Guidance for CSA Community Policy and Management Teams Regarding the DMAS/Magellan Independent Assessment and Care Coordination Team (IACCT) Process

December 20, 2016

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I. Introduction

Effective January 1, 2017, the Virginia Department of Medical Assistance Services (DMAS) will implement new regulations (12VAC30-50-130) which involve major changes to the Psychiatric Residential Treatment Service Program (current Level C and Level B placements). Included in these changes is the establishment of a revised process for determining if a Medicaid-eligible child meets medical necessity criteria and issuing the Certificate of Need required for Medicaid funding of such placements. DMAS and Magellan of Virginia, DMAS' contracted behavioral health services administrator, have developed relevant guidance and training regarding how these new practices, known as the Independent Assessment and Care Coordination Team (IACCT) will function.

This document is intended to provide guidance for local CSA programs about the interface between FAPT/CPMT processes under the Children's Services Act (CSA) and the DMAS/Magellan IACCT process. This guidance will address work flow, decision making authority, and fiscal responsibility. *Please note: the authority to obligate CSA funds is in all cases retained by the local CPMT. DMAS/Magellan, through the IACCT process, in all cases retains authority to obligate Medicaid funds to pay for the covered components of such placements.*

II. Children in the Custody of a Local Department of Social Services (LDSS)

(*Note*: All placements of children in the custody of an LDSS will be initiated by the LDSS as the legal guardian through established VDSS regulations and policies as well as local CSA policies governing "emergency" and "non-emergency" placements. As the legal guardian, LDSS will be expected to participate in the defined IACCT processes in addition to the current FAPT requirements.)

A. *"Non-Emergency Placements"*: These are children in the custody of an LDSS who are presently in a viable foster care placement [family foster home, treatment foster care, or other setting where the can be safely assessed and reside (e.g., psychiatric hospital, juvenile detention center)] and for whom the LDSS is recommending a placement change to a residential treatment facility (Level C) or therapeutic group home (Level B).

1. If the child's Medicaid eligibility is already established, it is strongly encouraged that referrals by the LDSS family service worker to the Family Assessment and Planning Team (FAPT) for consideration through established LDSS and CSA local policies and to the IACCT for that locality be carried out in such a manner as to minimize delay in consideration of the referral by both entities. For example, the referral to the FAPT and the IACCT could be made concurrently. The LDSS family service worker should collaborate, to the extent possible with the IACCT on the recommendation for residential or alternate community-based services.

a. If the CSA process and the IACCT results in a recommendation and approval of a residential placement (issuance of the Certificate of Need (CON) and CSA approval):

- funding will be authorized as under current practice, with CSA responsible for the educational costs and Medicaid covering the treatment services. For Level C placements, room and board and daily supervision costs are either billed directly to the LDSS (if the child is Title IV-E eligible) or included in the Medicaid billing if the child is not Title IV-E eligible). For foster children placed in a Level B therapeutic group home, room and board is paid either through Title IV-E or CSA as room and board in such facilities is not a Medicaid covered expense.
- the local Medicaid match is collected by the OCS for transmittal to DMAS.

b. If the IACCT issues a Certificate of Need, but the CSA does not authorize the placement, no CSA funds may be used.

2. If the child's Medicaid eligibility has not yet been established (or is suspended due to a placement in a juvenile detention setting or commitment to the Department of Juvenile Justice), the CPMT may "guarantee" the cost of the treatment services pending the Medicaid eligibility determination (or reinstatement), at which time eligibility is made retroactive to the date the child entered LDSS custody or had Medicaid eligibility reinstated. If the child in LDSS custody is determined to be ineligible for Medicaid (e.g., child is undocumented for immigration purposes, child has parental resources that make them ineligible for Medicaid), CSA will be fully responsible for the cost of CSA approved placements. These children will typically be assessed by the CSA team prior to referral to the IACCT, as they are not yet Medicaid eligible. Alternatively, they may fall under the "Emergency Placement" provisions found below.

3. If CSA approves the placement but the IACCT does not issue of a Certificate of Need:

   - CSA is authorized to cover the full cost of the placement for a period to be approved by the CPMT. The FAPT/CPMT should work with the IACCT and Magellan to determine and arrange the appropriate services to meet the child's needs and an alternative to residential placement should be implemented as soon as practicable.
     - Room and board and daily supervision costs are either billed directly to the LDSS (if the child is Title IV-E eligible) or to CSA.
   - the local Medicaid match will not be collected by CSA as Medicaid will not be paying for any part of the placement.
   - local policy will determine whether CSA will approve such placements and for what period of time or alternatively, the implementation of non-residential services in collaboration with Magellan's case management staff may be required.
   - if a child in foster care is ordered by the court to be placed in a residential treatment facility (Level B or Level C), the CSA shall cover the full cost of the placement in accordance with the court order, even if the IACCT does not authorize the placement.

