



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 26 No. 17

December 2016

TO: Providers of Assisted Living Programs - For Action
Health Maintenance Organizations - For Information Only

SUBJECT: Payment for assisted living services for clients pending MLTSS and MCO enrollment

EFFECTIVE: December 1, 2016
Replaces Volume 24 Number 14--(November 2014)

PURPOSE: To clarify the temporary process to allow billing under Fee for Service (FFS) until the Medicaid beneficiary is enrolled into a Managed Care Organization (MCO) for Assisted Living Residence (ALR) and Comprehensive Personal Care Home (CPCH) providers

BACKGROUND: Assisted Living (AL) is a waiver service covered under the comprehensive waiver through Managed Long Term Services and Supports (MLTSS). MLTSS services are only available to clients who meet nursing home level of care, are approved for the waiver and are enrolled in a managed care organization (MCO). Clients who have spent down their resources and have been determined eligible for AL services, but are pending managed care enrollment, were left with no way for the ALR and CPCH providers to bill. The Division of Medical Assistance and Health Services (DMAHS) has found it is necessary to implement a temporary Fee for Service payment process to avoid a gap in service payment for NJ FamilyCare eligible beneficiaries residing in ALR and CPCH facilities. The rationale is that an individual's long term services and supports are specifically tied to the residence in which the beneficiary lives.

The aforementioned process does not apply to clients who are living in subsidized housing which has contracted with a licensed Assisted Living Program (ALP) provider agency. Based on the following justification, the DMAHS has determined that licensed ALP agencies are not eligible to receive FFS coverage for NJ FamilyCare beneficiaries pending enrollment with an MCO: The ALP is not tied to a resident's living environment as it is for a beneficiary living either in an ALR or a CPCH facility. It is the ALP that is licensed as the provider agency rather than the building in which the beneficiary lives. For example, individuals who receive ALP services must live in a subsidized housing apartment that has contracted with a licensed ALP provider agency. The individual can receive the bundled package of ALP services or can choose to receive services on an a la carte basis like anyone who lives in his or her own apartment or home.

Another difference is that residents in ALRs and CPCHs are required to privately pay for their Activities of Daily Living (ADL) and Instrumental Activities of Daily Living (IADL) services prior to applying for and becoming eligible for NJ FamilyCare. The living

environment for those who can receive ALP services is in a subsidized housing complex. These individuals are not required to pay privately for ALP services on a monthly basis prior to applying for and becoming eligible for NJ Family Care.

ACTION: Upon determination of eligibility for MLTSS, enrollment into the MCO can take up to 60 days. In order to ensure continuity of care for AL/CPCH clients that have spent down and are determined to be Medicaid eligible, DMAHS will now allow the AL/CPCH facilities to bill their per diem rates under a FFS system from the date when their clinical and financial eligibility are established, up to the date of when their MCO assumes responsibility for payment of the MLTSS services.

The following examples illustrate how billing will occur under a FFS system prior to MLTSS and MCO enrollment:

- Medicaid financial eligibility is established on 8/5/16 and is retroactive back to 7/1/16.
- Clinical eligibility is established on 7/15/16.
- MCO and MLTSS enrollment occurs on 9/1/16.

The AL/CPCH resident is responsible for payment to the facility as a private pay resident for 7/1/16 through 7/14/16. From 7/15/16 through 8/30/16, the AL/CPCH facility will be able to bill Molina FFS for services provided because the client's financial eligibility was established on 7/1/16 and clinical eligibility was established on 7/15/16. 7/15/16 is the latter date. Effective 9/1/16, the client is enrolled in an MCO and the MCO will be responsible for this payment minus any determined cost share for the client.

Any AL/CPCH providers who have a client who is approved for MLTSS, but the client is pending his/her MCO enrollment, shall notify the Division of Medical Assistance, Office of Provider Relations for a request to approve Fee for Service billing. A summary of Provider cases should be sent on a monthly basis to mahs.provider-inquiries@dhs.state.nj.us and include an excel spreadsheet with the following information:

- Client's name
- Date of birth
- Medicaid ID number
- County of residence
- Date member became financially eligible for Medicaid
- Date the member became clinically eligible for AL services
- Facility name
- Date requesting approval for FFS AL payment

Please allow ten business days after submitting e-mail for notification. After ten days, the provider may bill Molina the per diem rate established for their respective license. AL providers are to bill using the appropriate billing codes and per diem as listed below. The provider can only bill the per diem for the days the resident is in their facility minus any established payment liability. Once the client is enrolled into a managed care plan,

the provider shall bill the Managed Care Organization. The provider may bill for the date of admission. The date of discharge, if applicable, is not billable.

Effective July 1, 2016

| Facility Type | Code | Per Diem Rate |
|---|----------|---------------|
| Assisted Living Residence (ALR) | T2031 | \$ 73.13 |
| Comprehensive Personal Care Home (CPCH) | T2031_U1 | \$ 63.13 |

If you have any questions concerning this Newsletter, please contact The Medicaid Hotline at 1 800-356-1561.

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