

## **421 – CONTRACT TERMINATION: NURSING FACILITIES AND ALTERNATIVE RESIDENTIAL SETTINGS**

EFFECTIVE DATE: 04/08/09, 11/01/12, 10/01/13, 10/01/15

REVISION DATE: 10/11/12, 08/29/13, 07/30/15

STAFF RESPONSIBLE FOR POLICY: DHCM OPERATIONS

### **I. PURPOSE**

This Policy applies to ALTCS/EPD and DES/DDD Contractors. This Policy is limited to and defines the relationship between a Nursing Facility (NF) and/or an Alternative Residential Setting (ARS) and a Contractor following the termination of a contract between these entities, regardless of which entity terminates the contract or the reason for contract termination. This policy delineates how the Contractor, NF and ARS will collaborate to provide for the needs of the members residing in the facility at the time of contract termination.

### **II. DEFINITIONS**

**ADD-ON**

Generally refers to contract standards that a Contractor may have with a NF to establish criteria for additional payment to the Class 1, 2 or 3 levels determined by the Universal Assessment Tool (UAT).

**ALTERNATIVE RESIDENTIAL SETTING (ARS)**

Under the Home and Community Based Services (HCBS) program, members may receive certain services while they are living in an alternative HCBS setting. HCBS settings as defined in 9 A.A.C. 28 Article 1 and AMPM Chapter 1200, section 1230. Alternative residential settings include but are not limited to Assisted Living Centers (ALC), Assisted Living Homes (ALH) Adult Foster Care (AFC) Homes, Behavioral Health Residential facilities, and Behavioral Health Supportive Homes.

**ANNIVERSARY DATE**

The month the member is able to make an annual enrollment choice. The Anniversary Date in most situations is 12 months from the date the member was enrolled with the Contractor and annually thereafter. Only members in a GSA with more than one Contractor have a choice of Contractors.

**BED HOLD DAY**

A 24 hour per day unit of service that is authorized by an ALTCS member's case manager or the behavioral health case manager or a subcontractor for an acute care member, which may be billed despite the member's absence from the facility for the purposes of short term hospitalization leave and/or therapeutic leave.

1. Short Term Hospitalization Leave – This service may be authorized for members residing in a Nursing Facility (NF), Intermediate Care Facility for person with intellectual disabilities (ICF) or residential Treatment Center (RTC) that is licensed as a Behavioral Health Inpatient Facility when short-term hospitalization is medically necessary. The total number of days available for each member per year is limited to 12 days per contract year except as in #3 below.
2. Therapeutic Leave – If included in the member's care plan, this service may be authorized for members residing in an NF, ICF or RTC that is licensed as a Behavioral Health Inpatient Facility due to a therapeutic home visit to enhance psychosocial interaction or on a trial basis as a part of discharge planning. The total number of therapeutic leave days available for each member per year is limited to nine days per contract year except as in #3 below.

Members under 21 years of age may use any combination of bed hold days and therapeutic leave days per contract year with a limit of 21 days per year.

**NURSING FACILITY (NF)**

A health care facility that is licensed and Medicare/Medicaid certified by the Arizona Department of Health Services in accordance with 42 CFR 483 to provide inpatient room, board and nursing services to members who require these services on a continuous basis but who do not require hospital care or direct daily care from a physician. Contracted NFs are those facilities that have a contract with a Contractor. Non-contracted NFs are those facilities that do not have a contract with a Contractor.

<b>ROOM AND BOARD (R&amp;B)</b>	The amount paid for food and/or shelter. Medicaid funds can be expended for room and board when a person lives in an institutional setting (e.g. NF, ICF). Medicaid funds cannot be expended for room and board when a member resides in an alternative residential setting (e.g. Assisted Living Home, Behavioral Health Residential Facilities) or an apartment like setting that may provide meals.
<b>SUBACUTE OR SPECIALTY CARE</b>	Generally refers to contract standards that a Contractor may have with a NF to establish criteria for paying a rate higher than the Class 1, 2 and 3 levels determined by the UAT.
<b>SHARE OF COST (SOC)</b>	The amount an ALTCS member is required to pay toward the cost of long term care services.
<b>UNIVERSAL ASSESSMENT TOOL (UAT)</b>	A standardized tool that is used by Contractors to assess the acuity of NF residents and commonly used for ARS residents residing in Assisted Living Centers (ALC), Assisted Living Homes (ALH) and Adult Foster Care (AFC) settings. The use of the Uniform Assessment Tool (UAT) is not intended to impact how Contractors determine authorizations for specialty levels of care (e.g., wandering dementia, medical sub-acute and behavioral management). This tool is located in Chapter 1600 of the AHCCCS Medical Policy Manual.

