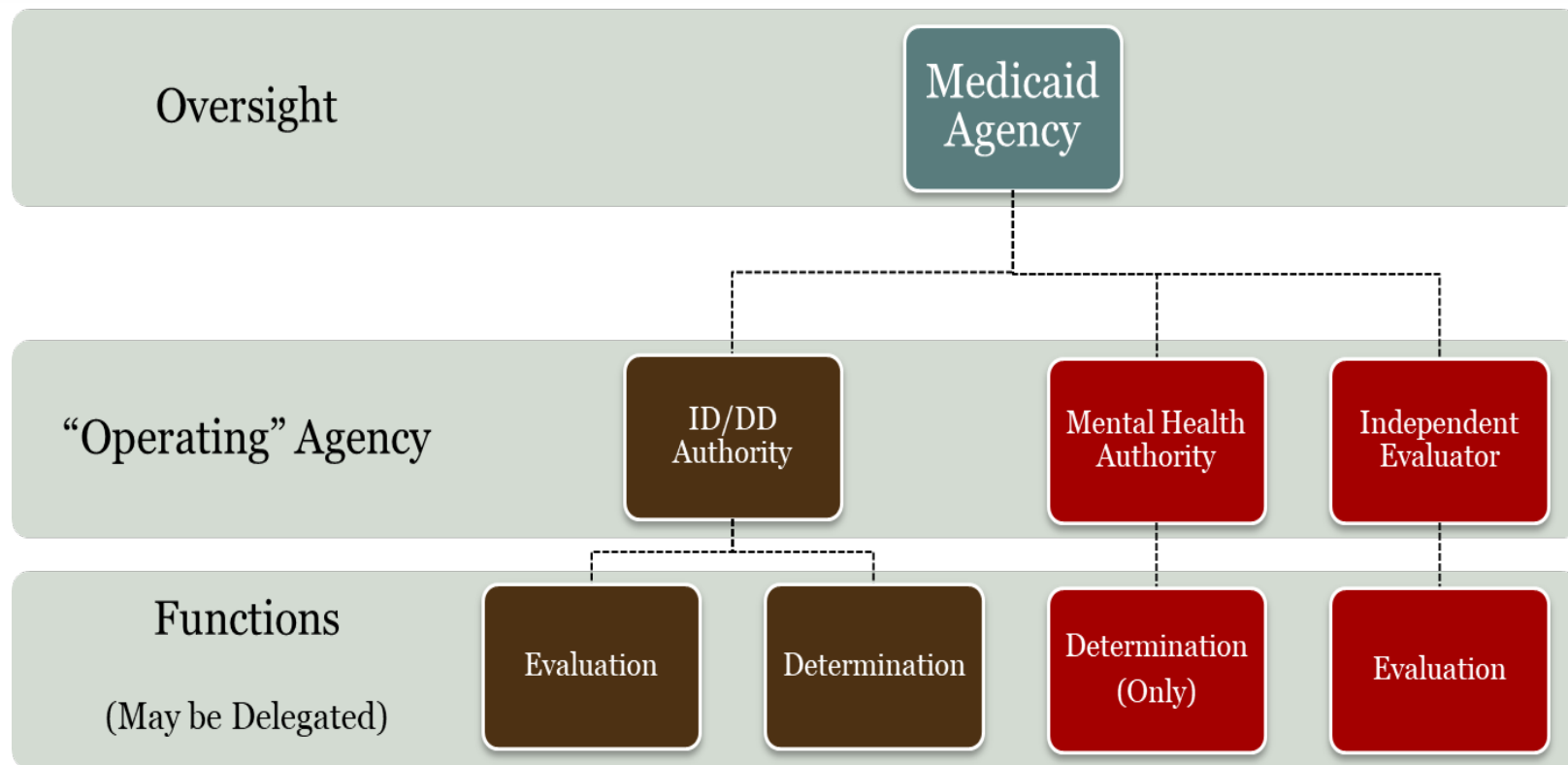
- Specialized services are an essential component in a person-centered PASRR.
- CMS has made repeated efforts in recent years to clarify the Code of Federal Regulations (CFR) references to specialized services and to emphasize the importance of specialized services within the PASRR process.
- When combined with nursing facility services, specialized services result in an individualized plan of care, developed with the individual, and supervised by an interdisciplinary team that prescribes therapies and activities by trained mental health, or intellectual disability/related condition personnel.

