



Office for People With Developmental Disabilities

ADMINISTRATIVE DIRECTIVE

Transmittal:	18-ADM-07
To:	Executive Directors - Voluntary Providers of Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs) Provider Associations Developmental Disabilities Regional Office Directors
Issuing OPWDD Office:	Division of Service Delivery, RO Division of Enterprise Solutions
Date:	June 28, 2018
Subject:	Fiscal Policy for ICF/IID conversions completed on or after July 1, 2017
Suggested Distribution:	Voluntary Providers who operate ICF/IIDs
Contact:	Cathy Turck, Director MFP Program / ICF/IID Conversions Jacqueline McManus, Assistant Director Fiscal Reporting and Data Analysis.
Attachments:	Fiscal Strategy for ICF/IID Conversions ICF/IID Conversion calculation - sample worksheet

Related ADMs/INFs	Releases Cancelled	Regulatory Authority	MHL & Other Statutory Authority	Records Retention
None	OPWDD Transformation Agreement – Fiscal Policy for ICF Conversions – December 2015	OPWDD's Comprehensive Waiver under Section 1915(c) of the Social Security Act	MHL §§ 13.07, 13.09 and 43.02	Same as IRAs

Purpose:

To provide guidance to Voluntary Providers of Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs) regarding the Amendment 02 to OPWDD's Comprehensive Waiver under Section 1915(c) of the Social Security Act (hereafter "Amendment 02"), as it relates to the operating rate for individuals living in ICF/IIDs that convert to Individualized Residential Alternatives (IRAs).

Background:

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 ICF/IIDs operated by the State and its network of partnering Voluntary Providers into more integrated and individualized options in the community. As a result, the State has committed to reducing its ICF/IID capacity each year consistent with a Transition Plan that was approved by the federal Centers for Medicare and Medicaid Services.

Part of the transition is the conversion of ICF/IID programs to a more individualized residential program model. (A conversion is defined as closing the ICF/IID and opening the same facility as an IRA through the Home and Community-Based Services (HCBS) Waiver, or successor waiver, with no change to certified capacity, location of the program, or to the individuals residing in the program.) OPWDD will require the Voluntary Providers undertaking these conversions to work closely with individuals, their family members, advocates, and circles of support to undertake a comprehensive, person-centered planning process for each individual residing at the converting ICF/IID to ensure the development of appropriate Individualized Service Plans/Life Plans and delivery of the identified community-based supports and services.

Two guidance documents were developed to assist providers with the ICF/IID conversion process. The first document (Guidance for ICF/IID Conversions with No Change to Capacity -December 2015, updated January 2016) remains in effect. This policy may be found at the following link: <https://opwdd.ny.gov/node/5850>. A second document discussed the fiscal policy for ICF/IID conversions (OPWDD Transformation Agreement - Fiscal Policy for ICF Conversions – December 2015) and was developed in conjunction with Provider Association members and provider staff and shared with all OPWDD Voluntary Providers in December 2015. This policy applied to ICF/IID conversions prior to July 1, 2017.

The fiscal policy for ICF/IID to IRA conversions has been updated based on Amendment 02. A main reason for this Amendment was to implement a fiscal strategy for ICF/IID conversions recognized by Medicaid, which appears below and is effective for any

completed conversions of ICF/IIDs to IRAs on or after July 1, 2017. A conversion is considered to be “completed” when a proposal has been submitted to and approved by OPWDD, and where the Division of Quality Improvement and Performance Management has issued an IRA operating certificate.

Fiscal Policy for ICF/IID Conversions completed on or after July 1, 2017:

Effective July 1, 2017, the following reimbursement policy will be followed to finance the conversion of ICF/IIDs to Supervised and Supportive IRAs providing individualized Waiver services (Residential Habilitation).

- 1) The conversion funding will be based upon a review of the average direct care and/or clinical support hours being reimbursed in the ICF/IID from which the individual is transitioning, as calculated per the current rate methodology. These hours will be compared to the average direct care and/or clinical support hours being reimbursed in the Voluntary Provider’s Supervised or Supportive IRA program, as calculated per the current rate methodology. If a Voluntary Provider does not currently operate an IRA program, ICF/IID hours will be compared to average direct care and/or clinical hours reimbursed through the Regional Average Supervised or Supportive IRA program, and Voluntary Providers will be reimbursed at the Regional Average hourly rate for the appropriate service.
 - 2) If the average direct care and/or clinical support hours calculated for the support of individuals residing in the ICF/IID are higher than the hours calculated for the support of individuals in the Voluntary Provider’s IRA program, then an ICF/IID conversion amount will be added to the existing IRA rate. The ICF/IID conversion add-on amount will be determined by multiplying the additional needed direct care and/or clinical support hours by the respective cost components as calculated in the Supervised or Supportive IRA rate reimbursement. There will be no change to the other cost components associated with delivering the requested service(s); the only change to the IRA rate will be the number of direct care and/or clinical support hours available to appropriately support the transitioning individual(s).
- Voluntary Provider agencies may choose to convert an ICF/IID to an IRA and simultaneously downsize the program. In these situations, the funding will be based upon the overall capacity of the IRAs as if they were a single facility. It is the Voluntary 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/IID(s) downsize.
 - Day services will be authorized and reimbursed in a manner consistent with current practices and procedures, including funding levels, for people enrolled in Waiver-authorized residential services.

- Voluntary Providers will need to comply with all applicable billing, claiming and service documentation requirements for the IRA setting to which the ICF/IID converts.
- To the extent individuals who are impacted by the conversion of the ICF/IID were identified as eligible for specialized funding by the OPWDD regional office prior to July 1, 2017, they will continue to receive the specialized funding rates in effect for both residential and day services in lieu of the reimbursement levels developed in accordance with the above-referenced financing proposal.

Billing Standards/ Restrictions on Billable Service Time: (if necessary)

All billing standards that apply to existing IRAs will apply to the newly converted IRAs.

The rates developed under this policy will be in effect until a full year's cost of operating the now converted ICF/IID site as an IRA, is reflected in the Voluntary Provider's base year Consolidated Fiscal Report (CFR) to be used for rate setting. Additionally, anyone eligible for specialized funding will receive such enhanced reimbursement until the Voluntary Provider has one full year of cost experience in serving the individual in a base year CFR.

Service Documentation: (if necessary)

All service documentation currently required to justify existing IRA billing is required for the newly converted IRAs.

Other Documentation Requirements:

Records Retention: (at a minimum)

Same as existing IRAs