### **III. POLICY**

#### **A. MEMBER/RESIDENT OPTIONS WHEN A NF OR ARS CONTRACT IS TERMINATED**

Affected members residing in a NF and/or ARS at the time of a contract termination may continue to reside in that facility until their open enrollment period, at which time they must either choose an available Contractor that is contracted with the facility, or move to a setting that is contracted with their current Contractor.

A meeting between the Contractor, NF and/or ARS and AHCCCS will be held prior to the effective date of the contract termination to plan all aspects related to the change in contract status and impact on members and representatives.

The Contractor in collaboration with the NF and/or ARS and AHCCCS must develop a member/representative communication plan. The purpose of the communication plan is to provide affected or impacted members and/or their representatives with consistent information regarding the contract termination. The Contractor must receive approval of their member/representative communication plan from the Division of Health Care Management Operations Unit. The plan must be submitted to AHCCCS within five

business days of the termination decision. All member communications must be consistent with guidelines found in ACOM Policy 404.

## **B. REIMBURSEMENT**

### **1. Nursing Facilities**

The Contractor shall reimburse the NF at the previously contracted rates or the AHCCCS fee for service schedule rates, whichever are greater. Should AHCCCS increase its fee schedule, the Contractor shall reimburse the NF at the greater of the increased AHCCCS fee for service schedule rates or the Contractor's previously contracted rates. Should AHCCCS reduce its fee schedule, the Contractor shall reduce its previously contracted rates by the same percentage, and pay the greater of the adjusted rates.

If the Contractor had in place a provision for subacute, specialty care or add-on rates at the time of the contract termination, then the Contractor shall apply those rates. Should AHCCCS adjust its fee schedule, then the Contractor will adjust its subacute or add-on rate(s) by the average adjustment to the NF fee schedule rates.

### **2. Alternative Residential Settings**

The Contractor shall reimburse the ARS at the previously contracted rate. Should AHCCCS adjust its HCBS Fee Schedule rates, the Contractor will adjust its ARS rates by the average percentage that the HCBS Fee Schedule rates are adjusted.

## **C. QUALITY OF CARE**

In the event that a Contractor or other entity, such as Arizona Department of Health Services (ADHS) Licensure or AHCCCS identify instances where the overall quality of care delivered by an NF or ARS places residents in immediate jeopardy, the Contractor will inform members/representatives of the problems and offer members alternative placement. Members may have the option to continue to reside in the NF or ARS.

In some cases, ADHS or AHCCCS may require that the Contractor find new placements for members. In such cases, the Contractor shall work with the members/representative to identify an appropriate placement that meets the needs of the member. AHCCCS may require Contractors to increase monitoring of facilities identified as having health or safety issues until AHCCCS is assured that the issues have been resolved or members have been transitioned to a placement setting that can meet their needs.

In the event of a bankruptcy or foreclosure order of an NF or ARS, the Contractor must notify AHCCCS of the situation. In these instances, the Contractor should review the financial, health and safety status prior to placing a member in a placement owned by the

same entity. In the event that a Contractor identifies a member specific quality of care concern, the Contractor shall identify that to the NF or ARS for resolution. The Contractor shall also report to external entities, and to AHCCCS as required by AMPM Chapter 900.

**D. ADMISSIONS/DISCHARGES/READMISSIONS**

1. NFs or ARSs are not required to accept new admissions of members who are enrolled with a non-contracted Contractor.
2. NFs are required to otherwise follow admission, readmission, transfer, and discharge rights as per 42 CFR 438.12.
3. The Contractor may authorize bedhold days up to the allowed limit (Short Term Hospitalization Leave – 12 days and Therapeutic – nine days) as required by Chapter 100 of the AMPM.

**IV. REFERENCES**

- ALTCS/EPD Contract, Section D
- DES/DDD Contract, Section D
- A.A.C. R9-28-204
- 42 CFR 438
- 42 CFR 483
- AMPM Chapter 100
- AMPM Chapter 900
- AMPM Chapter 1200
- AMPM Chapter 1600
- ACOM Policy 404