Specialized Services Regulatory Requirements

Specialized Services Definition

- “Specialized services” means any service or support recommended by an individualized Level II determination that an individual requires due to mental illness (MI), intellectual disability (ID), or related condition (RC) that supplements the scope of services that the facility must provide as part of reimbursement as nursing facility services.
- States must provide or arrange for the provision of specialized services to all nursing facility (NF) residents with a PASRR condition “...whose needs are such that continuous supervision, treatment or training by qualified mental health or intellectual disability personnel is necessary...”
- The technical definition from the regulations is found at [§ 483.120](#).

Responsibility for Evaluations & Determinations



Determination of Specialized Services Need

- The PASRR process for NF applicants ([§ 483.112](#)) involves:



- When a person is determined to require specialized services, the state must provide or arrange for the specialized services while the person resides in the NF ([§ 483.116](#)).

Residents Not Requiring NF Services – Long Term

- In some cases, individuals residing in NFs may be determined to no longer need NF services, but still require specialized services for MI, ID, or RC.
- The state must consult with the individual and family/caregivers/legal representatives when the person has continuously resided in the NF for at least 30 months prior to determination and requires only specialized services.

Offer the resident the choice of remaining in the facility or of receiving services in an alternative appropriate setting

Inform the resident of the institutional and noninstitutional alternatives covered under the State Medicaid plan for the resident

Clarify the effect on eligibility for community-based Medicaid services under the State plan if the resident chooses to leave the facility, including its effect on readmission to the facility

Regardless of the resident's choice, provide for, or arrange for the provision of specialized services for the mental illness or intellectual disability

Residents Not Requiring NF Services – Short Term

- The state must consult with the individual and family/caregivers/legal representatives when the person has **not** continuously resided in the NF for at least 30 month before the date of determination and requires only specialized services:

Arrange for the safe and orderly discharge of the resident from the facility

Prepare and orient the resident for discharge

Provide for, or arrange for the provision of, specialized services for the mental illness or intellectual disability

PASRR Determination Criteria (§ 483.130)

(1 of 2)

- States make PASRR determinations either individually or through advance group determinations (examples are included in the regulation).
- The state may not make categorical determinations about the need for specialized services.
- Specialized services are determined based on extensive individualized evaluation to decide the exact nature of the specialized services needed.

PASRR Determination Criteria (§ 483.130)

(2 of 2)

- However, states may make categorical determinations that individuals with dementia occurring in combination with ID or RC do not need specialized services.
- When NF needs are determined by category, the appropriate state authority must also determine whether specialized services are needed by category (if permitted) or by individual evaluations.

PASRR Documentation of Specialized Services

- The PASRR notice of determination ([§ 483.130](#)) made by the state must include whether specialized services are needed, along with the other required elements of the notice.
- The determination of the need for specialized services must be supported by assurances that the specialized services can and will be provided or arranged by the state while the individual is a NF resident.

Evaluation for Specialized Services (1 of 2)

- There are minimum data needs and process requirements specified in the regulation at [§ 483.134](#) and [§ 483.136](#) to determine the specialized services needs of a person with MI or ID, respectively.
- Required data includes a comprehensive history and physical examination, addressing several areas. For example:
 - MI: psychosocial evaluation, functional assessment, and neurological evaluation.
 - ID: information about sensorimotor, social, and independent living development.

Evaluation for Specialized Services (2 of 2)

- History and physical evaluations for individuals with MI must be reviewed and concurred by a physician if not originally completed by a physician.
- A licensed psychologist must identify the intellectual functioning measurement for individuals with ID.
- Personnel must be qualified to interpret the data reviewed and make qualitative judgment to determine the need for specialized services.

