

# **Intermediate Care Facility for the Developmentally Disabled (ICF/DD) Carve-In Billing and Payment**



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# Agenda

Topics	Time
Welcome and Introductions	1:00 – 1:05 PM
What is the ICF/DD Carve-In?	1:05 – 1:10 PM
ICF/DD Carve-In Directed Payment Policy & Payment Requirements Overview, and Q&A	1:10 – 1:35 PM
Preparing for Billing & Payment, What ICF/DD Homes Can Expect, and Q&A	1:35 – 1:55 PM
Next Steps & Closing	1:55 – 2:00 PM

# **California Advancing and Innovating Medi-Cal (CalAIM): What is the ICF/DD Carve-In?**

# CalAIM ICF/DD Carve-In Overview

**Effective January 1, 2024, all managed care plans will become responsible for the full LTC benefit at the following Intermediate Care Facility (Home) Types:**

- » Intermediate Care Facility for the Developmentally Disabled (ICF/DD)
- » Intermediate Care Facility for the Developmentally Disabled – Habilitative (ICF/DD-H)
- » Intermediate Care Facility for the Developmentally Disabled – Nursing (ICF/DD-N)

## **This also means:**

- » All Medi-Cal beneficiaries residing in ICF/DD, ICF/DD-H, and ICF/DD-N Homes are mandatorily enrolled into a Medi-Cal MCP for their Medi-Cal covered services.

*Note: ICF/DD-Continuous Nursing Care (ICF/DD-CN) Homes are **not** included in the LTC Carve-In.*

# ICF/DD Carve-In Goals

- » Standardize LTC services coverage under managed care statewide.
- » Advance a more consistent, seamless, and integrated system of managed care that reduces complexity and increases flexibility.
- » Increase access to comprehensive care coordination, care management, and a broad array of services for Medi-Cal members in ICF/DD Homes.
- » Facilitate a seamless transition for ICF/DD Home residents with no disruptions in access to care or services.
- » Maintain the existing infrastructure of ICF/DD Homes and Regional Centers, which includes Lanterman Act protections and the roles and responsibilities of Regional Centers.

# **ICF/DD Carve-In: LTC Directed Payment & Payment Requirements Overview**



# ICF/DD Home Payment Rates

MCPs must reimburse Network Providers furnishing ICF/DD Home services to a Member, and each Network Provider of ICF/DD Home services must accept, the payment amount the Network Provider would be paid for those services in the FFS delivery system.

- » Payment rates for ICF/DD Home services (i.e., those included in the per diem as specified in APL 23-023) are subject to the State-directed payment arrangement:
  - In counties where ICF/DD Home services benefit coverage is **newly transitioning** to managed care effect January 1, 2024, MCPs must reimburse Network Providers of ICF/DD Home services for those services at **exactly** the Medi-Cal FFS per-diem rates.
  - In counties where ICF/DD Home services are **already carved into** managed care, MCPs must reimburse Network Providers of ICF/DD Home services for those services at **no less than** the Medi-Cal FFS per-diem rates.
- » Services provided to members **outside of the per diem** are payable by MCPs based on the MCPs' agreement with the provider.

# What is Covered under the State-Directed Payment Rate?

- » The state-directed payment rate applies to services included in the per diem.
- » All services, equipment, and supplies necessary for the administration of the treatment procedures listed in the patient care criteria are included in the ICF/DD per diem rate, such as:
  - Active Treatment Programming
  - Administrative Services
  - Health Supports, Food and Nutritional, and Pharmaceutical Services
  - Social Services
- » There are some differences in inclusive services by ICF/DD Home type.

## Inclusive/Exclusive Services

Services included/excluded from the per diem are outlined in:

- » APL 23-023 (Attachment A)
- » **ICF/DD:** 22 CCR Sections 51510.1, 51165, and 76301 – 76413
- » **ICF/DD-H:** 22 CCR Sections 51510.2 and 76853 – 76906
- » **ICF/DD-N:** 22 CCR Sections 51510.3 and 76345 – 76355

# Per Diem: Excluded Services

- » Excluded Services (services provided to members that are not included in the per diem rate) are not subject to the State-directed payment arrangement.
  - Excluded services are payable by MCPs based on the rates **negotiated** between the MCP and ICF/DD Home.
- » The list of excluded services can be found in **APL 23-023**, with several examples below:
  - Durable medical equipment
  - Allied health services ordered by an attending physician
  - Laboratory services
  - Dental services
- » Services and supplies **billed separately** are subject to the general provisions and billing limitations set forth in 22 CCR § 51303 and 51304.

