ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 93 ADM-3

DIVISION: Health and Long Term Care

TO: Commissioners of Social Services

DATE: February 9, 1993

SUBJECT: Federal Reimbursement for Outstationing Workers Under OBRA 90

SUGGESTED DISTRIBUTION:	Medical Assistance Staff Fair Hearing Staff Staff Development Coordinators Accounting Staff
CONTACT PERSON:	MA Eligibility Representative: 1-800-342-3715, Extension 3-7581 (User ID: OME060) In New York City: 212-417-4853 Claiming questions: Upstate: Roland Levie at Ext. 4-7549 (AX2060) New York City: Marvin Gold 212-804-1108 (OFM270)
ATTACHMENTS:	Attachment I: Example I (not available on line) Distribution of Allocated Costs Cost Allocation DSS 923B Financial Summary For Special Projects DSS-3922 Attachment II: Example II (not available on line) Distribution of Allocated Costs Cost Allocation DSS-923B Financial Summary For Special Projects DSS-3922 Attachment III: Provider Letter (Available On-Line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
91 ADM-28			PL 101-503 (OBRA 90)		

DSS-296EL (REV. 9/89)

I. PURPOSE

This Directive advises districts of procedures to claim federal financial participation (FFP) for certain expenses associated with Medical Assistance (MA) outreach as required under the Omnibus Budget Reconciliation Act of 1990 (OBRA 90). FFP is available for reimbursement of the cost of staff outstationed at disproportionate share hospitals, Federally-Qualified Health Centers (FQHCs) or other sites approved by the Department to accept MA applications from households which include children born on or after October 1, 1983 and/or pregnant women.

II. BACKGROUND

OBRA 90 revised Section 1902 (a)(55) of the Social Security Act to require that, effective July 1, 1991, states receive and begin processing MA applications for households including children born on or after October 1, 1983 and/or pregnant women at locations other than social services district offices. To increase access to medical care for the target population, OBRA 90 required that staff able to accept MA applications be stationed at disproportionate share hospitals, FQHCs, and other appropriate sites. In 91 ADM-28, "Medical Assistance Applications at Hospitals and Federally-Qualified Health Centers", districts were provided with instructions regarding outreach requirements and staffing options. Districts were required to submit an implementation plan including a description of staffing to the Department for approval. Outstationed staff may be district staff or provider staff trained by the district or State.

Although providers are not required to provide their own staff or share in the costs of district staff that meet the outreach function, some providers are willing to absorb costs so that their patients have more opportunties to apply for MA. Staff costs may be paid by the district, the provider or shared.

OBRA 90 also included provisions permitting FFP for the cost of outstationing eligibility workers. This Directive provides procedures for claiming FFP.

III. PROGRAM IMPLICATIONS

Federal reimbursement is available for certain expenses associated with outstationed eligibility staff who are engaged in the initial processing of MA applications for the target population. Expenses for which 50 percent FFP reimbursement is available for these eligibility staff include salary, fringe benefits, travel, training, equipment directly attributable to the needs of outstationed workers and administrative costs such as those for contract development and monitoring. Also, district overhead and other indirect costs are eligible for federal reimbursement. Space related to providers is not allowable since these costs are already included in the facility per diem rate.

Prenatal Care Assistance Program (PCAP) providers are ineligible for additional reimbursement since these providers now receive the maximum FFP available. Also, the costs associated with district employees who provide outreach without provider cost sharing are now reimbursed at the maximum FFP and are not eligible for additional reimbursement.

Districts now have the option to contract with providers serving the medical needs of the target population and who would like to expand their facility's outreach capabilities. The district may offer 50 percent FFP in the costs of expenses attributed to outstationed staff. The total cost will be shared equally between the provider and the federal government.

NOTE: Although providers are given the option of using their staff for outreach activities, they are not required to do so.

The following describes reimbursement options for district and provider employees:

A. District Employees

Districts now receive 50 percent federal and 25 percent State reimbursement for the cost of district employees, including those who fulfill the outstationing requirements of OBRA 90. While providers do not generally share in the cost of district employees currently outstationed, providers may be interested in expanding the outreach capability at their facilities if their costs will be only 50 percent of the additional costs for the district employee.