Role of Specialized Services in PASRR Systems Change Initiatives

Growth of Community-Based Services

- Much of the long-term services and supports (LTSS) system transformation in the past several decades has centered on community-based options and de-institutionalization.
- Today, 56% of Medicaid LTSS expenditures are for home and community-based services¹.
- Specialized services are a critical component of community-based services because they assures that NF residents with PASRR conditions receive the necessary supports during and after a NF stay.

1. [Medicaid Long Term Services and Supports Annual Expenditures Report, FFY 2017 and 2018](#)

Person-Centered Planning (1 of 2)

- Medicaid only covers HCBS that are based on a person-centered service plan that addresses the individual's LTSS needs.
- A person-centered plan ensures:
 - Dignity and respect for the person.
 - Coordinated care and supports.
 - Support and treatment that is based on the person's unique needs and desires.
 - The person can develop strengths and abilities to live an independent and fulfilling life.

Person-Centered Planning (2 of 2)

- Comprehensive Person-Centered Care Planning (§ 483.21(b)(iii)) in NFs must include ‘any specialized services or specialized rehabilitative services the nursing facility will provide as a result of the PASRR recommendations.’
- Specialized services have always included a person-centered approach because they are:
 - Developed through individualized evaluation.
 - Based on the unique needs and desires of the person.
 - Supportive of those needs that will allow a person to transition or return to community-based services after a NF stay.

Linkage of PASRR with the NF Plan of Care (1 of 2)

- There is no exhaustive list of services a NF must provide, however:
 - The unique resident needs may require particular care or services in order to reach the highest practicable level of well being.
 - The services needed to attain this level of well-being are established in the individual's plan of care.
 - NF general or usual responsibilities are defined in the state's Medicaid state plan. ²

Linkage of PASRR with the NF Plan of Care (2 of 2)

- Federal regulation for NFs calls for:
 - At [§ 483.21\(a\)\(1\)](#), the development of a care plan that includes PASRR recommendations, if applicable.
 - At § 483.21(b)(iii), the comprehensive plan of care describes any specialized services or specialized rehabilitative services the nursing facility will provide as a result of PASRR recommendations.
- Specialized services are expected to be clearly embedded within the full NF plan of care to ensure people receive the necessary supports while residing in the NF.

Improved Understanding of Community Alternatives

- The identification of specialized services enables an individual to explore and understand community-based services and alternatives to institutional placement.

Diversion

100% avoidance of NF placement when alternatives exist

Transition

Shortened length of stay resulting from awareness of HCBS alternatives and benefits realized from specialized services

Timely transition through engagement in services and supports that mirror existing HCBS services in a community setting

Specialized Services' Role in Continuity of Care and Community Transition

What is Continuity of Care?

Continuity of care is the quality of care over time.

- For the individual it is the experience of a continuous caring relationship with an identified health care professional, or possibly several.
- For providers it is the delivery of a seamless service through integration, coordination and the sharing of information between different health care professionals.

Continuity of Care – The Role of PASRR

The services in a well-designed system of care should be:

- Individualized and “Person-centered”
- Systematic
- Comprehensive
- Integrated
- Seamless
- Coordinated

Specialized Services Promote Community Transition

- Specialized services are integral in supporting continuity of care while individuals reside in the NF and prepare for transition to the community:
 - Individuals with MI receive recovery supports that are comprehensive and person-centered.
 - Individuals with ID or RC receive person-centered and seamless supports that enable familiarity with trusted providers.
- Also, specialized services are integral in supporting continuity of care upon discharge to the community. Whether the person has been a short- or long-term resident of a NF, PASRR requires that the state provide or arrange for the provision of specialized services post-discharge.

Funding Mechanisms for Specialized Services

Creating Access to Individualized Supports

“Provide or Arrange” – A Requirement

§ 483.120(b) Specialized services

- The state must provide or arrange for the provision of specialized services, in accordance with this subpart, to all NF residents with MI or ID whose needs are such that continuous supervision, treatment and training by qualified mental health or intellectual disability personnel is necessary, as identified by the screening provided in § 483.130 or § 483.134 and § 483.136.

