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Date: January 13, 2010

To: Managed Care Organizations

From: Susan Crowley, Administrator 

Re: Certification of 1-2 bed Adult Family Homes in Family Care

The purpose of this memo is to provide clarification to Managed Care Organizations (MCOs) related to certification of 1-2 bed Adult Family Homes (AFH) in Family Care Counties.

**Issues**

1. DHS has learned that two social service agencies have issued certifications to Adult Family Homes serving Family Care members. These agencies appropriately used the Medicaid Home and Community Based Waiver Standards for Adult Family Homes in determining the providers' qualifications. DHS is ratifying the certificates issued by these agencies until the next annual AFH recertification is due. At the time of renewal of certification the MCO will be expected to have issued the certification for these homes, or to assure that the certification has been issued by a county. In the interim these Adult Family Homes can continue to provide services for Family Care members, under contract with a managed care organization.
2. A previous memo issued by DHS in June 2008 "Temporary Arrangement for the Certification of Adult Family Homes in Family Care Counties" is repealed, and replaced with the correct statutory and regulatory references in this memo.

**Definition of Adult Family Home**

For purposes of this memo, "adult family home (AFH)" refers to 1 and 2 bed AFHs as defined in s. 50.01 (1) (c) Wisconsin Statutes.

"Adult Family Home" means a place in which the operator provides care, treatment, support, or service above the level of room and board to up to two adults.

**Definition of “certifying agency” for 1-2 Bed Adult Family Homes**

DHS has issued home and community based waiver AFH standards that in section 202.02 (6) define “Certifying Agency”:

”Certifying agency” means a county agency that operates one or more of the Medicaid Home and Community-based Waiver programs, a Care Management Organization, the department or a subcontract thereof that certifies adult family homes.

**Who may issue AFH certification?**

The definition above allows counties and Managed Care Organizations (MCOs) to certify AFHs, but does not allow counties or MCOs to subcontract the act of certification itself. A MCO may subcontract tasks related to certification of AFHs, including accepting applications, qualifying sponsors, conducting home studies, and related activities. Under the standards however, a MCO or county must issue the certification. MCOs or counties may not subcontract the actual issuance of the certification to subcontractors.

Only DHS has authority to subcontract the certification of AFHs. The authority to subcontract the actual certification of AFHs does not apply to counties or MCOs.

**Responsibility for Certification of 1-2 Bed AFHs**

DHS expects MCOs to certify AFHs used to provide services to its members or to assure that the certification has been issued by a county. DHS expects counties to certify AFHs that they use. All MCOs are expected to either assume responsibility for the issuance of new certifications for AFHs that provide services to MCO members, or to assure that the certification has been issued by a county.

AFHs who serve Family Care members, whose current certification was issued by an agency that is neither a MCO nor a county, must have their next annual re-certification issued by either the MCO or the county. This pertains to recertifications that are due February 1, 2010 and after.

DHS continues to work on implementation of statutory language in the budget bill related to certification of 1-2 bed AFHs, and will communicate about that process in separate communications.

Thank you for your attention to this matter.