

## Frequently Asked Questions (FAQ) about the Medical Adult Day Care Services Demonstration

DRAFT DATE: 7/6/2005

#	CATEGORY	QUESTION	ANSWER
1	Demo Structure	How long will the Medical Adult Day Care Services Demonstration operate?	The Medical Adult Day Care Services Demonstration is scheduled to operate for three years from date of implementation, currently anticipated to be February 2006.
2	Demo Structure	In which states will the demonstration operate?	Section 703 of the MMA requires that Medical Adult Day Care Facilities (MADCF) involved in the demonstration be licensed and/or certified. The following 36 states license or certify medical adult day care facilities: AK, AZ, CA, CO, DE, FL, HI, IA, KS, KY, LA, MA, ME, MD, MN, MO, MT, NE, NH, NJ, NV, NM, NC, NY, OK, PA, RI, SC, TN, TX, UT, VA, VT, WI, WV, WY. Applicants from states not listed must provide evidence that the state licenses or certifies providers that furnish medical adult day care services.
3	Demo Structure	If a state does not license or certify medical adult day care facilities, but the Medicaid program certifies such facilities as service providers, are providers in the state eligible to participate in the demonstration?	<p>The statute requires that "The demonstration...shall be conducted in not more than 5 sites in States selected by the Secretary that license or certify providers of services that furnish medical adult day-care services." We have interpreted this statement to mean that the state government has a codified, formal procedure for the certification and/or licensure of a adult day-care facility to provide medical services to its clientele.</p> <p>Since the Medicaid Program is conducted by a state agency, it is technically part of the state government. If the Medicaid program in the state has a codified procedure for the licensure or certification of medical adult day-care facilities, CMS would interpret this to mean that the licensure or certification is provided under the auspices of the state government and medical adult day-care facilities in that state then would be eligible to participate in this demonstration. If the applicant in response to this solicitation can provide evidence for the existence of such a program, the application proposal would be accepted for review.</p> <p>Note that all MADCFs included in a demonstration application must have been licensed and/or certified continuously for two years as of the application due date (Demonstration solicitation, pg. 13)</p>
4	Demo Structure	What is the definition of a demonstration site?	<p>A demonstration site is defined as a single Home Health Agency or a corporate entity that includes one or more HHAs providing services in one or more of the eligible states.</p> <p>Each demonstration entity may include all states in which it provides home health services as long as the adult day services are provided in one of the states that licenses or certifies providers</p>

of services that furnish medical adult day care services.

#### 5 Demo Structure

Is Medicare paying for Medical Adult Day Care Facility (MADCF) services under the demonstration?

Medicare is not adding MADCF services as a covered service. The five home health entities that will be the participating sites will receive home health episode payments under the current home health PPS guidelines minus 5%. Under the demonstration, they will have the option to provide part of the home health services in a MADCF setting. Payment for the MADCF services will be covered under the home health agency's arrangement with the MADCF. No additional payment will be made by Medicare for the MADCF services.

Note that Section 703 of the MMA specifies that the beneficiary may not be separately charged for medical adult day care services furnished under the plan of care; that medical adult day care services includes the home health services as well as "a program of supervised activities furnished in a group setting in the facility, designed to promote physical and mental health..." The total cost of any MADCF day on which a demonstration participant attends the center to receive home health services under the Medicare plan of care is to be defrayed from the funds that the home health agency receives as its Medicare home health episode payment.

#### 6 Demo Structure

Will the 15,000 beneficiary "cap" be applied as 3,000 participants per site or 15,000 overall?

Up to 15,000 beneficiaries across the five sites may participate in the demonstration at any given time. Sites will be provided with enrollment limits proportional to their capacity prorated against the combined total of 15,000 enrollees. This will be done to ensure that smaller sites will have an opportunity to enroll a fair portion of the total enrollment allowed under the demonstration.

#### 7 Demo Structure

Will CMS provide initial start-up funding or technical assistance for demonstration sites?