Funding Options for Specialized Services

- Identifying ways of *paying* for specialized services leads to:
 - Individuals getting the services they need.
 - Individuals are more likely to maintain and improve their functioning while they are NF residents.
 - Individuals are more likely to become good candidates for transition back into the community.

Options for Financing Specialized Services

- Self/Private pay
- State General Funds
- Managed Care Plans
- Medicare
- Private Insurance (Long-term care)
- Medicaid fee-for-service
 - State Plan Amendment for Nursing Facility Benefit

Self /Private Pay and Specialized Services

If an individual enters a NF with self/private pay, and is judged by PASRR to need specialized services, the state has an obligation to help arrange for the provision of specialized services -- though not to pay for them, at least not until the individual becomes Medicaid eligible.

State General Funds (SGF)

- The general fund supports state programs that can include child development and protection, criminal justice, conservation efforts, economic development, public health and safety, mental health, Medicaid, legislative activities, the court system, and other public needs.
- State MH and ID authorities can set-aside or earmark SGF dollars to “provide or arrange for the provision of specialized services” as part of their commitment to continuity of care or engagement in care. (Active community based services follow the person)

Managed Care Plans (1 of 2)

Managed Care Waivers: These types of waivers, also known as Section 1915(b) waivers and 1115(a) demonstrations, allow states to waive certain statutory provisions and provide services through managed care delivery systems, with the intent of streamlining long-term care and managing costs.

- These waivers use contractual arrangements between state Medicaid agencies and managed care organizations or prepaid inpatient health plans (collectively referred to as “managed care plans”).
- Managed care waivers also provide opportunities for Medicaid beneficiaries to receive services in their own home or community rather than institutions or other isolated settings.

Managed Care Plans (2 of 2)

Managed care plans can play a vital role in delivery of specialized services.

They have:

- An interest in helping reduce long-term care and supporting engagement in less expensive community-based services.
- Providers with expertise in the field of the PASRR condition.
- An established relationship with the individual.
- Familiarity with the individual's unique needs and desires and service/support strategies.

Managed Care Plan Options

- Informal coordination of the delivery of specialized services based on general contract expectations via:
 - Care coordination
 - Care Planning
 - Healthcare assessments
- Contractual provisions to require delivery of specialized services.

Managed Care Contractual Provisions

Contracts can ensure that managed care plans are engaged and effective partners in state PASRR efforts:

- State managed care plan contracts typically define:
 - Stakeholder engagement
 - Person-centered care principles
 - The range of covered services
 - Incentives or penalties related to performance
- Contracts with managed care plans can specify that services to enrollees are provided, regardless of location.
(NF stay)

Managed Care Contract Considerations

- Managed care plan staff PASRR roles.
- Education and training for managed care plan staff.
- Coordination with MH/ID authorities and NFs.
- Developing person-centered plans of care.
- Delivery of specialized services:
 - Tracking/reporting
 - Case management & community transition
- Continuity of PASRR during an emergency event.

Sample Managed Care Plan Contract Language (1 of 2)

Specialized Services

- The MCP shall ensure that members who are identified by Office of Behavioral Health as needing specialized services for behavioral health while in a nursing facility have access to such services as required under 42 [CFR § 483.120](#) and determined by OBH.
(Louisiana MCO contract)
- “The Contractor shall include all Specialized Services specified by the State as part of the Level II PASRR process in the member’s plan of care, including Specialized Services that are not Covered Services and shall coordinate with DSAMH and/or DDDS (as applicable) and nursing facilities to ensure that members receive Specialized Services specified by the State ...(Delaware MCO contract)

Sample Managed Care Plan Contract Language (2 of 2)

Staff Roles

- The MCP shall be responsible for conducting, or subcontracting to conduct, PASRR Level II evaluations of members upon referral from Office of Behavioral Health. (Louisiana MCP contract)
- If a member will be admitted to a nursing facility, the case manager must ensure and document that a PASRR has been completed by the State prior to admission. (Delaware MCP contract)

Medicare Part B MH and ID Benefits as Specialized Services

- Individual and group psychotherapy.
- Family counseling if the main purpose is to help with the individual's treatment.
- Psychiatric evaluation.
- Medication management.
- Occupational therapy that is part of individual's treatment.
- Training and education about the individual's condition.

