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Governor

Thomas A. Maul
Commissioner

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March 4, 2002

Dear Individualized Residential Alternative Provider Executive Director:

SUBJECT: Individualized Residential Alternative (IRA) Residential Habilitation Monthly Unit of Service Initiative

The purpose of this letter is to announce a major initiative that changes the way your agency documents and is paid for IRA residential habilitation services. Beginning in May 2001, a subcommittee of the statewide OMRDD Provider Council was formed to serve as the Units of Service Task Force. The Task Force included provider agencies, provider association representatives, OMRDD Central Office and DDSO staff who met to evaluate the effectiveness of the current unit of service definition for Home and Community Based Service (HCBS) Waiver services. The Task Force was charged with redesigning units of service to fit the way a service is actually delivered and to consider other Waiver service billing and documentation issues.

The Task Force recommended converting the IRA per diem unit to a monthly unit. This allows for resident leave days without the constant need for IRA price adjustments and minimizes the potential for provider revenue loss.

Major Changes

Effective July 1, 2002 there will be six major changes to IRA residential habilitation services:

- **Individualized Residential Alternatives (IRAs) will be designated as supervised or supportive.**
- **Medicaid service documentation requirements will be clarified.**
- **IRA providers will have one "base" price for supervised IRAs and one "base" price for supportive IRAs. To ensure person centered pricing, prices for newly developed IRAs will be set outside the base initially and later "rolled" into either the supervised or supportive base price.**
- **DDSO/NYCRO authorization of IRA services will be documented in OMRDD's Tracking and Billing System (TABS), and subsequently authorized in MMIS.**
- **Medicaid billing of IRA services will be simplified: for base prices your agency will have one Medicaid Provider ID to bill for consumers living in supervised IRAs and one Medicaid Provider ID to bill for consumers living in supportive IRAs.**
- **Payments for Room and Board Supplements, Land and Development will be streamlined.**

Included with this letter is an attachment that further elaborates on the above changes. Please forward this information to your fiscal and program staff promptly.

OMRDD recognizes that changing from a per diem to a monthly price may cause some cash flow issues. OMRDD is looking at several measures that will assist agencies with cash flow including such things as room and board supplement payment advances, expediting payment of approved rate and price changes related to the trend factor increases for ICFs and all Waiver services eligible for trends, and expediting payment for contingency awards. OMRDD will also consider other options based upon demonstrated fiscal need.

Next Steps

Within two weeks, OMRDD will send your agency MMIS provider applications and instructions for establishing supervised and supportive MMIS provider IDs. Effective with July 1, 2002 services, these numbers will replace most of your existing IRA MMIS provider IDs. Your newly developed IRAs will be billed under separate MMIS Provider IDs until they are rolled into the "base". Without these new provider IDs your agency will be unable to bill Medicaid for IRA services delivered beginning July 1, 2002. Please make certain these materials are sent to your billing office, completed and promptly returned to OMRDD.

Upcoming Training

OMRDD is currently developing a training schedule for agency executives and staff. Training sessions will include:

- Overview for Executives
- Documentation Requirements, and
- Medicaid Billing Training

More information will be forthcoming regarding these sessions. If, in the meantime, you have questions regarding service documentation changes, please contact Carol Metevia, Director of Medicaid Standards and Control Unit at (518) 408-2096. For questions on pricing you may contact Joanne Howard, Director of Rate Setting at (518) 402-4330. Any other questions concerning this initiative can be directed to Dennis Collins, Director of Central Operations at (518) 402-4333.

Sincerely,

Alden B. Kaplan
Deputy Commissioner
Administration and Revenue Support

Attachment

cc:	K. Broderick	D. Collins
	P. Pezzolla	C. Metevia
	J. Abelseth	Provider Associations
	G. Lind	DDSO Directors
	J. Moran	Units of Service Task Force
	L. Kagan	Statewide IRA Implementation Group
	J. Howard	

Individualized Residential Alternative (IRA) Residential Habilitation Monthly Unit of Service Initiative
Changes that will affect IRA Providers

Individualized Residential Alternatives (IRAs) will be designated as supervised or supportive.

- Supervised IRAs are residences where staff are present at all times when residents are present.
- OMRDD will designate your agency's IRAs as either supervised or supportive. You will be contacted shortly to confirm this information.
- Each IRA category will have distinct billing standards that will be required for a provider to claim a monthly service. A provider qualifies to be paid for a monthly unit of IRA residential habilitation:
    - For a **Supervised IRA,** when the individual is enrolled in the IRA for at least 22 days in the month and receives 22 days of residential habilitation from IRA staff. A half month requires 11 days of enrollment and 11 days of residential habilitation.
    - For a **Supportive IRA**, when the individual is enrolled in the IRA for at least 22 days in the month, and receives 4 days of residential habilitation from IRA staff. A half month requires 11 days of enrollment and 2 days of residential habilitation.

Medicaid Service Documentation Requirements will be clarified.

- The required elements for Medicaid service documentation will be specified.
- A standardized format for documenting service provision will be presented to simplify service recording for agency IRA staff.

IRA providers will have one base price for supervised IRAs and one base price for supportive IRAs.

- After July 1, 2002, for all existing IRA prices, a provider will have one "base" price for supervised IRA services and one base price for supportive IRA services.
- All current prices will be rolled into one or the other base prices.
- In order to guarantee person-centered pricing, new development will be set outside the base price. Once the new price is finalized, it will be rolled into either the supervised or supportive base price at the start of the next fiscal period.

DDSO/NYCRO authorization of IRA services will be documented in OMRDD's Tracking and Billing System (TABS).

- Beginning July 1, 2002, all consumers receiving IRA residential habilitation will be registered in a provider's supervised or supportive IRA program within OMRDD's Tracking and Billing System (TABS).

Medicaid billing of IRA services will be simplified.

- When billing Medicaid you will use:
  - One MMIS provider ID for your supervised IRA residential habilitation services
  - One MMIS provider ID for your supportive IRA residential habilitation services, and
  - A different Medicaid provider ID for new development until the new price is "rolled" into your agency's base supervised or supportive price.
- Beginning with July services, your agency will bill MMIS for monthly units of service. There will be **six new rate codes** for IRA residential habilitation. For both supportive and supervised IRAs there will be one rate code associated with: a full month of service, one for the first half of the month and one for the second half of the month.
- A similar billing structure will be used when billing non-Medicaid 100% state funded services to OMRDD Community Funding for IRA residential habilitation services delivered to non-Waiver enrolled IRA residents after July 1, 2002.

Payments for Room and Board Supplements, Land and Development will be streamlined.

- Property will be calculated as a monthly amount.
- OMRDD will automate the payment of IRA supplements, land and development minimizing workload and billing errors for your agency.