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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 93 ADM-15

TO: Commissioners of  
 Social Services

DIVISION: Health & Long  
 Term Care

DATE: July 9, 1993

SUBJECT: Subchapter A Day Treatment Services

SUGGESTED

DISTRIBUTION: Medical Assistance Staff  
 Fair Hearing Staff  
 Legal Staff  
 Staff Development Coordinators

CONTACT

PERSON: Eileen Lombardo, 1-800-342-3715, extension 35456,  
 MB0020

ATTACHMENTS:

OMRDD Dear Medicaid Director Letter  
 (not available on-line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
81 ADM-28 89 INF-43	81 ADM-28		365(4)		92 LCM-195 GIS 93MA003

I. PURPOSE

This Administrative Directive provides social services districts with current information regarding day treatment programs for the developmentally disabled and instructions for ensuring proper State reimbursement. Much of this information was also transmitted to social services districts via 92 LCM-195.

II. BACKGROUND

Pursuant to Section 365.4 of the Social Services Law (SSL), Medical Assistance (MA) recipients receiving day treatment services at programs operated by the Office of Mental Retardation and Developmental Disabilities (OMRDD) or agencies under contract with OMRDD are the fiscal responsibility of the State. Implementation of this law was accomplished by a funding process which has been called the "Subchapter A Agreement", and funding has been provided as 50 percent federal, 50 percent State.

Subchapter A (Sub A) Day Treatment status refers to an MA recipient who is not 621 eligible (see NOTE) and who is assessed as having a disability so severe that the individual most probably would require placement in an Intermediate Care Facility for the Developmentally Disabled (ICF/DD) if the day treatment program were not provided. However, individuals residing in an ICF/DD or nursing home are not precluded from Sub A eligibility.

Although districts have been and will continue to be administratively responsible for the MA cases of individuals receiving Sub A Day Treatment, these cases have in the past received extraordinary processing. For instance, to prevent the local share from being charged, OMRDD has used its own manual payment process rather than the Medicaid Management Information System (MMIS) to reimburse providers using State and federal funds only. Additionally, OMRDD has been collecting the spenddown for individuals who qualify for MA based on their recurring day treatment services, thus relieving districts of the need to verify that individuals have met their monthly spenddown liability.

Effective February 1, 1993, OMRDD's role in the "special handling" of these cases will cease. The manual payment process used to reimburse providers of day treatment and to bill spenddown cases is being eliminated. Additionally, as of this date, OMRDD will no longer be responsible for collecting and verifying that these individuals have met/incurred their spenddown liability.

NOTE: 621 eligibility is determined by the Office of Mental Health and OMRDD based on an individual's length of stay in a Department of Mental Hygiene facility.

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### III. PROGRAM IMPLICATIONS

Payment for Sub A Day Treatment services provided on or after February 1, 1993, will be made through MMIS. The "special handling" that these cases have received by OMRDD as described in Section II will no longer be provided and districts will be responsible for administering these cases in the same manner as the rest of their caseloads. With respect to cases that are identified as spenddown cases, districts must assume responsibility for obtaining verification from the day treatment provider that an individual's monthly liability has been met/incurred.

### IV. REQUIRED ACTION

In accordance with 92 LCM-195, effective with Sub A Day Treatment services rendered on or after February 1, 1993, districts must take the following actions when handling the MA case for individuals eligible for Sub A reimbursement.

1. Districts must make the systems entry, as described in Section V., Systems Implications, for all cases identified as Sub A eligible in 92 LCM-195.
2. Districts must make systems entry or deletion as described in Section V., Systems Implications, for all new individuals enrolled in Sub A Day Treatment, and for those individuals who lose Sub A eligibility. OMRDD will advise districts of these additions and deletions through Attachment I which will be mailed to the attention of the district's MA Director.

### V. SYSTEMS IMPLICATIONS

Data entry must be performed on all Sub A cases to input code 25 (OMRDD Subchapter A) in the Restriction/Exception field on the Restriction/Exception Subsystem. Code 25 will be available for use by districts as of February 1, 1993. When using this Restriction/Exception code, a Provider Identification Number is not required. The Restriction/Exception From Date should be entered as indicated on the letter that is sent by OMRDD to notify districts of additions to the Sub A population. This is the only mechanism currently available to prevent a local share from being charged and to ensure that shares will be claimed as 50 percent federal, 50 percent State. As these cases are being reviewed for the code 25 entry, special attention should be given to excess income cases to determine whether WMS input needs to be modified to reflect your district's standard procedures for spenddown cases since, as described in Section II, OMRDD will no longer be involved in this process.

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NOTE: While districts are not to be charged a local share for the day treatment services that these individuals receive, be advised that consistent with current policy, a local share will be charged for other services provided to these individuals, if the individual does not qualify for Human Services Overburden. For further information regarding Human Services Overburden, please refer to 89 INF-43.

VI. EFFECTIVE DATE

The provisions of this directive are effective July 1, 1993, retroactive to February 1, 1993.

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Sue Kelly  
Deputy Commissioner