Medicare Part B Eligible Providers of Specialized Services

- Physicians (Medical Doctor or Doctor of Osteopathic Medicine)
- Clinical Psychologist (CP)
- Clinical Social Worker (CSW)
- Clinical Nurse Specialist (CNS)
- Nurse Practitioners (NP)
- Physician Assistant (PA)
- Certified Nurse Midwives (CNM)
- Licensed Alcohol and Drug Counselors
- Independently Practicing Psychologist (IPP)

Private Insurance

- The majority of private insurance plans typically provide some sort of coverage for short stays in post-acute care / skilled nursing facilities if the services are necessary following a hospital stay.
- Private insurance companies will typically only pay for skilled nursing services for providers that are considered “in-network.”
- Coverage for any recommended specialized services will likely be provider dependent.

CMS State Plan Amendment Process

*Maximizing Access to Medicaid Fee For Service
and Federal Financial Participation*

Specialized Services and the State Plan Amendment (SPA)

- In order to be eligible for federal financial participation (FFP), specialized services must be included in the State Plan.
- These services are considered “specialized add-on services” that can be provided under the nursing facility benefit authorized by Section 1905(a) of the Social Security Act.

Medicaid State Plan

A Medicaid State Plan is an agreement between a state and the Federal Government describing how that state administers its Medicaid program.

- It gives an assurance that a state will abide by federal rules and may claim federal matching funds for its program activities.
- The State Plan identifies groups of individuals to be covered, services to be provided, methodologies for providers to be reimbursed and the administrative activities that are underway in the state.

State Plan Amendments (SPA)

- When a state is planning to make a change to its program policies or operational approach, the state's Medicaid Authority sends a SPA to the Centers for Medicare & Medicaid Services (CMS) for review and approval.
- States also submit SPAs to request permissible program changes, make corrections, or update their Medicaid State Plan with new information.
- Specialized add-on services are paid as add-on payments to the provider of the specialized add-on service or they can be an add-on payment to the NF, who pays the provider.
- States may require pre-authorization of specialized add-on services and use the PASRR process for this authorization.

Preparing a SPA (1 of 3)

1. Organize the lead SPA team:
 - State Medicaid Authority
 - State Mental Health Authority
 - State Intellectual Disability Authority

Preparing a SPA (2 of 3)

2. Questions to consider when identifying likely or available specialized services:

- What Medicaid funded MH or ID services are helping support individuals with PASRR conditions in their community setting?
- Would those services be accessible to the individual during a nursing facility stay? If no, is there is a gap in continuity of care?
- Would those services be accessible to an individual newly identified as having a PASRR condition during their nursing facility stay? If no, there is a gap in the ability to engage!

Preparing a SPA (3 of 3)

3. Determine likely specialized services providers:

- Medicaid State Plan MH providers
- HCBS providers
- Managed care plans (likely addressed by contract)

Requirements

Statewideness: Services must be available to the entire state and not be limited to a specific region or county unless it meets the exceptions identified at [42 CFR 431.50](#).

Comparability: Services must be available to all eligible Medicaid individuals residing in certified NFs who meet the criteria for a given service.

Every willing provider: A Medicaid-eligible individual must be able to choose from any provider who meets the conditions for enrollment.

