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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 92 LCM-119

Date: August 7, 1992

Division: Medical Assistance

TO: Local District Commissioners

SUBJECT: Rehabilitative Services for Residents
of Community Residences Certified by
the Office of Mental Health

ATTACHMENTS: Anticipated County Share for Rehabilitative Services
for Residents of OMH Certified Community Residences
(not available on-line)

The Department of Social Services was recently directed to extend Medicaid coverage to community residences certified by the Office of Mental Health (OMH). These facilities in the past were eligible only for Congregate Care Level II payments, but now will receive Medicaid payments for services as well.

This correspondence is to introduce you to this new program. Effective April 1, 1992, rehabilitative services for residents of community residences certified by the State Office of Mental Health are coverable under Medicaid. MMIS billing and payment processing for these services is expected to begin in late July 1992. By including this service under Medicaid, federal reimbursement is available for a previously 100 percent State deficit-financed program.

Community residences for the mentally ill are residential programs designed to assist persons to live as independently as possible through the provision of rehabilitative services, training and assistance in skills of daily living. Approximately one hundred and ten OMH certified community residence providers have been enrolled into the Medicaid Management Information System (MMIS) to serve approximately 6,000 recipients.

As the 1992-1993 State budget funding level necessitates early implementation to access Medicaid funding, the home health service category will be used on a temporary basis for MMIS billing/payment purposes. Local

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districts should be aware that these OMH rehabilitative services are not considered long term care services. A unique, category of service has been requested; when it is available, the local district share will be calculated at 25%. It is anticipated at this time that OMH will fund this amount as noted in paragraph 4 below.

Please note that for State fiscal year 1992-1993, the OMH has secured funding to cover the non-federal share for Medicaid recipients living in the certified community residences. In the absence of OMH funding, rehabilitative services expenditures for recipients residing in OMH certified community residences would have been the initial fiscal responsibility of the county and would qualify for reimbursement under Human Services Overburden as a mental health service with no local share.

Since local districts have not provided for this cash flow impact on their local budgets for calendar year 1992, the New York State OMH through State DSS will be providing advanced funding for the projected 10 percent local share for a ten month period. Temporary use of the home health category of service results in the 10 percent local share because of the Long Term Care takeover legislation. Furthermore, only ten months of funding is necessary for two reasons: providers are being instructed to bill for monthly rehabilitative service in the month after service was rendered and a one month MMIS payment delay is in effect.

The attached table identifies the anticipated expenditures by county for SFY 1992-1993. The column labeled "10% County Share 92-93 10 months" represents the projected local share for the new Medicaid services for dates of service for the period from April 1992 thru February 1993. Based on projected monthly expenditures, SDSS will deposit into each district's MMIS Escrow Account an advance. The advanced amount will be recouped from the Mentally Disabled payment made in April-June 1993.

OMH anticipates securing funding for the non-federal share in subsequent years. However, since this cannot be guaranteed, we recommend that you consider budgeting the local share starting April 1, 1993 and thereafter, anticipating a 25% share. The column labeled "25% County Share: 93-94 12 months" in the attached table shows estimated costs for a twelve month period. Changes are being made to MARS reporting to separately identify these OMH rehabilitative services; such reporting should be available in the winter of 1992-1993.

If you have any questions with regard to the fiscal aspects of this release, please contact the Bureau of Local Financial Operations (Upstate Office) Roland Levie at 1-800-342-3715, extension 4-7549 User ID # FM0020 or (Downstate Office) Marvin Gold at (212) 804-1108 User ID # OFM270.

If you have any questions with regard to the program aspects of this release, please contact the Bureau of Ambulatory Policy and Utilization Review, Marcia Rao at 1-800-342-3715, extension 3-5840 User ID # AV0700.

Jo-Ann A. Costantino
Deputy Commissioner
Division of Medical Assistance