

Medicaid Assisted Living Program
Advisory Notice as to Program Changes

1. Purpose

Assisted Living services are a critical component of the continuum of long-term services and supports (LTSS) available to meet the needs of Medicaid eligible adults. Pursuant to the passage of the LTSS Resiliency and Rebalancing Package by the Rhode Island General Assembly, RI EOHHS is revising its approach to:

- Certifying Assisted Living Residences (ALRs) and
- Reimbursing ALRs for their services
 - Daily rates will be based on acuity levels of residents as determined by EOHHS or its designee

Under these provisions, Assisted Living residences will be certified at one of three Tiers (Facility Tier A, B, or C). Reimbursement levels for services provided to LTSS-eligible Medicaid residents will be based on both the ALR certification tier and the resident's Level of Need (Beneficiary Tier A, B, C)

Implementation of these changes will proceed in three phases:

- **Phase I: Initial Implementation**
 - Effective November 1, 2021
 - Implementation of Tier A and B payments
 - Grandfathering of current beneficiaries and Medicaid-participating ALRs
- **Phase II: Tier C Stakeholder Engagement**
 - November and December 2021
 - Stakeholder engagement meetings with certified and non-certified ALRs will be held to gain feedback on the Tier C standards
 - Feedback from community advocates will also be collected during this time
- **Phase III: Full Implementation**
 - Effective in Early 2022
 - EOHHS will:
 - Publish a final Provider Certification Standards, to include a third level of certification for Tier C
 - Update the Beneficiary Tier Standards for Tier A, B, C
 - Finalize the business processes for re-assessing a Beneficiary Tier. For qualifying ALRs, this will enable a higher Medicaid daily rate.

The purpose of this Advisory Notice is to provide updated information and guidance as to the changes that will occur between November 1st, 2021 (Phase I) and Early 2022 (Phase III).

Further information on Phase III will be provided as specific standards and procedures are finalized.

What happens on November 1st?

For current beneficiaries and Medicaid-participating ALRs, certain “grandfathering” actions are being taken to ensure a smooth transition to these new certification and payment arrangements.

Existing Category F Beneficiaries

Effective November 1, 2021, all established LTSS beneficiaries qualified as Category F clients as of October 31, 2021 will be designated as Beneficiary Tier B. Providers may bill a modifier “UB” for these residents to receive a \$113 daily rate. All other established LTSS beneficiaries will be designated as Beneficiary Tier A. ALRs will automatically receive a \$78 daily rate for these residents.

To verify a resident’s Beneficiary Tier designation, ALRs currently certified for Category F will receive a provider report listing all their residents formerly on Category F who are now eligible for Beneficiary Tier B. This provider report will provide the updated room and board and cost of care (if any) for each beneficiary. ALRs may bill modifier “UB” for these beneficiaries beginning 11/1/21.

Note that assessments for beneficiaries take place annually. Beneficiary Tier designations, effective on November 1, 2021, will remain in effect until the annual re-assessment.

Provider Certifications for Existing Medicaid-Participating ALRs

All Medicaid-participating ALRs are currently certified with a “Basic” certification level or an “Enhanced” certification level. These certifications, now termed Facility Tier A or Facility Tier B respectively, will continue in effect on November 1 and forward.

How will payments to ALRs be impacted on November 1st?

Up to and including October 31, 2021, EOHHS reimbursement rates for ALRs remain unchanged. Effective November 1, 2021, the new arrangements for Phase I, Initial Implementation, go into effect.

As of November 1, there are two possible reimbursement levels.

Two factors in combination will determine the actual reimbursement level:

- The ALR’s certification level (Facility Tier A or B)
- The resident’s Level of Need (Beneficiary Tier A or B)

Residents at the higher Beneficiary Tier will be reimbursed at the higher rate, but at a rate not exceeding the maximum for the ALR’s Facility Tier.

That is, the level of payment to an ALR will be determined by the combination of a resident’s Beneficiary Tier and ALR certification Tier. For a person designated as Beneficiary Tier B

(formerly Category F) residing at a Tier B-certified ALR, the ALR will be reimbursed at a daily rate of \$113. ALRs may bill modifier “UB” for these beneficiaries beginning 11/1/21.

The daily rate for that same person residing at a Tier A-certified ALR will be reimbursed at the maximum amount for that Facility Tier, or \$78. In effect, daily rates for a resident with a Beneficiary Tier A need residing at a Tier A or Tier B ALR will be \$78. These provisions are summarized as follows:

		ALR Certification	
		Facility Tier A:	Facility Tier B:
Individual Beneficiary Tier (Level of Need)	Beneficiary Tier A		
	<i>Daily Rate</i>	\$78	\$78
	Beneficiary Tier B		
	<i>Daily Rate</i>	\$78	\$113

What happens if a new or Established Medicaid-Participating ALR wants to seek new certification during Phase I?

ALRs that wish to participate in Medicaid’s new payment arrangement will be eligible to receive the increased reimbursement rates if they become certified with the Facility Tier A (previously “Basic”) certification level or the Facility Tier B (previously “Enhanced”) certification level during Phase I, effective on November 1. More specifically, these include:

- An ALR that has not previously been certified as a Medicaid provider but seeks to do so now.
- An ALR certified as a Facility Tier A provider may want to seek certification as Facility Tier B

In these cases, interested applicants should follow the existing certification processes through the Office of Community Programs. There are no changes to those processes at this point.

For specific guidance, please refer to Appendix A.

How will the Beneficiary Tier be determined for new beneficiaries during Phase I?

Any new LTSS-eligible beneficiaries will be designated and reimbursed at their appropriate Beneficiary Tier. These can include:

- New ALR Residents who are not yet LTSS eligible and who have not previously resided in a ALR but are now seeking to do so
- Existing ALR Residents who are not yet LTSS eligible

Clients who apply and become approved for Medicaid LTSS as of November 1, 2021 will be integrated into the new tiered payment arrangement. In these cases, the ALR should follow the existing referral processes to the CAP Agency. The CAP agency will conduct an assessment to determine the resident’s Level of Need. A state agency will designate the client as either Beneficiary

Tier A or Beneficiary Tier B at the time of eligibility determination. The CAP Agency will notify the ALR of the Beneficiary Tier via the HCBS-2 Turnaround Form.

Note that assessments for beneficiaries take place annually on the anniversary date of the previous assessment.

What happens if an existing LTSS eligible beneficiary has change in circumstances that may require an updated Beneficiary Tier determination during Phase I?

During Phase I, residents may be reassessed to address changing circumstances. These can include:

- Existing LTSS eligible ALR residents who have emerging needs
- Existing LTSS eligible individuals who have not previously resided in a ALR but are now seeking to do so, such as:
 - New residents living in community
 - New residents transitioning from SNF

In these cases, ALRs should make a referral to the CAP Agency to request an assessment. A state agency will designate the client as either Beneficiary Tier A or Beneficiary Tier B. The CAP Agency will notify the ALR of the Beneficiary Tier via the HCBS-2 Turnaround Form. If the Beneficiary Tier has changed, the payment will be effective back to the date the ALR made the request for a Tier redetermination.

APPENDICES

Appendix A

<https://eohhs.ri.gov/providers-partners/certification-standards>