

## Children’s Medicaid Transformation Status: July 2018

### OVERVIEW

Over the past several years, New York State has undertaken a comprehensive Children’s Medicaid and Behavioral Health System Transformation initiative to redesign the health care and social services available to children enrolled in Medicaid. The major objectives of the Transformation include:

- Implementing Health Home Care Management for children;
- Creating a new single set of Children and Family Treatment and Support Services (CAFTASS), formerly known as State Plan Amendment (SPA) services;
- Integrating and aligning of the multiple existing 1915(c) Home and Community-Based Services (HCBS) waivers into a single Children’s HCBS package;
- Expanding HCBS eligibility for children;
- Carving into managed care various previously-excluded children’s services; and
- Transitioning children in the care of Voluntary Foster Care Agencies (VFCA) to managed care.

This document provides a general overview of the current state of these parts of the Transformation, as of July 2018. Additional resources on the Children’s Transformation are available [here](#).

### STATUS AND TIMELINE

The Children’s Transformation had originally been intended to be implemented in July 2018, but the State budget process for FY 2019 resulted in partial delays. However, the Budget also allocated \$6.5 million in State funding for readiness activities, and the State is working to obtain Federal match to this.

The below table provides an updated timeline of the State’s Children’s Medicaid Transformation efforts. Important changes include a delayed transition to Health Home and a delayed implementation of HCBS by about three months. All dates are subject to the availability of Global Cap resources, Centers for Medicare and Medicaid Services (CMS) approval, and other State approvals.

Initiative	Date
VFCA applications for Article 29-I licenses due	July 31, 2018
Article 29-I licenses issued to VFCAs	November 15, 2018 to December 31, 2018
Implementation of three CAFTASS services: Other Licensed Practitioner, Psychosocial Rehabilitation, and Community Psychiatric Treatment and Supports	January 1, 2019
Children in 1915(c) waivers begin entering Health Home Care Management	January 1, 2019
VFCAs contract and claims test with Medicaid Managed Care Plans	January 1, 2019 to June 30, 2019

Initiative	Date
Implementation of the new 1915(c) Children’s Consolidated Waiver, with single HCBS benefit package in managed care, and remove exemption and exclusion for 1915(c) Waiver children from managed care	April 1, 2019
Implementation of a fourth CAFTASS service: Family Peer Supports	July 1, 2019
Beginning of three-year phase-in of Level of Care (LOC) HCBS eligibility	July 1, 2019
Children’s behavioral health (BH) benefit carved into managed care	July 1, 2019
Foster Care population transitioned into managed care	July 1, 2019
Implementation of the last two CAFTASS services: Youth Peer Support & Training and Crisis Intervention	January 1, 2020

## HEALTH HOMES SERVING CHILDREN

A Health Home is a care management service model for Medicaid-eligible people with chronic health conditions. Under this model, a Health Home care coordinator creates enrollees’ plans of care, helps them access services, and coordinates treatment with all their caregivers. In New York, both Health Homes serving adults and Health Homes serving children exist. A total of 16 Health Homes serving children have been operating since December 2016, serving eligible children with two or more chronic conditions or a single qualifying condition such as Serious Emotional Disturbance (SED).

## CHILDREN AND FAMILY TREATMENT AND SUPPORT SERVICES (CAFTASS)

Each of the six new CAFTASS services will become a part of the Medicaid managed care benefit on their implementation date as indicated above. All providers who intend to provide CAFTASS to children and families will need to be designated by the State and will need to contract with Medicaid managed care plans. CAFTASS services will be available on a fee-for-service (FFS) basis for children who are not enrolled in Medicaid managed care plans.

In June, the State hosted several in-depth trainings on the CAFTASS and the implementation timelines and procedures for services. The training reviewed Medical Necessity criteria to receive services, discussed provider qualifications and requirements to deliver services, and summarized key changes to the Children’s Medicaid Transformation timeline. Each new CAFTASS service will have distinct:

- Agency Qualifications;
- Individual Staff Qualifications;
- Supervisory Qualifications;
- Required Trainings;
- Billing Requirements;
- Medical Necessity; and
- Limitations and Exclusions.

The presentation is available [here](#) and a post-event summary is available [here](#).

## CAFTASS Provider Manual

In June, the State released a provider manual and guidelines for medical necessity criteria and utilization management for the new CAFTASS. The State intends for Medicaid managed care organizations (MCOs) to use these documents to develop their own policies and criteria. Such policies should be no more restrictive than these guidelines.

The full version of the latest draft of the CAFTASS Provider Manual is available [here](#). SPG has prepared a separate summary of this document.

## CAFTASS Draft Rates and Billing Manual

On July 2<sup>nd</sup>, the State released the revised draft rates for the new CAFTASS. The rates may be revised again by the end of July based on workgroup comments and consideration of the recently released Billing and Coding Manual. The rates for the four CAFTASS services to be implemented in January and July 2019 will be submitted to CMS for approval by September 1<sup>st</sup>. The rates for the two CAFTASS services to be implemented in January 2020 will be submitted to CMS for approval at a later date.

The Billing and Coding Manual, which is also subject to further change by the State and to CMS approval, outlines the claiming requirements necessary to ensure proper claim submission for services affected by the Transformation. The manual is intended for Medicaid managed care plans, behavioral health (BH) service providers, and HCBS service providers. A supplemental billing manual, called the “New York State Children’s Health and BH Services – Children’s Medicaid System Transformation Guidance for the Transitional Period,” will be released shortly. This manual will include guidance on transitional billing procedures, including procedures for waiver providers that will transition to Health Home rates and for HCBS services that will transition to State Plan services after January 1, 2019.

