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**DATE:** *January 19, 2021*

ALL PLAN LETTER 20-021 (*Revised*)

**TO:** ALL MEDI-CAL MANAGED CARE HEALTH PLANS

**SUBJECT:** ACUTE HOSPITAL CARE AT HOME

**PURPOSE:**

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with policy guidance regarding hospitals participating in the Centers for Medicare & Medicaid Services' (CMS) Acute Hospital Care at Home program. Revised text is found in *italics*.

**BACKGROUND:**

On March 30, 2020, CMS announced the Hospitals Without Walls program, which provides broad regulatory flexibility that allows hospitals to provide services in locations such as ambulatory surgery centers, inpatient rehabilitation hospitals, hotels, and dormitories, which are outside their physical facilities for Medicare and Medicaid.<sup>1</sup>

On November 25, 2020, CMS announced the new Acute Hospital Care at Home program, which is designed to increase the capacity of our nation's health care system by providing care to patients outside a traditional hospital setting amid a rising number of COVID-19 hospitalizations across the country.<sup>2</sup>

CMS' enhanced strategy through the Acute Hospital Care at Home program includes the following:

- Regulatory flexibilities for hospitals to treat eligible patients in their homes;
- Care for patients who require acute inpatient admission to a hospital and who require at least daily rounding by a physician and a medical team monitoring their care needs on an ongoing basis;
- Support models of at-home hospital care that have seen prior success in several leading hospitals and health care networks; and

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<sup>1</sup> CMS' Increase Hospital Capacity – CMS Hospitals Without Walls March 30, 2020, announcement is available at: <https://www.cms.gov/newsroom/fact-sheets/additional-backgroundsweeping-regulatory-changes-help-us-healthcare-system-address-covid-19-patient>.

<sup>2</sup> CMS' Comprehensive Strategy to Enhance Hospital Capacity Amid COVID-19 Surge November 25, 2020, announcement is available at: <https://www.cms.gov/newsroom/press-releases/cms-announces-comprehensive-strategy-enhance-hospital-capacity-amid-covid-19-surge>.

- Approved flexibilities under the Acute Hospital Care at Home program are effective for the duration of the COVID-19 Public Health Emergency (PHE).<sup>3</sup>

In response to the Acute Hospital Care at Home program announcement, on December 23, 2020, the California Department of Public Health (CDPH) issued All Facilities Letter (AFL) 20-90 for hospitals, establishing state policies and procedures for the creation and oversight of the Acute Hospital Care at Home program.<sup>4</sup>

*Information about the Acute Hospital Care at Home Program can also be found on DHCS' website, including up-to-date information about California hospitals that have been approved by CMS and CDPH to offer acute hospital care at home services.*<sup>5</sup>

**POLICY:**

For the duration of the Acute Hospital Care at Home program, hospitals that individually apply for and receive CMS waiver approval may provide approved acute care inpatient services to eligible members at home.<sup>6</sup>

For MCP network hospitals that are participating in the Acute Hospital Care at Home program, MCPs are responsible for tracking each participating hospital's waiver authorities, as well as the status of each hospital's approved waiver for the duration of the COVID-19 PHE. MCPs are also responsible for authorizing acute care inpatient services at home for members, as medically appropriate, in accordance with this APL, CDPH's AFL 20-90 and applicable CMS guidelines.

A hospital's approved waiver must detail how the hospital will meet the Acute Hospital Care at Home program requirements, which include, but are not limited to, the following:

- Members will only be admitted to the Acute Hospital Care at Home program from emergency departments and inpatient hospital beds, and an in-person physician evaluation is required prior to starting care at home;
- Participating hospitals will be required to have appropriate screening protocols before care at home begins to assess both medical and non-medical factors,

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<sup>3</sup> More information on COVID-19 PHE is available at:

<https://www.phe.gov/emergency/news/healthactions/phe/Pages/default.aspx>.

<sup>4</sup> AFL 20-90 is available at: <https://www.cdph.ca.gov/Programs/CHCQ/LCP/Pages/AFL-20-90.aspx>.

<sup>5</sup> *The Acute Hospital Care at Home webpage can be found at:*

<https://www.dhcs.ca.gov/Pages/Acute-Hospital-Care-at-Home-Program.aspx>.

<sup>6</sup> CMS' online waiver application portal is available at: <https://qualitynet.cms.gov/acute-hospital-care-at-home>.

including working utilities, assessment of physical barriers, and screenings for domestic violence concerns;

- A registered nurse will evaluate each member once daily either in-person or remotely, and two in-person visits will occur daily by either registered nurses or mobile integrated health paramedics, based on the member's nursing plan and hospital policies; and
- It is the member's choice to receive these services in the home or the traditional hospital setting, and members who do not wish to receive them in the home will not be required to do so.

### **Authorization and Reimbursement**

As stated above, MCPs are responsible for authorizing acute care inpatient services at home for members, as medically appropriate. Unless otherwise agreed to between the MCP and the provider, MCPs must reimburse hospitals providing inpatient acute care services at home through the Acute Hospital Care at Home Program at the same rate they would if the services were provided in a traditional hospital setting.

### **Documentation and Reporting Requirements**

Hospitals wishing to participate in the Acute Hospital Care at Home program must apply for a waiver through CMS' online portal, wherein they will submit the necessary information to ensure they meet the program's participation criteria.<sup>7</sup> CMS will monitor the Acute Hospital Care at Home program to safeguard members by requiring hospitals to report quality and safety data to CMS on a frequency that is based on their prior experience with the Hospital at Home model.

Throughout the duration of the COVID-19 PHE, MCPs must submit a monthly report to *DHCS* specifying the number of members receiving services in the program in conjunction with the hospitals serving those individuals. The reporting template is in development and will be distributed to MCPs as soon as it becomes available.

If the requirements contained in this APL, including any updates or revisions to this APL, necessitate a change in an MCP's existing policies and procedures (P&Ps), the MCP must submit its updated P&Ps to its Managed Care Operations Division (MCO) contract manager for *DHCS* review and approval within 90 days of the release of this APL. If an MCP determines that no changes to its P&Ps are necessary, the MCP must submit an email confirmation to its MCO contract manager within 90 days of the release of this APL, stating that the MCP's P&Ps have been reviewed and no changes are necessary. The email confirmation must include the title of this APL as well as the applicable APL release date in the subject line.

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<sup>7</sup> CMS' online waiver application portal is available at: <https://qualitynet.cms.gov/acute-hospital-care-at-home>.

MCPs are responsible for ensuring that their subcontractors and network providers comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters.<sup>8</sup> These requirements must be communicated by each MCP to all subcontractors and network providers.

If you have any questions regarding this APL, please contact your MCO Contract Manager.

Sincerely,

Nathan Nau, Chief  
Managed Care Quality and Monitoring Division

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<sup>8</sup> For more information on Network Providers and Subcontractors, including definitions and applicable requirements, see APL 19-001, and any subsequent APLs on this topic. APLs are available at: <https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>.