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**TO:** Commissioners, TA Directors, FS Directors; Medicaid Directors ; Services Directors;  
Substance Abuse Case Coordinators

**FROM:** Division of Employment & Transitional Supports

**SUBJECT:** Substance Abuse Treatment for Adolescents – Conversion of Some Facilities that  
Treat Adolescents from Congregate Care Level II to Medical Facilities Under  
Residential Rehabilitation Services for Youth (RRSY)

**CONTACT:** DETS at 1-800-343-8859, Temporary Assistance Bureau at extension 4-9344, or  
Food Stamps Bureau at 3-1467  
Medicaid Local District Liaison: Upstate (518) 474-8887, in New York City  
(212) 417-4500  
OCFS: OCFS Regional Representative  
OASAS: Ilyana Metzler at (518) 485-2207, or Maria Morris-Groves at (518)  
485-2123

This is to inform districts about amendments to the Office of Alcohol and Substances Services (OASAS) regulations that establish a new program that will affect a small number of cases that currently receive Temporary Assistance, Food Stamps and Medicaid. Some children in Foster Care may also be affected.

**New Program:**

OASAS is in the process of implementing the new OASAS certified Part 817 Chemical Dependence Residential Rehabilitation Services for Youth (RRSY) programs. The New Part 817 programs are created by converting existing OASAS certified Part 819 Long Term Chemical Dependence Intensive Residential and Part 820 Short/Long Term Residential Chemical Dependency for Youth programs into the new RRSY programs.

**Reimbursement Changes:**

The conversion of the Part 819 and Part 820 Long Term programs will change from Level II Congregate Care (CCII) facilities to medical facilities, the cost of which is a Medicaid (MA) covered benefit. The existing Part 820 Short Term programs are already reimbursed through Medicaid.

**Impact on Temporary Assistance, Medicaid Status and Foster Care Payment:**

As these facilities convert from CCII to medical facilities there may be changes to the adolescent's or family's assistance status. Additionally, Medicaid eligible adolescents in an RRSY program will be excluded from enrollment in Medicaid managed care program. If a foster child was placed into an affected facility, the foster care payment to the facility will cease.

Conversion of existing to the RRSY model will be staggered over a three year period, with individual RRSY facilities becoming Medicaid providers at various times based on provider readiness.

As of August 1, 2007, only two programs have converted to an RRSY:

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Can-Am Youth Services, Inc. d/b/a/ Rose Hill  
100 County Route 43, Massena, NY 13662  
Telephone – (315) 764-9700, Ext. 239

and

PRCD, INC  
2654 Ridgeway Avenue, Rochester, NY 14626  
Telephone (585) 723-7007

Two foster children were the only social services related children a converted facility and OCFS notified the Services units in each of the two responsible districts about those children. Conversions of other facilities will be done facility by facility on a staggered basis over a three-year period.

**TA/MA Implications**

**1. Provider Action – Timeframes That Providers Must Meet in Order for Conversion to Occur on Schedule.**

To meet conversion timeframes and ensure access to Medicaid, the RRSY programs must complete certain administrative and operational benchmarks prior to the scheduled conversion date.

- Five weeks prior to the scheduled conversion date, providers will complete the OASAS form 0410, “Part 817 Residential Rehabilitation Services for Youth – Temporary Assistance (TA) and Medicaid (MA) Client List to Close Clients Congregate Care Level II” and alert districts to the client’s change in living arrangement so that TA, Medicaid and FS eligibility can be re-determined.
- This initial list will provide the name, Client Identification Number (CIN), TA or Medicaid case number if known, the district of fiscal responsibility (DFR), and the effective date. The form will report only adolescents expected to be in the facility at the time of the conversion.
- Four weeks prior to conversion the provider MUST simultaneously transmit this list to the TA Director and Medicaid Director for each specific adolescent’s DFR, the State Department of Health, Office of Health Insurance Programs, Division of Managed Care, as well as to OASAS.
- Providers have been advised that failure to transmit the client list may jeopardize the RRSY provider’s conversion process and access to Medicaid reimbursement for the RRSY service.