# Additional Service Coverage: Pharmacy

- » The ICF/DD Carve-In does not change the coverage policies for pharmacy benefits or Medi-Cal Rx.
- » The Medi-Cal FFS ICF/DD Home per diem rate does not include legend (prescription) drugs.
- » For MCPs newly covering ICF/DD Home services effective January 1, 2024, and for MCPs that do not include prescription drugs in their contracted ICF/DD Home rates, the financial responsibility for prescription drugs is **determined by the claim type** on which they are billed:
  - If drugs are dispensed by a pharmacy and billing on **a pharmacy claim**, they are carved-out of the managed care benefit and **covered by Medi-Cal Rx**.
  - If drugs are provided by the ICF/DD Home and billed on **a medical or institutional claim**, they are **covered by the MCP**.
- » Additional information is available at:
  - [Medi-Cal Rx website](#)
  - [Medi-Cal Rx FAQ](#)
  - [Medi-Cal Rx Scope](#)

# Additional Service Coverage: Transportation

- » As of January 1, 2024, transportation services will be coordinated between the MCP and ICF/DD Home as set in [APL 22-008](#) and [the ICF/DD State Plan Amendment](#).
- » **MCPs** are responsible for providing **Non-Medical Transportation** (NMT) and **Non-Emergency Medical Transportation** (NEMT).
  - **NMT** includes roundtrips for members to receive medically necessary covered services; pick up drug prescriptions that cannot be mailed; and pick-up medical supplies, prosthetics, orthotics, other equipment.
  - **NEMT** includes medical transportation covered only when a recipient's medical and physical condition does not allow that recipient to travel by bus, passenger car, taxicab, or another form of public or private conveyance.
- » **ICF/DD Homes** will continue to be responsible for transportation to and from **Day Programs**.

# Billing and Payment Processes

MCPs must provide payment processes for ICF/DD Homes to be able to bill claims/invoices and receive timely payments.

## » Payment Processes

- MCPs must have a process for ICF/DD Homes to submit electronic claims and receive payments electronically.
- MCPs must also allow an invoicing process for ICF/DD Homes unable to submit electronic claims.
- [The Billing and Invoicing Guide](#) outlines the minimum required fields that MCPs must accept for proper payment.

## » Payment Timeliness

- MCPs are highly encouraged to pay claims and invoices in the same frequency in which they are received, whether electronic or paper claims.
- MCPs must pay claims as soon as practicable but no later than 30 days after receipt of the claim.

# Other Billing and Payment Requirements

Requirements related to billing and payment processes can be found in APL 23-020 (Requirements for Timely Payment) and APL 23-023 (ICF/DD LTC Benefit Standardization).

## » **Trainings**

- MCPs must ensure that ICF/DD Homes are afforded education and training on their billing, invoicing, and clean claims submission protocols.

## » **Dispute Resolution**

- MCPs must have a formal procedure to accept, acknowledge and resolve ICF/DD Home provider disputes, including disputes related to provider claims and payments.

## » **Other Health Care Coverage (OHC)**

- MCPs must coordinate benefits with OHC programs or entitlements.
- Such coordination must include recognizing OHC as primary payer and the Medi-Cal program as payer of last resort.

# Questions?





# Preparing for Billing and Payment

# Billing and Invoicing Guidance

- » The Billing and Invoicing Guidance document is now available on [the DHCS ICF/DD Carve-In website](#).
- » The guidance is intended to standardize invoicing/claiming processes, minimize ICF/DD Home and MCP burden, and promote data quality to support accurate and timely payments.
- » Billing and Invoicing Guidance details the following:
  - Necessary data elements required for invoicing, including information about:
    - **Member** (e.g., Member Client Identification Number, Date of Birth, Address)
    - **Service(s) rendered**
    - **ICF/DD Home information** (e.g., National Provider Identifier (NPI), Tax Identification Number (TIN), Address, etc.)
    - **Administrative Information** (e.g., invoice date, authorization number)
  - Standards for file formats, transmission methods, submission timing, and adjudication.