Under a contract between a district and a provider to outstation additional district employees or to increase the hours of current district employees:

1. the district will bill the provider for 50 percent of the additional cost attributed to the outstationed employee;

2. the district will submit to the Department a bill for the total additional cost attributed to the outstationed employee; and

3. the Department will pass a long to the district the federal share of costs associated with outstationing.

B. Provider Employees

Under a contract between a district and a provider to outstation provider employees and receive FFP:

1. the provider and district will each agree to pay 50 percent of the cost of the employee, with the district's share being fully reimbursed;

2. the provider will bill the district for the full cost of the employee;

3. the district will submit to the Department a claim for the full cost of the employee;

4. the Department will claim the full cost to the federal government, which will reimburse 50 percent of such costs;

5. the Department will pass a long to the district the federal share of costs associated with outstationing; and

6. the district will then reimburse the provider for 50 percent of the cost of the employee.

Since no additional State or local funding is required, the cost of outstationing workers should have minimal fiscal impact on State and social services district expenditures.

IV. REQUIRED ACTION

Districts may offer disproportionate share hospitals, FQHCs, clinics or alternative sites that serve the medical needs of the target population the option to pay 50 percent rather than 100 percent of the cost of outstationed staff. This option may be offered only when the district and provider have agreed upon a contract as described in this Directive.

A. Contract Requirements

1. Districts may contract with a provider to facilitate federal reimbursement for 50 percent of the cost attributed to outstationed staff. This reimbursement is available only when the district has assessed the need for outreach at the facility and the contract terms are supported by the assessment.

2. Costs for which reimbursement is provided and the amount of reimbursement must be specified in the contract. Reimbursement is available for the costs of salary, fringe benefits, travel, training, contract development and monitoring, and equipment directly attributable to the needs of the outstationed worker, including overhead. Reimbursement is not available for costs already reimbursed by MA, for example, the cost of items included in the establishment of a clinic provider's rate of payment. When outreach staff routinely take applications from applicants other than the target population, costs must be prorated accordingly.

3. The contract must specify the title of outstationed staff and the hours that such staff are available to fulfill the OBRA 90 outstationing requirements for the target population.

4. The contract must specify minimal standards to be met, such as number of applications from the target population per month, and the outreach responsibilities of the district and the provider.

5. The contract must specify the district's responsibility to monitor fulfillment of the contract requirements, the frequency of reviews and the conditions under which reimbursement will be terminated. Since FFP is provided, staffing costs may be subject to federal review.

B. Claims Payment Procedures

Claims payment procedures depend upon whether outstationed staff are district or provider employees. Attachments I and II illustrate use of claims forms for both situations.

1. District staff

The cost of new staff hired by the district for which the medical provider will contribute 50 percent should be coded to the F-17 function code and claimed on the DSS-3274 entitled, "Schedule D-17 Distribution of Allocated Costs to Other Reimbursable Programs". Any non-salary costs such as travel, training, and equipment, etc., will be reported on the Schedule D-17 as well as on the DSS-923B entitled, "Cost Allocation Schedule of Payments For Administrative Expenses Other Than Salaries for Other Reimbursable Programs". The costs from the Schedule D-17 have to be brought forward to the DSS-3922 form entitled, "Financial Summary for Special Projects" where the total costs would be shown under the Total Column, and the federal share at 50 percent will be shown under the Federal Share column. There will be nothing reported under the State Share and Local Share columns because these shares will be contributed by the provider. (See Attachment I for an illustrative example of how to submit claims for reimbursement when using district staff.)

For districts that have no new staff, but increase the hours existing staff devote to outreach because they have contracted with the provider to pay 50 percent of the additional expenses, the part of the worker's salary related to the additional outreach activities will have to be determined. The district will need to evaluate the percent of the worker's salary devoted to outreach after the increase and prorate the worker's salary accordingly. Only those costs will be claimed on the Schedule D-17 and the DSS-3922. The rest of the worker's salary will be reported as usual as Medical Assistance administrative costs on the DSS-2347-B2, entitled, "Schedule D-4 Calculation of Medical Assistance Eligibility Determination/Authorization/Payments Cost Shares". The DSS-923B will also be completed for any non-salary expenditures related to the outreach activities.

