



303 - Home and Community Based Services (HCBS) Reconciliation - ALTCS

DRAFT POLICY

Effective Date: 10/01/11

Revision Date:

Staff responsible for policy: ALTCS Finance

I. Purpose

Reconcile the assumed HCBS member months used for capitation rate development against actual HCBS placement. This policy applies to all AHCCCS ALTCS EPD Contractors for CYE 12 (Oct. 1, 2011 – Sept. 30, 2012) and forward.

HCBS Assumed Mix and Recoupment: The Contractor's capitation rate is based in part on the assumed ratio ("mix") of HCBS member months to the total number of member months (i.e. HCBS + institutional). At the end of the contract year, AHCCCS will compare the *actual percent of HCBS* member months to the *assumed HCBS* percentage that was used to calculate the full long term care capitation rate for that year. Member months for those members who received acute care services only are not included in this reconciliation. If the Contractor's actual HCBS percentage is different than the assumed percentage, AHCCCS may recoup (or reimburse) the difference between the institutional capitation rate and the HCBS capitation rate for the number of member months which exceeded (or was less than) the assumed percentage. This reconciliation will be made in accordance with the following schedule:

Percent over/under assumed percentage:

The First 0 - 1.0 percentage points

>1 percentage point

Amount to be recouped/reimbursed:

0% of capitation over/under payment

50% of capitation over/under payment

II. Definitions

HCBS Placement types:

- Home
- Adult Foster Care
- Assisted Living Centers
- Assisted Living Home
- Adult Therapeutic Foster Care
- Adult Development Home
- Behavioral Health Therapeutic Home
- Behavioral Health Level II
- Behavioral Health Level III
- Child Developmental Foster Home



- Behavioral Health Services Center
- Group Home for Developmentally Disabled
- Traumatic Brain Injury Treatment Facility
- Rural Substance Abuse Transitional Agency

Institutional Placement types:

- Institution
- Level I Behavioral Health Center
- Psychiatric Hospital

III. Policy

A. General

1. The reconciliation shall relate solely to HCBS assumed member months and actual placement data as determined by monthly placement reports.
2. The reconciliation will limit Contractor's profit and losses to the schedule as detailed above.

B. AHCCCS Responsibilities

1. AHCCCS shall, at the end of the contract year, run placement reports by member by month to be used for the development of the schedule of HCBS and Institutional placement mix. The placement report will provide for the most up to date placement information, including any retroactive changes as reported by Contractors.
2. Approximately four (4) months after the contract year to be reconciled, AHCCCS shall perform the HCBS reconciliation.
3. The reconciliation for the HCBS mix shall be based on the schedule of HCBS and Institutional placement mix, capitation rates developed for the contract year and the actual member months.
4. A reconciliation spreadsheet will be forwarded to the Contractors for review.
5. Distributions will be made to the Contractor after the Contractor has agreed to the reconciliation amount by the AHCCCS stated deadline.
6. In the event a Contractor is required to reimburse AHCCCS, such reimbursement will be collected by AHCCCS through a reduction to the Contractor's prospective capitation payments after the Contractor has agreed to the reconciliation amount by the AHCCCS stated deadline.



C. Contractor's Responsibilities

1. Contractors shall review monthly placement information and make corrections to placement during the contract year.
2. It is the Contractor's responsibility to identify to AHCCCS any placement data issues or necessary adjustments via electronic Member Change Report (EMCR) with the appropriate contract type changes to the Division of Health Care Management (DHCM).
3. It is the Contractor's responsibility to review and approve via signature the HCBS reconciliation and return the approval to AHCCCS per instructions provided with the reconciliation spreadsheet.

IV. References

ALTCS Request for Proposal, Section D, Compensation.