


**Maryland Department of Health and Mental Hygiene**

201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – S. Anthony McCann, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM**Waiver for Older Adults Transmittal No. 17****August 28, 2006**

- To:** Area Agencies on Aging
Waiver for Older Adults Assisted Living Providers
- From:** Mark A. Leeds, Director 
Long Term Care and Community Support Services Administration
- Note:** Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal
- Re:** New policy for reimbursement of Medicaid Waiver for Older Adults assisted living services
-

Policy Change

Regulations for the Medicaid Waiver for Older Adults (WOA), COMAR 10.09.54, were recently amended to implement a new policy for reimbursing waiver assisted living services for waiver participants in assisted living facilities (ALF) who also receive Medicaid-funded medical day care (MDC) services. For those participants using both services on the same day, the ALF reimbursement rate must be reduced by 25% on that day. This policy was developed to address the duplication of Medicaid payments for assisted living services and MDC services.

Reimbursement for Services

Currently, when a waiver participant does not reside in the ALF for the full month, assisted living providers must pro-rate their waiver claims using daily rates that are based on the monthly reimbursement rate for assisted living services. This means that the ALF provider must only bill Medicaid for the actual number of days that a participant resided in the ALF as opposed to the full month's assisted living waiver reimbursement rate.

The same principal must now be used by ALF providers to compute their monthly waiver bills for waiver participants who receive MDC services. The Department has developed four daily rates for assisted living services, for both levels of service and with and without day care services. These daily rates were calculated by dividing the full monthly WOA assisted living payment for level 2 and level 3 assisted living services by the days in the month, taking into account that over the year some months will be longer than others. Effective September 1, 2006, the FY 2007 daily rates for assisted living services



for level 2 and level 3 services, with and without a participant receiving medical day care services are as follows:

Daily Rates

ALF Level 2 - no medical day care \$55.74
ALF Level 2 - with medical day care \$41.81

ALF Level 3 - no medical day care \$70.31
ALF Level 3 - with medical day care \$52.73

Preparing the monthly claim

Effective September 1, 2006 assisted living providers must now manually compute their monthly bill to Medicaid as follows:

1. Multiply the total number of days a participant receives MDC services by the appropriate rate indicated above.
2. Multiply the total number of days that the participant did **NOT** receive MDC services by the appropriate daily rate that does not include MDC services.
3. Add the dollar amounts calculated in #1 and #2 together to total one month of service.
4. Until further notice, continue to use the current procedure codes of W0216 for level 2 assisted living services and W0217 for level 3 assisted living services.

This policy is effective September 1, 2006. This means that claims for assisted living care provided to waiver participants in September must be completed according to the instructions contained in this transmittal. A sample ALF Waiver Billing Work Sheet is enclosed. It provides an example of how to determine your monthly total reimbursement request when a participant receives MDC services. Also attached to this transmittal is a blank ALF Billing Work Sheet which must be submitted with your assisted living claims beginning September 1, 2006. ALF providers that bill Medicaid electronically must deduct the participant's contribution to care from the amount billed Medicaid. Please note that the Maryland Department of Aging Medicaid Program will monitor claim submissions for compliance with the new policy and seek recoveries for overpayments.

If you have questions about this transmittal or the attached forms please contact the Medicaid Waiver for Older Adults Coordinator at 410-767-5220 or the Maryland Department on Aging waiver billing unit at 410-767-1100.

Attachments (2)

cc: League for Excellence in Adult Day Services
Maryland Association for Adults Day Services
Maryland Department of Aging
Medical day care providers

**MEDICAID HOME AND COMMUNITY BASED SERVICES WAIVER
FOR OLDER ADULTS
Maryland Department of Aging**

**BILLING WORKSHEET
Assisted Living Services**

Month of Service: _____ Year: _____

Provider/Participant Background Information

Provider's Business Name:	
Medicaid Payee Provider Number:	
Provider's Telephone Number:	
Participant's Name: (as it appears on Medicaid card)	
Participant's Medicaid Identification Number:	

To determine the monthly charges for assisted living services to be billed on Blocks 24f and 28 of the CMS 1500 form, follow the instructions below:

Complete the following chart:

Calculate your participant's reimbursement amount for the month					
Service	Rate for one day		Number of Days		Total (multiply Rate by Number of Days)
Assisted Living Level II	\$ 55.74	x		=	
Assisted Living Level II with MDC	\$ 41.81	x		=	
Assisted Living Level III	\$ 70.31	x		=	
Assisted Living Level III with MDC	\$ 52.73	x		=	
			TOTAL:		

Notes:

- Services must be authorized in the participant's plan of care and delivered during the month.
- When filling in the "Number of Days" box, exclude days before the participant was eligible for waiver or moved in; days after the participant lost eligibility or moved out; days overnight in hospital, nursing facility, or other medical institution; and absences overnight for personal reasons that exceed more than 7 nights during the month

A new CMS 1500 form must be completed for each month of service. Both room and board and the assessed amount of client contribution are paid directly to you by the client.

Provider's Signature

Date

MEDICAID HOME AND COMMUNITY BASED SERVICES WAIVER FOR OLDER ADULTS

Maryland Department of Aging

BILLING WORKSHEET**Assisted Living Services**Month of Service: SEPT Year: 2006

Provider/Participant Background Information

Provider's Business Name:	Provider's Name
Medicaid Payee Provider Number:	XXXXXXXX-XX
Provider's Telephone Number:	410-XXX-XXXX
Participant's Name: (as it appears on Medicaid card)	John Doe
Participant's Medicaid Identification Number:	MA # 4444444444

To determine the monthly charges for assisted living services to be billed on Blocks 24f and 28 of the CMS 1500 form, follow the instructions below:

A. Complete the following chart:

Calculate your participant's reimbursement amount for the month					
Service	Rate for one day		Number of Days		Total (multiply Rate by Number of Days)
Assisted Living Level II (W0226)	\$ 55.74	X	20	=	\$1114.80
Assisted Living Level II with MDC (W0227)	\$ 41.81	X	10	=	\$418.10
Assisted Living Level III (W0228)	\$ 70.31	X		=	
Assisted Living Level III with MDC (W0229)	\$ 52.73	X		=	
			TOTAL:		\$1532.90 Assisted Living Medicaid Rate (place amount on block 24f & 28 on claim)

Notes:

- Services must be defined in participant's plan of care and delivered during the month.
- When filling in the "Number of Days" box, exclude days before the participant was eligible for waiver or moved in; days after the participant lost eligibility or moved out; days overnight in hospital, nursing facility, or other medical institution; and absences overnight for personal reasons that exceed more than 7 nights during the month

A new CMS 1500 form must be completed for each month of service. Both room and board and the assessed amount of client contribution are paid directly to you by the client.

Provider's Signature_____
Date