**2. District Action**

When the DFR receives the list, the district will have to re-determine eligibility for TA, Medicaid and FS for the individual and for the individual’s family, if applicable, according to the program specific instructions below.

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### 3. Program Specific Instructions

#### A. Temporary Assistance

##### 1. Adolescents Anticipated to be in Residence Upon the Initial Program Conversion Date: Converting Clients From Congregate Care Level II to Medical Facility

###### a. Single person case:

The TA case of a single person (adolescent is not temporarily absent from a family unit), will close. This is because the adolescent will not have a Level II rate expense or Level II personal needs allowance (PNA). The adolescent will not be eligible for a \$40 PNA.

###### b. Multi-person case:

The family's TA budget must be recalculated. Currently the budget is based on the basic allowance, HEA and SHEA of the family members not in treatment, the shelter (and fuel, if appropriate) allowance for all family members including the temporarily absent individual, and the Level II rate and Level II PNA as additional needs.

Upon conversion, the basic allowance, HEA and SHEA, shelter (and fuel) will be based on the entire family including the temporarily absent member. The Level II rate and PNA will be removed from the budget. Any income of the family will be counted against this reduced standard of need.

Districts will send the appropriate timely and adequate notice at least 10 days in advance of the effective date of the action.

#### B. Food Stamps

Residents of medical facilities or institutions are not eligible to receive food stamp benefits.

Residents of facilities affected by this conversion who are in receipt of FS benefits must have their food stamp case closed effective the last day of the month immediately preceding the month of conversion. Facilities will be converted effective the first day of the month of conversion. For example, a food stamp recipient who is a resident of a facility scheduled for conversion effective November 1<sup>st</sup> should be given timely and adequate notice and have his/her case closed effective October 31<sup>st</sup>. FS Reason Code E72 should be used for these closings.

#### C. Medicaid

For adolescents that continue to be TA eligible, ongoing or during the conversion month, Medicaid is authorized via the TA case.

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For adolescents up to age 19 that are no longer TA eligible, Medicaid must continue under continuous coverage. For individuals age 19 and over Medicaid must continue until a separate Medicaid determination is made using LIF levels for budgeting (for non-SSI related children). When an individual age 19 or over is ineligible using LIF budgeting, the individual's eligibility should be determined using Family Health Plus (FHP) budgeting. The household size includes legally responsible relatives and siblings that the adolescent was residing with prior to entering the RRSY program.

Certified disabled adolescents under the age of 18, who are no longer eligible for TA, but are expected to remain out of the parental household for 30 days or more, are budgeted as a household of one, using SSI-related budgeting. These children should continue to be authorized with Medicaid coverage code 01, Full coverage, providing the adolescent does not have a spenddown requirement until a separate determinations made. In the separate determination process, these individuals may attest to the amount of their resources and be authorized with coverage code 20, to assure payment of medical care and services in the RRSY program.

As a result of the change in living arrangement, adolescents in RRSYs may lose SSI eligibility. In accordance with 80 ADM-19, individuals who lose SSI eligibility continue to remain Medicaid eligible until a separated determination is made. In the separate determination process, these individuals may attest to the amount of their resources and coverage code 20 authorized, to assure payment of medical care and services in a RRSY program.

If the adolescent continues to be Medicaid eligible under LIF, expanded or FHP budgeting, authorize with Medicaid coverage code 01, full coverage. Other family members who remain eligible are authorized with the appropriate coverage code. Adolescents who continue to be Medicaid eligible under SSI-related budgeting should be authorized with the appropriate coverage code based on the required documentation. SSI-related adolescents who attest to the amount of their resources are eligible for medical care and services in an RRSY program.

SSI-related A/Rs must be offered a choice between the SSI and ADC budgeting methodologies, if the A/Rs meet the categorical requirements for ADC.