- the local CSA will report on these cases (Certificate of Need not authorized by the IACCT) to the Office of Children's Services (OCS) using a standard format. The purpose of such reporting is to establish data on the number and reasons for such outcomes in order to improve the service continuum. (Note: The details for this reporting is described in a separate document).

4. If the child is placed in a non-Medicaid facility in accordance with established CSA requirements for the use of non-Medicaid facilities, the CSA would be fully responsible for the cost of the placement and no approval from IACCT is required. Documentation regarding use of a non-Medicaid facility would be required for CSA purposes.

B. "Emergency Placements": Children in the custody of an LDSS who are in immediate need of placement in a residential treatment facility (Level C) or therapeutic group home (Level B) and who do not meet the criteria to receive crisis intervention, crisis stabilization or acute psychiatric inpatient services may require emergency placements in residential or group home programs. These are defined in the DMAS regulations as "emergency admissions" or "placements". Such "emergency placements" are authorized under the CSA (§2.2-5209) for up to 14 days at which time the "routine" FAPT and CPMT approval processes must occur. The circumstances under which the LDSS initiates an emergency placement or admission are the same as under current CSA and LDSS practice. Emergency placements in residential facilities for children in foster care should generally be an action of last resort after other less restrictive placements are explored and ruled out.

1. According to 12VAC30-50-130, the Certificate of Need for such emergency admissions shall be completed by the facility-based team responsible for the child's plan of care within 14 days of admission and submitted to Magellan. The certification shall need to cover the full period of time after admission and before for which claims are made for reimbursement by Medicaid. The facility admitting a foster child under the "emergency placement" process shall work with the legal guardian (LDSS) to refer that child to the IACCT in the locality

where the LDSS holds custody within five days of admission, but the Certificate of Need will be completed by the facility team, not by the IACCT.

2. All children placed in a residential treatment facility or therapeutic group home under LDSS/CSA emergency placement authority shall immediately be referred by the LDSS family service worker to the Family Assessment and Planning Team (FAPT) for consideration through established local CSA practices.

3. If the child is placed in a non-Medicaid facility in accordance with established CSA requirements for the use of non-Medicaid facilities, the CSA would be fully responsible for the cost of the placement and no approval from IACCT is required. Documentation regarding use of a non-Medicaid facility would be required for CSA purposes.

4. Once the child is referred to the FAPT/CPMT and the placement is no longer under the “emergency” provisions (i.e., after 14 days following the placement), the same guidance as applies to “non-emergency” placements of children in LDSS custody will apply. Reauthorization for Medicaid funding after the Certificate of Need for the initial emergency admission will be pursuant to the established Magellan procedures and criteria.

III. Students with Education Disabilities Placed Pursuant to an Individualized Education Program (IEP)

A. Students placed in Level C residential facilities due to this setting being specified as the Least Restrictive Environment (LRE) on their IEP shall be referred to FAPT and/or CPMT for funding of such placements according to local CSA policy.

B. If the child is Medicaid eligible at this time, the parents/legal guardian should be asked (and assisted as needed) to make a self-referral to the local IACCT to determine if the child meets medical necessity criteria which would (potentially) allow the treatment component of the placement to be paid by Medicaid. Parents/legal guardians of students placed for educational reasons cannot be compelled to be referred to IACCT as they are entitled to a free and appropriate public education independent of any utilization of Medicaid funds to support such placements. If the child is also in foster care, the LDSS shall make a referral to the IACCT in their role as legal guardian.

C. When the parent/legal guardian agrees to a referral to IACCT:

- if the IACCT process results in an approval of the placement with Medicaid funding due to existing medical necessity criteria:
    - funding would be authorized as under current practice, with CSA responsible for the educational costs and Medicaid covering the treatment services. If the child is also in foster care, room and board would be billed as for a foster child (Title IV-E or Medicaid).
    - the local Medicaid match is collected.
    - no parental contribution can be assessed.

D. The IEP remains the governing authority for the placement. If at any time, Magellan/DMAS discontinues authorization for the placement, CSA will become fully responsible for the cost

of the placement as long as the IEP remains in effect with residential placement as the LRE.

