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ADMINISTRATIVE MEMORANDUM - #2004-02

TO: Executive Directors of Agencies Authorized to Provide At-Home Residential Habilitation Services
Executive Directors of Agencies Authorized to Provide Medicaid Service Coordination
DDSO Directors

FROM: James F. Moran, Interim Deputy Commissioner
Division of Administration and Revenue Support

SUBJECT: AT-HOME RESIDENTIAL HABILITATION:
BILLING, ANNUAL SERVICE REQUIREMENTS AND AUDITS OF
PRICES FOR SERVICES DELIVERED ON AND AFTER
JANUARY 1, 2002

DATE: March 8, 2004

Suggested Distribution:

At-Home Residential Habilitation Program/Service Staff
Quality/Compliance Staff
Billing Department Staff
MSC Service Coordinators and Service Coordinator Supervisors

Purpose:

This is to review the billing, annual service requirements and audits of At-Home Residential Habilitation services. These requirements apply to At-Home Residential Habilitation services delivered to Home and Community Based Services (HCBS) waiver-enrolled individuals as well as to non-waiver enrolled individuals.

Background:

On December 26, 2001, OMRDD issued an advisory on Interim Billing, Documentation Requirements and Audits for HCBS Waiver At-Home Residential Habilitation Services Provided to HCBS Waiver Enrollees and Non-waiver Individuals. The advisory pertained to At-Home Residential Habilitation services rendered on and after January 1, 2002. This administrative memorandum replaces the advisory dated December 26, 2001.

The content of the advisory has been transferred into this administrative memorandum with only one substantive change as requested by the Units of Service Taskforce, a subcommittee of the OMRDD Provider Council. This change is highlighted in bold.

Unit of Service:

The **billing** unit of service for At-Home Residential Habilitation is a day, **although the length of that day may vary by consumer.** The price established for the day takes into account the number of annual residential habilitation hours to be delivered.

For an individual consumer, the days of service may vary and the hours of service provided on a day of service may vary, as well. Allowing day-to-day variation in service days and hours accommodates changes in the schedules of the consumer and family members with whom the consumer lives.

Billing and Documentation:

Billing for a day of At-Home Residential Habilitation requires provision of a residential habilitation service by the provider's staff in accordance with the consumer's ISP, Residential Habilitation Plan and OMRDD regulations found at 14 NYCRR Section 635-10.4. As for all Medicaid services, and in accordance with ADM #2004-01 "At-Home Residential Habilitation Service Documentation Requirements," provision of daily service must be contemporaneously documented in the consumer's individual record maintained by the At-Home Residential Habilitation provider. As part of this required contemporaneous daily service documentation, the provider must specify the number of service hours that were delivered on any day of service billed. In accordance with Medicaid audit rules, this documentation must be retained on file for six years from the date of service delivery.

Annual Service Hour Requirements and Price Adjustments:

For services delivered on or after January 1, 2002, it is the responsibility of the At-Home Residential Habilitation provider to monitor the total annual At-Home Residential Habilitation service hours provided to each consumer. In this required review, the provider must determine whether the annual service hours, upon which the price was predicated, have been delivered. When the provider delivered the requisite hours but did so in fewer days than had been budgeted, the provider has the option of requesting a price adjustment from the Developmental Disabilities Service Office (DDSO) or the New York City Regional Office (NYCRO) within a year of the close of the price period. However, where the provider did not provide the hours used in developing the annual budget for the price, it is mandatory that, within a year of the close of the price period, the provider bring this discrepancy to the attention of the DDSO/NYCRO for review.

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If the consumer's price was included as part of a price group, the provider should be prepared to report the annual service hours provided to each individual in the group so that the DDSO/NYCRO can assess whether a price adjustment is necessary.

In addition to this retrospective review, prior to the beginning of the next price period, for each consumer served, the provider must review anticipated consumer and family needs for service hours during the coming price period. If the provider anticipates delivery of fewer service hours during the coming price period than were used in establishing the At-Home Residential Habilitation price, the provider must request a price adjustment from the DDSO/NYCRO.

All adjustments in service delivery patterns must be reflected in the consumer's Individualized Service Plan (ISP) based on consultation with the consumer and, as appropriate, his or her family.

Audit:

On an annual basis, OMRDD will select a sample of annual At-Home Residential Habilitation prices for audit. This audit will include, but is not limited to, a review of:

- The annual budget and the ISP(s) upon which the price was based; and
- The provider's documentation of service days and hours to individual consumers whose service is included in the price.

For additional information on annual service hour requirements and audits of At-Home Residential Habilitation prices, contact Ms. Rosemary Daley of the OMRDD Bureau of Rate Setting at (518) 402-4107.

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