Comparability Considerations

- Specialized services SPAs cannot be targeted to specific populations inside the groups identified during the PASRR process, however:
 - Service definitions can be tailored so the services meet the needs of particular populations especially well.
 - Being identified by PASRR can serve as a type of “prior authorization” for access to Specialized Services.
 - Other individuals can access those services if they meet the needs-based criteria specified in the service definitions. (Resident Reviews)

CMS SPA Resources

- Resources for development of a State Plan and submission to CMS are found on [Medicaid.gov](https://www.Medicaid.gov) under the “[State Resources](#)” tab.
- CMS has designated staff, called State Leads who assist states by providing policy guidance for services and payment methodologies for the services.
- Medicaid Agencies are informed of the CMS State Leads assigned to the states.
- CMS has also posted a variety of “[state plan templates and tools](#)” for states at the Medicaid website.

PTAC SPA Resources

PTAC Webinars

- “Good Practices for Adopting Waiver Services in the Nursing Facility Benefit: A Specialized Services State Plan Amendment” November 2020
- “Leveraging Public Financing and Delivery System Changes to Fund Specialized Services” December 2017

PTAC FAQ's

- “What should States consider when including Specialized Services in State Plans?” February 2018

PTAC: <https://www.pasrrassist.org>

State Examples of Specialized Services Initiatives

Texas

Washington

Connecticut

[Medicaid State Plan Amendments at Medicaid.gov](https://www.Medicaid.gov)

Specialized Services SPA Examples (1 of 4)

Behavioral Support

- Assistance provided to a resident to increase adaptive behaviors and to replace or modify maladaptive behaviors that prevent or interfere with the resident's interpersonal relationships across all service and social settings delivered by a community-based provider of behavioral support in the NF. (Texas)

Day Habilitation

- Assistance provided to a resident to acquire, retain, or improve self-help, socialization, and adaptive skills necessary to live successfully and actively participate in all service and social settings. (Texas)

Specialized Services SPA Examples (2 of 4)

Habilitative Behavior Support and Consultation

- The development and implementation of individualized strategies for helping an individual effectively relate to caregivers and other people in the individual's life. (Washington)
- Direct interventions with the individual to decrease aggressive, destructive, and sexually inappropriate or other behaviors that compromise the individual's ability to remain in the community. (Washington)

Specialized Services SPA Examples (3 of 4)

Care Coordination Services

- Care coordination also includes assisting the individual with accessing specialized add-on services.
- Referring the individual to service providers.
- Monitoring and follow up to ensure that an individual receives needed specialized add-on services.
- Evaluating the effectiveness and adequacy of the specialized add-on services and determining if the outcomes identified in the individual's plan of care are achieved. (Connecticut)

Specialized Services SPA Examples (4 of 4)

Habilitative Behavior Support and Consultation

- Development and implementation of individualized strategies for helping an individual effectively relate to caregivers and other people in the individual's life; and direct interventions with the individual to decrease aggressive, destructive, and sexually inappropriate or other behaviors that compromise the individual's ability to remain in the community. (Connecticut)

PTAC Specialized Services Office Hours

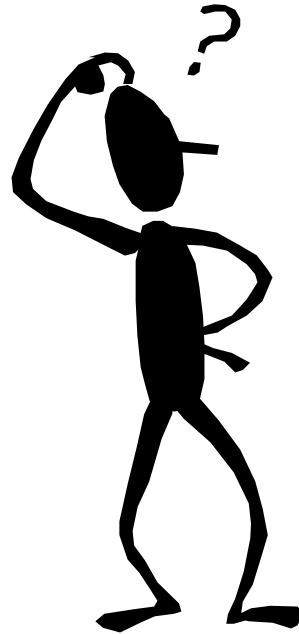
The goals of the office hours calls are to:

- Articulate CMS's vision for a more person-centered model of specialized services as identified in the new guidelines.
- Engage other key stakeholders that can support specialized services initiatives.
- Promote a method and place for states, CMS, and PTAC to learn about specialized services together.

This call occurs every quarter on the 4th Wednesday of the month
from 3 PM to 4 PM EST.

(November 17, 2021)

QUESTIONS



Satisfaction Survey and CEU

Please take a couple of minutes to provide your feedback on today's webinar:

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