2. Provider staff

For costs related to the provider's staff who are performing outstationed activities, the costs will be claimed at the full amount on the Schedule D-17 and DSS-923B as a non-salary contractual cost. These costs will be brought forward to the DSS-3922 on the contractual services line (Line 8, Section B Non-Personal Services). Again, the full costs will be reported under the Total column, and the federal share would be shown at 50 percent. No State or local shares will be shown. When the claim is settled, the district will then remit the federal funding to the provider. (See Attachment II for an illustrative example of how to submit claims for reimbursement when using provider staff.)

Please note that either method of providing these services will not adversely affect the district's administrative cost cap since no State reimbursement is claimed under these situations. If, however, the district provides outstationed staff without any financial contribution from the provider and claims State and federal reimbursement through the normal claiming process, those costs will continue to apply against the administrative cost cap.

C. <u>Provider Contact</u>

Attachment III is a sample letter districts may send to providers to describe the new FFP reimbursement now available for outstationed staff.

V. <u>SYSTEM IMPLICATIONS</u>

None.

VI. <u>EFFECTIVE DATE</u>

This Directive is effective February 1, 1993.

Gregory M. Kaladjian
Executive Deputy Commissioner

EXAMPLE I (District Employee)

York County and Memorial Hospital reach an agreement under which York County will hire an additional full time examiner, Clark Kent, to work at the hospital to provide outreach to families including pregnant women and young children. The examiner's salary and benefits cost $20,000 per year. Equipment, travel and training costs are estimated at $5,000 for the first year. District overhead and indirect A-87 expenses associated with the employee are $2,000. Supplies will be obtained at I. M. Office Supply. The hospital agrees to pay half the cost, or $13,500, to the district to have a full time outreach worker stationed at the facility. The attached schedules illustrate claiming procedures for district staff when costs are shared by the hospital.

NOTE: Claiming for the examples is shown with a full year's costs for illustrative purposes. Actual claims will be prepared on a monthly basis and should reflect only the costs for that particular month.

EXAMPLE II (Provider Employee)

General Hospital and Algonquin County reach an agreement under which General Hospital will hire a full time staff person for outreach at their facility. The salary and benefits for the new employee will cost $20,000 per year. The equipment and training costs are estimated to be $4,000 for the first year. The provider will bill the district for the full cost of the employee in order to receive 50% federal reimbursement. The attached schedules illustrate claiming procedures for an employee hired by the hospital. Please refer to the NOTE under EXAMPLE I.

ATTACHMENT III

SAMPLE LETTER

Dear (Provider):

In an effort to increase access to medical care, the federal Omnibus Budget Reconciliation Act of 1990 (OBRA 90) required that each state provide for the initial processing of medicaid applications (outreach/outstationing) at certain locations used to provide medical care to households including pregnant women and children born on or after October 1, 1983. In addition, OBRA 90 included provisions for federal financial participation for reimbursement of certain costs incurred by outstationed staff at disproportionate share hospitals, Federally-Qualified Health Centers or other DSS approved sites.

We are now able to offer you the option of receiving 50 percent reimbursement of your costs associated with outstationing. This option is available by entering into a contractual agreement with the County Department of Social Services. Reimbursement under the contract is available for those costs directly attributed to outstationing activities when the district has assessed the need for outreach at the facility. Costs for which reimbursement is provided will be specified in the contract. Reimbursement is available for 50 percent of the cost of salary, fringe benefits, travel, training, and equipment directly attributable to the needs of the outstationed worker. Reimbursement is not available for costs already reimbursed by medicaid (i.e., items included in the establishment of a clinic provider's rate of payment). The title of the outstationed staff and the hours such staff are available to fulfill the OBRA 90 outstationing requirements for the target population will be specified in the contract. Minimal standards (i.e., number of applications per month), procedures to evaluate and terminate the agreement and the responsibilities of each of the parties will also be included in the contract.

If you are interested in increasing the opportunity for your patients to apply for medicaid and in receiving 50 percent reimbursement of your outstationing costs, please contact (name) at (telephone number) to discuss the various options. Your assistance and cooperation in increasing the availability of the medicaid application process to pregnant women and children born on or after October 1, 1983 is appreciated.

Sincerely,

Commissioner
Local Social Services District