E. If the child is placed in a non-Medicaid facility (including those designated exclusively as residential schools and not psychiatric treatment facilities) in accordance with the IEP the CSA would be fully responsible for the cost of the placement and no approval from IACCT is required. Documentation regarding use of a non-Medicaid facility would be required for CSA purposes.

F. If the parent/legal guardian declines to refer to IACCT or the IACCT determines that the child does not meet medical necessity criteria, CSA shall be fully responsible for the full range of costs associated with the educational placement.

- If the IACCT does not authorize the Certificate of Need, the local CSA will report on such cases to the Office of Children's Services (OCS) using a standard format. The purpose of such reporting is to establish data on the number and reasons for such outcomes in order to improve the service continuum. (Note: The details for this reporting is described in a separate document).

G. Children currently served through CSA through an IEP for private day educational services, may at times, be placed directly by their parents in a residential treatment setting for non-educational reasons (i.e., the placement in the residential setting is not the least restrictive environment specified on the child's IEP). In such instances, the private day education becomes "functionally unavailable" and the cost of the child's educational services in the residential setting becomes the responsibility of the CSA. The cost of the child's non-educational services (treatment) in the residential setting is not the responsibility of CSA and will be funded via Medicaid, as appropriate or the parent. CSA may review and consider whether the child meets criteria for a CSA Parental Agreement, in which case the guidance provided in that section of this document would apply. The local Medicaid match

will be collected for children with private day IEPs placed in residential settings by their parents as these are considered to be CSA cases.

IV. Child in Need of Services / CSA Parental Agreement and "Non-Mandated" Children

(*Note*: This section refers to children who have already come through the CSA process for eligibility and service planning processes.)

A. Determination of CSA eligibility as a Child in Need of Services (CHINS) or as a CSA-eligible "non-mandated" child will be made by the FAPT in accordance with existing CSA and local CPMT policy. Once eligibility for CSA has been established, the FAPT then determines (and the CPMT approves) if placement in a Level B or Level C facility is appropriate and initiates a CSA Parental Agreement.

B. If the child is Medicaid eligible, the parents/legal guardian should be asked (and assisted as needed) to make a self-referral to the local IACCT to determine if the child meets medical necessity criteria. The CPMT should establish policy that all CSA Parental Agreements for Medicaid eligible children be referred to the IACCT for consideration for Medicaid funding. This is consistent with CSA requirements that Medicaid funding shall be utilized when possible. Local CPMT policy should establish whether CSA Parental Agreements for residential placements for Medicaid-eligible children should be made contingent on completion of the IACCT process and an approval for Medicaid funding of the applicable components of the placement (i.e., treatment and room and board).

C. If the IACCT process results in an approval of the placement:

- funding would be authorized as under current practice, with CSA responsible for the educational costs and Medicaid covering the treatment services. For Level C placements, room and board costs are included in the Medicaid billing. For children placed in a Level B therapeutic group home, room and board is paid through CSA as room and board in such facilities is not a Medicaid covered expense.
- the local Medicaid match is collected.
- parental contribution should be assessed and collected.

D. If the child is placed in a non-Medicaid facility in accordance with established CSA requirements for the use of non-Medicaid facilities, the CSA would be fully responsible for the cost of the placement and no approval from IACCT is required. Documentation regarding use of a non-Medicaid facility would be required for CSA purposes.

E. If the IACCT process does not result in approval of the placement:

- CSA is authorized to cover the full cost of the placement for a period to be approved by the CPMT.
- local policy will determine whether CSA will approve such placements and for what period of time and whether such a determination from the IACCT will require the implementation of alternative services in collaboration with Magellan's case management staff. The CPMT may wish to establish policy making such placements via CSA Parental Agreement contingent on IACCT approval for Medicaid-eligible children. The FAPT/CPMT should work with the IACCT and Magellan to determine and arrange appropriate services to meet the child's needs and arrange an alternative to residential placement as soon as practicable.
- if the child is determined to be a CHINS via a court finding and the court order is for residential treatment, the CSA shall cover the full cost of the placement in accordance with the court order.
- the local Medicaid match will not be assessed as Medicaid will not be paying for any part of the placement.
- the local CSA will report on cases in which the Certificate of Need not authorized by the IACCT to the Office of Children's Services (OCS) using a standard format. The purpose of such reporting is to establish data on the number and reasons for such outcomes in order to improve the service continuum. (Note: The details for this reporting is described in a separate document).