Adolescents in RRSYs are not eligible for enrollment in Medicaid managed care and must be disenrolled if enrolled in a health plan. These children must be coded 90, excluded from managed care enrollment, on the Restriction/Exception subsystem.

Districts must send the appropriate notice indicating the ongoing or closing status of the adolescent's, and the family's Medicaid eligibility.

**D. Foster Children**

Among the residential programs transitioning to Part 817 Chemical Dependence Residential Rehabilitation Services for Youth Programs (RRSY) are programs where foster children may have be placed to receive residential rehabilitative services. Heretofore, OCFS published foster care rates for five such programs that were subject to

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a Memorandum of Understanding between OCFS and OASAS. As these programs transition to Part 817, the programs will notify the districts so that foster care payments for children in placement can be halted. Instead, the programs will be billing Medicaid directly. The LDSS case manager should make any necessary authorization coding changes in WMS.

**District of Fiscal Responsibility (DFR):**

An adolescent who enters a Chemical Dependence Residential Rehabilitation Services for Youth Program in a district other than their district of residence, who is or becomes in need of Temporary Assistance and/or Medicaid, will be the responsibility of the district from which the individual was admitted to the RRSY. This responsibility continues until there is a "break in need".

Adolescents who are in residence at the time of conversion, who are receiving TA and/or Medicaid will continue to be the responsibility of the district providing assistance or care, including Medicaid, at the time of conversion.

**Notices:**

Workers must use the manual notice, the LDSS-4015A and B to issue timely and adequate notice to inform the individual about the change in his or her status. Use WMS case level reason code "Y99 – Other" and provide the following reason language.

**Single person case:** The TA case of a single person (adolescent is not temporarily absent from a family unit), will close. This is because the individual will have no TA needs. Medicaid will continue for adolescents under age 19 until the end of the continuous coverage period. For adolescents age 19 and over, a separate Medicaid determination must be made. When an adolescent age 19 or over is determined Medicaid eligible, s/he should be authorized with the appropriate coverage code.

The notice language follows:

"This is because you no longer have needs eligible to be met by public assistance.

Even though you remain in your residential substance abuse program, the State rules about how the program will be paid have changed. The program is now an OASAS certified "Chemical Dependence Rehabilitation Services for Youth" program and the cost of the program is paid by Medicaid for those who are eligible.

This decision is based on 18 NYCRR 352.29 and 14 NYCRR Part 817."

To close a single person case in NYC, the worker will use case level reason code G55 "In OASAS Chemical Dependency Residential Rehabilitation Services for Youth Program".

**Multi-person case:** The family's TA budget will have to be recalculated. Currently, the budget is based on the basic, HEA and SHEA of the family members not in treatment, the shelter (and

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fuel, if appropriate) allowance for all family members including the temporarily absent individual, and the Level II rate and PNA as additional needs.

The basic, HEA and SHEA, shelter (and fuel) will be based on the entire family including the temporarily absent member. The Level II rate and PNA will be removed from the budget. Any income of the family will be counted against this reduced standard of need.

The notice language follows:

"This is because the needs of (NAME) have changed and that has changed the standard of need for your household.

Even though (NAME) remains in the residential substance abuse program, the State rules about how the program will be paid have changed. The program is now an OASAS certified "Chemical Dependence Rehabilitation Services for Youth" program and the cost of the program is paid by Medicaid only for those who are eligible.

In addition to the cost of the treatment program being removed from your budget, (NAME) will no longer receive a personal needs allowance and he or she has been added into the basic needs for your case.

See enclosed budget worksheet.

This decision is based on 18 NYCRR 352.29 and 14 NYCRR Part 817."

**Medicaid Language for Notices:**

When the client is determined eligible for Medicaid, use Paragraph Number I0077.

When the client will receive continuous coverage, use Paragraph Number I0058.

When Medicaid is continued until a separate determination of Medicaid eligibility is made use paragraph Number I0026 or I0008

When a client over the age of 19 is closed, the Paragraph Number appropriate for the denial reason code should be used.

An ADM will follow.