



Putting People First

Memorandum

To: Provider Associations
Voluntary Provider Agency Executive Directors
DDSO Directors
IBR Director
Commissioner's Advisory Council
DDPC Consumer Caucus
OPWDD Required Regulations Mailing List

From: Barbara Brundage, Director *BB*
Regulatory Affairs Unit

Date: June 22, 2011

Re: Final Regulations – Health Care Adjustment/Health Care Enhancement

Effective Date: July 6, 2011

Suggested distribution:

Agency Administrators
Agency Financial Officers
Clinic Administrators

Purpose:

Effective July 6, 2011, OPWDD is adopting new regulations which allow providers broader discretion in allocating Health Care Adjustment (HCA)/Health Care Enhancement (HCE) funds.

These regulations affect the following services:

- Residential Habilitation
- Day Habilitation
- Prevocational Services
- HCBS Waiver Respite
- ICF/DDs
- Day Treatment

For these services, non-benchmark providers have had to conform to specific requirements regarding the applied use of each of the Health Care (HCA and (HCE) funds and have had to maintain accounting records to corroborate such use. Much of the documentation demanded extensive detail and was specific

to and different for each of the six initiatives. OPWDD recognized that compliance was administratively burdensome.

The new regulations allow a provider to consider all the HCA and HCE funding revenues as a whole and to allocate usage in a manner that best meets the needs unique to its circumstances. In keeping with the intent of the law, it does require that the funds be used for purposes previously described in regulation and/or for any other options that continue and/or enhance existing health care benefits and/or improve the recruitment and/or retention of the provider's lower paid employees.

The regulations pertain to non-benchmark providers and the revenue derived from the initiatives attributable to reimbursement of services delivered on or after July 6, 2011. For revenues derived from the initiatives relating to earlier billing periods, the original requirements remain in force.

The regulations also give notice to providers that the HCA/HCE funding will be reflected in the prices or rates in the fringe benefits cost category.

With respect to fee-based programs, the regulatory language that suggested that the HCA/HCE funds be used for specific purposes is removed. This applies to the following services:

- Plan of Care Support Services
- Family Education and Training
- Supported Employment
- At Home Residential Habilitation
- Article 16 Clinics

A summary and the full text these regulations can be accessed on the OPWDD website at www.opwdd.ny.gov. Look under "Regulations."

For questions regarding specific application of this regulation, please contact Joanne Howard by email at rate.setting@opwdd.ny.gov or by telephone at (518) 402-4330.

Thank you.

Attachment

cc: Ms. Howard
Ms. Doran
Ms. Cater
Ms. Cavallo

Ref: 6-4-11