No administrative, start-up funds are available to demonstration sites. The demonstration support contractor will provide guidance during demonstration start-up, and CMS will make information available to sites on an ongoing basis through a demonstration newsletter, occasional teleconferences, and through the demonstration website.

#### 8 Site Selection

The legislation says that preference will be given to those home health agencies that are commonly-owned with Adult Day Health Centers, the presumption being that commonly owned facilities will have fewer bureaucratic and administrative issues, and that care will be shared between those commonly owned facilities. Would I be at a disadvantage in the demonstration project if I propose to partner with the nearby Adult Day Care Facilities rather than my commonly-owned ones?

Section 703(f) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 includes the following requirement:

"(f) PREFERENCE IN SELECTING AGENCIES- In selecting home health agencies to participate under the demonstration project, the Secretary shall give preference to those agencies that are currently licensed or certified through common ownership and control to furnish medical adult day-care services."

We are bound to follow the requirements of the statute.

9 Site Selection	What should a HHA or MADCF do if they have questions regarding the demonstration?	<p>However, preference does not mean site selection is restricted to such entities. Application proposals from potential home health provider sites which have developed agreements with free standing medical adult day care facilities will receive the same impartial panel review. In scoring proposals however, the review panel is instructed to give additional points under the criterion "Organizational Capabilities" if the applicant provides services "through common ownership and control.</p> <p>In addition to contact numbers and web addresses provided in the solicitation, an informational Special Open Door Forum teleconference will be held on July 18, 2005, for potential applicants and other interested parties before the application due date. The teleconference will be an opportunity for applicants to ask questions and for CMS to clarify the issues in both the solicitation and the demonstration project itself. Information about the Special Open Door Forum will be posted on the demonstration website. Other announcements and frequently asked questions and answers will also be posted on the website and updated on an ongoing basis.</p>
10 Operations	In terms of payment, who is the primary provider of care for the demonstration participant if s/he needs skilled care both at an adult day facility and at home?	<p>The home health agency is responsible for all services included in the physician-approved home health plan of care during a home health episode. Any Medicare-covered skilled services that would be subject to consolidated billing under the home health prospective payment system (e.g., outpatient physical therapy, occupational therapy, speech therapy billed with revenue codes 042x, 043x, 044x) would be covered by the home health benefit and cannot be billed under Medicare Part B.</p>
11 Operations	Section 703 of the MMA states in part, "...to provide medical adult day-care services as a substitute for a portion of home health services that would otherwise be provided in the beneficiary's home." Can this be interpreted to mean 100% of the services under the plan of care?	<p>The word "portion" was not specifically defined in the statute. However, we take it to mean that under the demonstration, the beneficiary cannot receive 100% of the medical services at a medical adult day care center. Some "portion" of the services must be provided in the beneficiary's home and a "portion" of the medical services may be provided at the medical adult day-care facility. For example, one portion that must continue to be rendered in the beneficiary's home is the initial assessment.</p>

## 12 Operations

If the RHHI requests medical record documentation of skilled care - some of which is provided by the MADCF - how can the site be assured that demonstration claims will not be denied or delayed? The documentation requirements for HHAs and MADCFs differ. Will there be training for MADCFs on how to meet Medicare documentation requirements?

The HHA, as the primary demonstration site, is responsible for ensuring that all affiliated participating MADCFs who provide demonstration services can provide documentation that meets Medicare requirements. As the Medicare-certified provider receiving payment for the home health episode of care, the HHA has the ultimate responsibility for gathering and submitting all required documentation to CMS.

CMS encourages demonstration sites to agree upon how care and documentation processes will be coordinated between the provider entities prior to demonstration start, to ensure that each provider can contribute the necessary documentation to support the receipt of skilled home health care in the MADCF.

## 13 Leaving the demonstration

Would CMS consider granting a waiver to allow demonstration participants to continue to receive home care services in the MADCF after the Medical Adult Day Care Services Demonstration ends?

Under the authorizing legislation, Congress mandated the Medical Adult Day Care Services Demonstration be of finite length (3 years). Any permanent change to the Medicare benefit would require additional legislation action.