# Invoice Submission Formats and Methods

- » MCPs must have a process for ICF/DD Homes to submit electronic claims, and they must also allow an invoicing process for ICF/DD Homes unable to submit electronic claims.

Submission Method	Form/Format
Digitally via electronic data interchange (EDI)	ANSI ASC x12N 837P/I 837I
Digitally via other nationally accepted electronic file format standards	CMS 1500, CMS 1450, UB-04
Manually via invoicing	Paper form of the UB-04, or other invoicing template if agreed upon by MCP and Home

- » If using an invoicing process, MCPs must allow ICF/DD Homes to transmit invoices via:
- Web-based portal (*strongly preferred*)
  - Secure File Transfer Protocol upload
  - Secure email (*least preferred*)

# Billing and Invoice Adjudication

- » MCPs must process invoices and provide feedback to submitters in alignment with standard health care service plan reimbursement regulations and adhere to its Contract with DHCS and to APL 23-023.

## After Submission

- » MCPs must provide **receipt** of submission.
  - Receipt does not signify claim approval.
- » MCPs must provide **error files** with actionable guidance for error resolution, if necessary.

## When Resubmission is Required

- » MCPs must provide **clear instructions** and **training** on resubmission process.
- » Homes will have access to the **LTSS Liaison** to address claims and payment issues.

# Share of Cost

- » Share of Cost (SOC) still applies for the ICF/DD LTC Carve-In.
  - SOC is a monthly dollar amount that some Medi-Cal members (based on their family income) must pay toward their medical expenses before they qualify for their Medi-Cal benefits.
- » The ICF/DD Home will continue to be responsible for collecting the member's SOC and deducted from the services provided.
  - The ICF/DD Home will bill MCPs for the net of the total charge minus the Share of Cost.
- » The ICF/DD Home must report SOC when submitting claims/invoices to the member's MCP.

# Promising Practices: Clean Claims Submission

- » ICF/DD Home providers are new to billing MCPs for services provided to members and will require support as they build their knowledge of MCPs' submission protocols and clean claims requirements.
- » MCPs should work collaboratively with ICF/DD Homes to ensure an alignment in understanding claims requirements and the submission process.

## **Promising Practices:**

- » ICF/DD Homes should familiarize themselves with and leverage available MCP resources, including provider manual, training materials, connecting with LTSS Liaisons.
- » MCPs may offer office hours and open-door outreach approaches if claims issues arise.
- » MCPs can allow for electronic claims submission testing from ICF/DD Homes.
- » MCPs and ICF/DD Homes should discuss error resolution processes during the onboarding process prior to the first claims submission.

# Tips for Clean Claim Submissions

**“Clean Claims”** refers to claims that can be processed without obtaining additional information from the service provider or from a third party. They do not include claims from a provider under investigation for fraud or abuse, or claims under review for medical necessity.

## Tips for Submitting Clean Claims

- » Validate billing codes with MCPs to ensure the appropriate codes are being utilized to ensure a clean claim.
- » Verify that dates of service on the claim reflect only the dates for services rendered and verify that the dates of service on the claim match the approved dates within the authorization.
  - If the dates do not match, a reauthorization may be required.
- » Confirm that the patient status code agrees with the accommodation code. For example, if the status code indicates leave days, the accommodation code must also indicate leave days.
- » For Bed Holds, check regularly for residents on leave, at an acute hospital, or transferred to another LTC facility.
  - Verify that the facility to which the resident was transferred is billed correctly.

# Promising Practices: Prompt Claims and Payments

- » ICF/DD Homes often do not have the financial reserves, or as diverse a payer mix as other types of providers and rely on prompt payment from Medi-Cal FFS and MCPs.
- » MCPs are not precluded from advancing payments to Homes and reconcile paid amounts based on providers' appropriate billing to support providers as they get accustomed to new billing processes during the Carve-In transition.
- » ICF/DD Homes and MCPs should work closely to ensure ICF/DD Homes are set up to receive payment via Electronic Funds Transfer (EFT), if EFT is requested by ICF/DD Homes.

## **Promising Practice:**

- » Shorter payment timeframes for clean claims can help support provider operations in ICF/DD Homes.



