



Date: January 16, 2018

DMS Numbered Memo 2018-02

To: Family Care Managed Care Organizations
IRIS Consultant Agencies
Certification Agencies
County Human Services Agencies

From: Curtis Cunningham, Assistant Administrator
Long Term Care Benefits and Programs

A handwritten signature in black ink, appearing to read "Curtis Cunningham".

Revisions to Wisconsin Medicaid Standards for Certified 1-2 Bed Adult Family Homes

Background

The purpose of this memorandum is to communicate updated standards for certified 1-2 bed adult family homes. These standards apply to 1-2 bed adult family homes that are funded by the Family Care program, IRIS (Include, Respect, I Self-Direct) waiver, Children's Long-Term Support waiver, Community Options Program (COP) waiver, Community Integration Program (CIP) waiver, and homes certified and funded by county human services agencies.

The Wisconsin Department of Health Services (DHS) will continue to require managed care organizations (MCOs), county human services agencies, and the IRIS waiver program to certify 1-2 bed adult family homes.

Applicability

The updated standards apply to the following entities: DHS; Medicaid home and community-based waiver programs, including Family Care, Family Care Partnership, Program of All-Inclusive Care for the Elderly (PACE), IRIS, COP, and CIP; county human services agencies that certify 1-2 bed adult family homes; adult family home sponsors; community care home staff; people served in adult family home settings; guardians of those people; and other stakeholders whose services interplay with these homes.

Policy Changes

In 2014, the Centers for Medicare & Medicaid Services (CMS) released new federal requirements for home and community-based services (HCBS) settings. CMS requires all states that operate Medicaid HCBS waivers to comply with the federal HCBS settings rule by March 17, 2022. The purpose of the new rule is to ensure that people receiving services through HCBS waiver programs have access to the benefits of community living and are able to receive services in the most integrated setting.

Since Wisconsin operates several programs under Medicaid HCBS waivers, DHS is required to implement the new rule. Under the new requirements, DHS must ensure that waiver providers meet the HCBS requirements. Approximately 65,000 people in Wisconsin receive services under Medicaid

HCBS 1915(c) waiver programs. The ability of DHS to continue to provide HCBS depends on ensuring compliance with the rule by the deadline of March 17, 2022. Wisconsin's plan for meeting the rule's requirements is described in the statewide transition plan, which can be found at www.dhs.wisconsin.gov/hcbs/index.htm.

Revisions

To maintain and communicate compliance with these standards, DHS has revised the [Wisconsin Medicaid Standards for Certified 1-2 Bed Adult Family Homes \(P-00638\)](#) to include pertinent references to the federal regulation, and add a new Article X, and renumber the subsequent articles. Most of the changes that are included in this update are intended to bring the standards in compliance with the new federal requirements and apply to certified 1-2 bed adult family homes funded by HCBS waiver programs. Some changes apply to all certified 1-2 bed adult family homes regardless of funding source.

Procedural Changes

Per the rule, all settings in which home and community-based waiver services are provided must meet conditions that ensure specific rights of people receiving HCBS waiver services in those settings. Mainly, the setting must not isolate waiver participants. To ensure certifying agencies are capturing, recording, reporting, and retaining compliance determination accurately, the following process shall be used. These procedures apply to certified 1- 2 bed adult family homes that receive funding from home and community-based waivers regardless of the certifying agency.

The certifying agency shall utilize the [Adult Residential Provider Assessment \(F-02117\)](#) to record observations while performing the required on-site certification or recertification visit, which must incorporate a review of HCBS compliance. This visit is required to occur no less than once every three years; although best practices would include an annual on-site visit to each 1-2 bed adult family home to ensure continued compliance with all standards, including HCBS compliance.

During the visit, the certifier shall fill out the Adult Residential Provider Assessment, to the best of his or her ability, based on interviews with the setting operator, staff, residents, guardians, or anyone else they have contact with to determine if the setting is compliant with the HCBS settings rule.

The information captured during the on-site visit will be compared to the [Benchmark Guide for Home and Community-Based Services Settings Rule: Certified 1-2 Bed Adult Family Homes \(P-02020\)](#). If the observation does not meet the required benchmark for HCBS compliance, the certifying agency should notify the setting of the deficiency. This contact shall be recorded by the certifying agency in a manner to be determined by the agency. A new 1-2 bed adult family home that intends to serve residents who receive home and community-based waiver funding must meet all certification standards, including HCBS compliance requirements, before receiving certification. If a certified 1-2 bed adult family home is requesting recertification and does not comply with the HCBS requirements, the agency may allow the setting time to remediate the deficiency, including granting an extension of the previous certification up to 60 days, as provided for in Article IV, C. 4, if needed.

If a setting fails to remediate a deficiency, it will no longer be able to be reimbursed for Medicaid-funded adult long-term care waiver services. Residents will need to be relocated to a setting that does meet HCBS compliance.

On a monthly basis, the certifying agency will submit to DHS data related to HCBS compliance decisions. This data will be submitted according to the instructions provided by DHS.

The completed [Adult Residential Provider Assessment \(F-02117\)](#) shall be placed in the provider's file for review by DHS as needed. Records shall be maintained in accordance with requirements in Article XI of [Wisconsin's Medicaid Standards for Certified 1-2 Bed Adult Family Homes \(P-00638\)](#).

Implementation

The new standards are effective February 15, 2018, for all agencies. Agencies certifying homes for purposes of home and community-based waiver funding sources must begin to use the procedures described above on the effective date of the standards (February 15, 2018).

Central Office Contact

DHSBMC@dhs.wisconsin.gov

Attachments

- [Wisconsin Medicaid Standards for Certified 1-2 Bed Adult Family Homes \(P-00638\)](#)
- [Adult Residential Provider Assessment \(F-02117\)](#)
- [Benchmark Guide for Home and Community-Based Services Settings Rule: Certified 1-2 Bed Adult Family Homes \(P-02020\)](#)

cc: Area Administrators/Human Services Area Coordinators
County COP Coordinators
County Department of Community Program Directors
County Department of Developmental Disabilities Services Directors
County Department of Human Services Directors
County Department of Social Services Directors
County Waiver Coordinators
County DD Coordinators
Tribal Chairpersons