V. Medicaid-Eligible Children Referred Directly to IACCT

A. Parents/legal guardians of Medicaid-eligible children not previously described in this guidance document may be referred to IACCT without current involvement in the CSA process. Such children may be referred by other service providers, a residential facility, or directly by the parent. In such cases, the DMAS regulations and Magellan work flow require that, with the parent's consent, the IACCT will notify the local CSA office. CSA eligibility determination and service planning will then occur according to state and local CSA policies. The IACCT teams, Magellan Intensive Case Management staff and the CSA office in each locality are encouraged to develop protocols for information exchange. The local CSA program should develop policies and procedures regarding how to integrate these children and families into existing CSA processes, as appropriate. Existing CPMT parental referral policies should be reviewed and in many instances may be sufficient to address these children under the new IACCT process.

VI. Children Becoming Eligible for Medicaid after 30 Days in Placement ("Family of One" Eligibility)

The DMAS regulations (Psychiatric Services Supplement A (page 19) specify that:

> "All individuals entering psychiatric residential treatment care utilizing private medical insurance who will become eligible for enrollment in the state plan for medical assistance within 30 days following the facility admission are required to have an independent certification of need completed by the team responsible for the plan of care at the facility will provide the certificate of need using the facilities treatment team within 14 days from admission.
>
> Upon the individual's enrollment into the Medicaid program, the residential treatment facility or IMD shall notify the BHSA of the individual's status as being under the care of the facility within 5 days of the individual becoming eligible for Medicaid benefits to begin the coordination and assessment process by the IACCT."

A. For children who are already known to CSA as described elsewhere in this guidance document, the FAPT should upon authorizing, recommending or making an IACCT-approval contingent placement through CSA, gain parental consent and refer the child to the IACCT upon becoming Medicaid eligible as specified in the regulations. Parents should be advised that if they wish avail themselves of the Medicaid benefit after 30 days in placement, this is a requirement of the state Medicaid program. Guidance provided in this document is applicable to these situations, depending on the CSA eligibility category of the child.

B. Local CSA policy should be developed, if needed, for instances in which parents decline to seek Medicaid eligibility and there are no other CSA mandates (i.e., placements for educational purposes).

VII. Medicaid Member Provider Choice and CSA Funding

A. In accordance with federal Medicaid requirements, Virginia DMAS regulations also require that the individual and their parent or legally authorized representative shall have the right to freedom of choice of Medicaid-approved service providers. Many local governments and their CSA programs have established contractual agreements with providers of residential placements resulting in a limited set of provider options.

B. Medicaid members retain the right to freedom of provider choice for Medicaid funded services. However, this provider choice does not extend to non-Medicaid covered services (e.g. education in the residential setting). Under circumstances in which the member's parent wishes to receive residential treatment in a facility not under contract with the locality, CSA is not obligated to fund the non-Medicaid covered components of the program. Parents opting to place their children in facilities not under contract with the local CSA program may be responsible for the non-Medicaid covered components of the placement.

C. Local CSA programs, parents of Medicaid-eligible children being considered for residential placement and the Magellan Intensive Care Management team serving the locality are encouraged to work collaboratively to select placements that will best meet the needs of the child and provide maximum funding for necessary services.

VIII. CANS, IACCT and the CSA CANVaS Software

A. Magellan requires that all children being authorized for Medicaid-funded residential treatment have a valid, recently completed Child and Adolescent Needs and Strengths (CANS) assessment.

B. Children known to CSA:

1. For children currently **referred to an IACCT** from a FAPT/CPMT, the CANS should be completed by the CSA case manager (LDSS, CSB, CSU, school or CSA staff) in accordance with state and local CSA requirements, entered into the CSA CANVaS on-line software. CSA continues to require a CANS assessment, completed by the designated CSA-related personnel, and entered into the CANVaS system.
2. With proper consent of the parent/legal guardian in accordance with local CSA consent requirements, local CSA offices may provide copies of previous CSA-related CANS assessments to the IACCT.
3. Children **referred from an IACCT** to a FAPT and who are determined to be eligible for CSA funding and for who an individual family service plan (IFSP) is being developed will required a “CSA completed” CANS, entered into the CANVaS system even if the IACCT has already completed a CANS. IACCT will not be utilizing the CSA specific version of the CANS and will not have access to the CANVaS system. This is to protect the integrity and security of the CSA CANVaS system as many IACCTs will be private providers not authorized to access the CANVaS system.

C. For children not known to CSA and for whom a referral has been made to IACCT:

1. the IACCT will complete the CANS and enter the information into the Magellan proprietary CANS data system in accordance with Magellan requirements.
2. children not currently open to CSA <u>cannot have a CANS entered into the CANVaS system, even if completed by CSB personnel serving as the LMHP in an IACCT.</u>