# Promising Practices: Prompt Claims and Payments (cont.)

- » ICF/DD Homes and MCPs should work to establish contracts, which will ensure that ICF/DD Home receives the FFS per diem rate and timely payments.
- » ICF/DD Homes can still be reimbursed beginning January 1, 2024, while undergoing credentialing with the MCP as long as Homes submit the Initial Credentialing Documentation.
  - » This documentation provides MCPs with the business information they need to create their claims payment profile for ICF/DD Homes.

## **Initial Credentialing Documentation\***

- » W-9 Request for Taxpayer ID Number and Certification
- » MCP Ancillary Facility Network Provider Application
- » Certificate of Insurance (Professional and General Liability).
- » City or County Business License (excludes ICF/DD-H and -N Homes with 6 or less residents)

*\*ICF/DD Homes will also need to submit an attestation form to MCPs for credentialing, but that is not needed for payment purposes.*

# What Can ICF/DD Homes Expect?

- » Scott Robinson, CalOptima
- » Wendy Magnacca, CalOptima



# What Can ICF/DD Homes Expect?

## **Claim Submissions**

- » What can ICF/DD Home providers expect when submitting claims to your plan?
- » What types of support do you provide to ICF/DD Homes throughout the payment and billing process?
- » How do you work with ICF/DD Home providers to address any issues that arise in the claims submission process?

## **Best Practices for Go-Live**

- » What can ICF/DD Homes do to prepare for the Carve-In to take effect on January 1, 2024?
- » What advice can you share to providers entering the managed care space for the first time?

# Questions?



# Next Steps

# ICF/DD Policy Guidance and Resources

- » DHCS has developed the following policy guidance documents and resources that can be found on the [DHCS ICF/DD Carve-In webpage](#):
  - ICF/DD All Plan Letter (APL) 23-023
  - Model Contract Language (updated October 2023)
  - ICF/DD Carve-In FAQs (updated November 13, 2023)
  - Billing and Invoicing Guide
  - ICF/DD Carve-In Resource Guide (*forthcoming*)
- » DHCS has created [the ICF/DD Member Information webpage](#) that includes Member Enrollment Notices and Notice of Additional Information (NOAI).

# ICF/DD Upcoming Webinars

Topic	Audience	Date and Time
<b>ICF/DD Carve-In 101 for MCPs</b>	MCPs	July 12, 2023, 10:00-11:00am
<b>ICF/DD Carve-In 101 for ICF/DD Homes</b>	ICF/DD Homes & Regional Centers (RCs)	Aug. 21, 2023, 2:30-3:30pm
<b>Office Hours</b>	ICF/DD Homes, RCs, and MCPs	Sept. 8, 2023, 10:00-11:00am
<b>Promising Practices</b>	ICF/DD Homes, RCs, and MCPs	Oct. 6, 2023, 9:30-11:00am
<b>Billing and Payment</b>	ICF/DD Homes, RCs, and MCPs	Nov. 17, 2023, 1:00-2:00pm
<b>Office Hours</b>	ICF/DD Homes, RCs, and MCPs	Dec. 1, 2023, 1:00-2:00pm
<b>How Medi-Cal Supports ICF/DD &amp; Subacute Residents</b>	ICF/DD Homes, RCs, Subacute Facilities and MCPs	Dec. 15, 2023, 2:00-3:00pm


*For information about upcoming webinars and materials from past webinars, visit [the DHCS ICF/DD LTC Carve-In webpage](#).*

**If you have additional questions, please  
email: [LTCTransition@dhcs.ca.gov](mailto:LTCTransition@dhcs.ca.gov)**





# **Appendix: LTC Code and Claim Form Conversion**

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# LTC Code and Claim Form Conversion

Effective February 1, 2024, DHCS will transition to a HIPAA-compliant code set and national claim form for Medi-Cal FFS to provide administrative simplification and ease of use.

- » What is changing?
  - DHCS is replacing the use of LTC local Accommodation Codes with a combination of **National Uniform Billing Committee (NUBC) Revenue Codes, Value Codes, and Value Code Amounts**.
  - DHCS is replacing the local Payment Request for Long Term Care (LTC) 25-1 claim form with the **NUBC UB-04 claim form**.
  - The use of Long Term Care (LTC) local California state-only Patient Status Codes will be replaced with **NUBC Patient Discharge Status Codes**.
- » Additional information and resources about the conversion can be found on [the DHCS LTC Claim Form and Code Conversion webpage](#).