OPWDD Transformation Agreement
Fiscal Policy for ICF Conversions – December 2015

The New York State Office for People With Developmental Disabilities (OPWDD) received federal approval of its plan to transition individuals residing in both campus- and community-based Intermediate Care Facilities (ICF) for Individuals with Intellectual Disabilities operated by the State and its network of partnering non-profit agencies into more integrated and individualized options in the community. As a result, the State has committed to reduce its voluntary-operated ICF capacity each year over the next four years.

One strategy to help achieve that goal is to convert the ICFs to a more individualized residential program model. (A conversion is defined as closing the ICF and opening the same facility as an Individualized Residential Alternative [IRA] through the HCBS waiver with no change to certified capacity, location of the program, or to the individuals residing in the program.) In doing so, OPWDD will expect and require that the agencies will work closely with individuals, their family members, advocates, and circle of support to undertake a comprehensive, person-centered planning process for each individual residing at the converting ICF to ensure development of appropriate Individualized Service Plans and delivery of the identified community-based supports and services.

The ability to convert will be limited to only those ICFs that have a capacity of no greater than 14 persons.

Effective July 1, 2014, the following revenue-neutral reimbursement strategy will be used to incentivize ICF conversions to IRAs providing individualized Waiver services and to ensure that the needs of the residents continue to be fully supported until an appropriate system is in place that establishes reimbursement levels based on the acuity / needs of the individuals receiving residential supports:

1. Providers opting to convert an ICF with no change in capacity or location will be reimbursed in an amount equal to their agency-specific ICF rate in effect on 7/1/14, net of day services and facility assessment authorized pursuant to Section 43.04 of the State's Mental Hygiene Law (provider of services assessment);

    - Any difference between the agency-specific 7/1/14 ICF rate, net of day services and facility assessment, and the agency's specific 7/1/14 reimbursement rate for the HCBS Waiver-authorized service to which the program is converting will be funded outside of Medicaid and paid separately to the residential provider through a combination of other payments/benefits, including but not limited to SSI, SNAP and/or State-only dollars;

- This funding level (7/1/14 rate, net of reimbursement for day services and the facility assessment) will remain in effect until a valid system is in place that predicates reimbursement upon the acuity levels of the individuals who are served by the provider. The State expects that the CAS will serve this role, and anticipates it will implement the CAS to support rate-setting activities beginning in 2017;

- This level of funding (7/1/14 ICF rate, net of reimbursement for day services and the facility assessment) does not follow an individual if/when he/she transitions from the impacted program. Rather, this funding commitment is tied to the converted residence itself, and can be used to support "backfills" into vacant opportunities that arise in the now converted ICF until the CAS is available; and

- This funding (7/1/14 ICF rate, net of reimbursement for day services and the facility assessment) is applicable irrespective of the ICF conversion date, and will remain in effect until the CAS is in place to acuity-adjust rates of reimbursement.

2. Provider agencies may choose to convert an ICF to an IRA and simultaneously downsize the program under this funding policy. In these situations, OPWDD will calculate the supplemental payment due the provider based upon the overall capacity of the IRAs as if they were a single facility. It is the provider's responsibility to determine if this funding policy will be sufficient to meet the needs of the impacted individuals and cover fixed costs as the ICF(s) downsize.

3. For day services provided outside of the residence ("off-site" day services), funding levels will be established that are consistent with the corresponding provider-specific reimbursement rates in effect at the time of conversion, and will vary depending upon the agency responsible for delivering such services. Recommendations concerning the establishment of reimbursement levels for individuals who require the provision of day services in the residence ("on-site" day services) will be advanced at a later date; however, conversion proposals for those individuals who do not require in-home day services should proceed in accordance with this financing proposal.

4. Agencies will need to comply with all applicable billing, claiming and service documentation requirements for the service to which the ICF converts.

5. To the extent individuals who are impacted by the conversion of the ICF are eligible for template funding, they will continue to receive the template rates in effect for both residential and day services in lieu of the reimbursement levels developed in accordance with the above-referenced financing proposal.

6. To the extent a provider's HCBS Waiver-authorized service rate is greater than their ICF rate, the agency will be reimbursed at the HCBS Waiver-authorized service rate, and the reimbursement levels developed in the above-referenced financing policy will not apply.

7. All of the reimbursement levels described herein will be appropriately adjusted to reflect any planned inflationary or other changes authorized pursuant to State law, including the salary and salary-related fringe benefit increases for direct care, support and clinical staff that are scheduled to take effect on January 1, 2015, and April 1, 2015, pursuant to Part I of Chapter 60 of the Laws of 2014.