The revised draft rates are available [here](#) and the Billing and Coding Manual is available [here](#).

## HOME AND COMMUNITY BASED SERVICES (HCBS)

The Transformation plan envisions combining the State’s current six 1915(c) children’s waivers into one package, thereby making a full set of 12 HCBS services (spanning the range of services available across the current waivers) available to children in the consolidated waiver. These services would also be carved into managed care, and the current exemption from mandatory managed care for children in a 1915(c) waiver would be lifted.

The State initially planned to transition the six current 1915(c) waivers into its comprehensive 1115 Medicaid Redesign Team (MRT) waiver and submitted a request to do so in May 2018. However, CMS’s response asked the State to use a 1915 waiver authority instead. As a result, the State now proposes to seek concurrent 1915(c) waiver and 1115 waiver authorities, as follows:

- A single consolidated children’s 1915(c) waiver authority for aligned HCBS and Health Home Care Management; and
- A smaller amendment to the 1115 MRT waiver which would move relevant children’s populations and services into managed care, including:
  - The 1915(c) HCBS service package;
  - The at-risk HCBS Level of Need (LON) population;
  - The foster care population; and
  - Children enrolled in a current 1915(c) waiver.

For this new concurrent waiver approach, the State will need to complete a revised fiscal analysis for CMS review and approval and identify resources in excess of \$30 million included in the State Budget Global Spending Cap. As a result, target implementation dates of some services will be delayed by about three months, as indicated in the timeline above.

During the month of June, the State hosted the first in a two-part series of in-person trainings on the aligned Children's HCBS. These trainings reviewed access requirements for services and provided an in-depth overview of the following HCBS: Community Self-Advocacy and Supports; Caregiver/Family Supports and Services; Prevocational Services; Supported Employment; and Respite and Palliative Care.

The presentation is available [here](#).

## HCBS Eligibility

On July 1, 2019, the State will begin the three-year phase-in of the new HCBS Level of Care (LOC) eligibility criteria, which determines if a child is eligible for or deemed at risk of institutional placement and will replace the current criteria used under the 1915(c) waivers. Shortly after the full implementation of LOC, the State aims to expand access to HCBS to more children by implementing new Level of Need (LON) eligibility criteria, which will target children who are not yet at risk for institutional placement but who have extended functional impairments, seeking to prevent escalation to LOC. The LOC target populations are current 1915(c) waiver populations, while the LON target populations will include Serious Emotional Disturbance (SED) and Abuse, Neglect, Maltreatment, or Complex Trauma as defined by Health Homes. The State will host a separate upcoming webinar on HCBS/LOC Eligibility Determination.

The Managed Care Technical Assistance Center (MCTAC), in collaboration with the State health and behavioral health agencies and other partners, recently hosted a webinar on the Draft HCBS Workflow. The Draft HCBS Workflow provides guidance to Health Home Care Managers, the Independent Entity, the Medicaid Managed Care Plans, and HCBS provider(s) who will work together to ensure timely access to HCBS for eligible individuals. The workflow outlines five steps to ensure access:

1. Individual is determined eligible or re-assessed for HCBS eligibility annually;
2. Development of Plan of Care with the child and family;
3. Referrals to HCBS providers are made;
4. Children access services; and
5. Ongoing monitoring of the Plan of Care.

The presentation slides are available [here](#).

## ARTICLE 29-I LICENSURE

VFCAs must be licensed to provide limited health-related services to all children who the VFCA has responsibility for the care of and/or boards out, and to contract and bill Medicaid Managed Care Plans for the provision of those services. The Article 29-I licensure authorizes VFCAs to provide the following:

- Core Health-Related Services
  - Direct Services, including:
    - Nursing Services;
    - Skill Building; and
    - Medicaid Treatment and Discharge planning, including medical escorts.

- Indirect Services, including:
  - Clinical Consultation and Supervision; and
  - Managed Care Liaison/Administrator.
- Other Limited Health-Related Services

VFCAs will be reimbursed by Medicaid Managed Care Plans to provide the Core Health-Related Services under the Article 29-I licensure through the Residual Per Diem. The VFCA can contract separately outside of the Residual Per Diem for Other Limited Health-Related Services. There will be a four-year transition period from the current rates to the Residual Per Diem rates. The Residual Per Diem is subject to CMS approval, which the State planned to submit in June 2018.

The application for Article 29-I licensure opened on July 1<sup>st</sup> and applications are due from VFCAs on July 31<sup>st</sup>. The presentation from a recent training hosted by the Department of Health (DOH) and the Office of Children and Family Services (OCFS) on Article 29-I licensure is available [here](#). The Article 29-I VFCA Health Facilities License Guidelines Final Draft is available [here](#).

## UPCOMING EVENTS

MCTAC, in collaboration with State agencies and other partners, will be hosting several in-person billing trainings for the Children's Medicaid System Transformation. These training are intended for providers and Managed Care Plans serving individuals under age 21. These trainings are not intended for Health Homes or Care Managers. Trainings will take place on the following dates in the following locations from 9:30am to 3pm:

- New York City: July 16<sup>th</sup>
- Albany: July 19<sup>th</sup>
- Buffalo: July 24<sup>th</sup>
- Elmira: July 25<sup>th</sup>
- Syracuse: July 26<sup>th</sup>

Registration for trainings is available [here](#).