

STATE OF WISCONSIN
Department of Health Services
Division of Mental Health and Substance Abuse Services

DMHSAS MEMO SERIES 2008-07/**Action**
Date: July 28, 2008

Re: Request for Interest in new
Medicaid 1915 (i) services

To: Listserv

For: Area Administrators/Human Service Area Coordinators
Bureau Directors/Section Chiefs
County Departments of Community Programs Directors
County Departments of Developmental Disabilities
Services Directors
County Departments of Human Services Directors
County Departments of Social Services Directors
County Mental Health Coordinators
Tribal Chairpersons/Human Services Facilitators

From: John Easterday, Administrator
Division of Mental Health and Substance Abuse Services

Subject: Medicaid State Plan Option for Specific Home and Community-Based Services

Document Summary

Federal legislation has made it possible to provide home and community-based services as a Medicaid state plan option. The Medicaid statute 1915 (i) allows a state to offer services previously only available under approved Medicaid Home and Community Based Services (HCBS) Waivers. The Division of Mental Health and Substance Abuse Services (DMHSAS) is in the early stage of analyzing whether or not to request the state's approval to submit a state plan amendment to add these services to the array of services available to people with mental health issues in the community. This memo provides information about this option and requests a letter from potentially interested counties and tribes.

Background

States have a new option to use Medicaid funds for home and community based services for people who need them without needing to obtain a waiver from the federal government. Section 6086 of the Deficit Reduction Act of 2005 (DRA) gives states the option to provide home and community-based services as a state plan service. Previously, these benefits were only available through the home and community based services waiver under Section 1915(c). This option could be designed by the Department in such a way to serve people with a serious mental illness who meet certain functional criteria.

A significant advantage of the state plan option compared with the waiver is that states do not have to demonstrate budget neutrality. It has been nearly impossible for states to secure HCBS waivers for adults aged 22-64 with mental illness due to the rule which prohibits federal payment for services in an Institution for Mental Diseases (IMD) for persons aged 22-64. States have not had significant federal Medicaid institutional expenditures to transfer to community care. As a result, they could not meet the waiver requirement for budget-neutrality.

States must develop needs-based criteria to determine eligibility for services under the 1915 (i). Individuals are not assigned to a "target group" as with the HCBS waivers but rather are evaluated based on functional needs. Iowa has an approved plan that included, as a part of its needs based

criteria, that an individual has a need for psychiatric treatment more intensive than outpatient care. The needs based criteria must be less stringent than those applicable to institutional levels of care. The current Mental Health/AODA functional screen could be used to determine functional eligibility. It is important to note that financial eligibility is more restrictive than under the HCBS waivers. Individuals are eligible for the HCBS state plan option only if they have income no more than 150% of the poverty level. If Wisconsin were to submit a proposal, individuals would have to be already eligible for Medicaid in the SSI category.

Services available

The list of services a state **may** offer are as follows:

case management; homemaker services; home health aide services; personal care services; adult day health services; habilitation services; respite care; and day treatment and other partial hospitalization services, psychosocial rehabilitation services, and clinic services for individuals with chronic mental illness. This is an inclusive list; other services are not allowed.

Of particular note is the inclusion of habilitation services. Habilitation can include many services excluded from psychosocial rehabilitation and therefore not available to participants of Comprehensive Community Services (CCS) or Community Support Program (CSP). Examples are supported employment, home-based habilitation for developing skills related to community living, and day habilitation. Home-based habilitation may be provided in licensed residential care facilities of 16 or fewer persons.

For the initial amendment, DMHSAS is looking at providing a services array limited to case management services, habilitation (to include home-based, prevocational and supported employment), and peer to peer services under psychosocial rehabilitation.

Limits Allowed

- Services do not have to be offered statewide, but can be limited to a specified geographic area;
- Not all individuals who qualify need to be served. Instead, states may place caps on the numbers of people enrolled. (This differs from all other state plan services, which cannot limit the number of individuals who can receive services.)
- States may establish waiting lists for services.

Capacity Required to Participate

At this time, the Division is assessing the level of interest and also county capacity to implement these services under the Medicaid state plan option in order to analyze the feasibility of this proposal. The Department of Health Services' approval along with Legislative action would still be needed.

The following describes what counties would need in terms of capacity to be able to utilize this new state plan option to provide home and community based services, if the state decides to submit a 1915 (i) amendment:

- A billing system that would provide fiscal reporting which could potentially be similar to Family Care encounter reporting to bill for waiver type services on the state MMIS system;
- Staff capacity to meet waiver requirements that would be similar to CCS or Community Opportunities in Recovery (COR) waiver staff requirements;
- Trained screeners for the Mental Health/ AODA Co-Occurring Functional Screen;
- Capacity to pay for the non-federal share for the services that will be billed to Medicaid.

County Letter of Interest

This amendment would allow counties to receive federal Medicaid reimbursement; the non-federal portion would be paid by counties. Counties currently paying 100% of the services described above may be the most interested and able to participate in this new option. Milwaukee County has already expressed an interest in providing these services. The purpose of this memo is to assess the level of

interest and capacity in other parts of the state as we explore and analyze information needed in developing a proposal.

If your county or tribe would be interested in providing some or all of the 1915 (i) services proposed (case management services, home-based habilitation, prevocational habilitation, supported employment, and peer to peer services under psychosocial rehabilitation), please send a letter to the address below, and answering the following questions:

1. Why are you interested in the 1915(i) option? Which services would you like to provide and how many people would you expect to serve? Please list numbers for each service. Are you currently providing any of these services? If so, provide the number of individuals currently receiving each service and an annual cost of providing each service.
2. For which programs are you currently completing the MH/AODA functional screen? How many individuals at your agency are trained to complete functional screen?
3. Provide a brief description of the county billing system for Medicaid services.
4. How would you expect to implement this program? Describe your staffing plan. Provide the name, job title, phone and e-mail address for the staff person who would be the primary contact. If you expect to contract for services, indicate what agencies in your community might be available or are already providing similar services. Has your agency submitted 1915 (c) waiver plans for CIP, COP-W, Brain Injury or COR?

ACTION STATEMENT: If you are interested in potentially providing the 1915(i) services described in this memo, please send a letter of interest covering the 4 sections above to:

Morgan Groves

Division of Mental Health and Substance Abuse Services

P. O. Box 7851, Madison, WI 53707-7851 by **August 15 2008**

For questions regarding this opportunity, please call Morgan Groves at 608-261-9312 or e-mail her at the address listed below.

Your feedback will help us decide whether or not to proceed with planning in this area.

REGIONAL OFFICE CONTACT: Area Administrators

CENTRAL OFFICE CONTACT: Morgan Groves

E-mail address: Morgan.Groves@wisconsin.gov

Division of Mental Health and Substance Abuse Services

1 West Wilson Street, Room 433

P.O. Box 7851

Madison, Wisconsin 53707-7851

Telephone: (608) 261-9312 or FAX: (608) 261-7800

MEMO WEBSITE: http://dhfs.wisconsin.gov/dsl_info/