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Department of Health Care Services



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DATE: September 12, 2016

CCT GL: #16-014

Supersedes CCT GL #15-005

TO: CCT Program Director

SUBJECT: HOUSEHOLD SET-UP APPROVAL PROCESS

PURPOSE

This California Community Transitions (CCT) Guidance Letter (GL) revises the process by which state CCT nurses will approve Treatment Authorization Requests (TARs) for Household Set-up costs.

BACKGROUND

On July 6, 2015, the Department of Health Care Services (DHCS) released a GL intended to provide a standard framework for approving household set-up TARS to reduce the amount of time providers and DHCS nurses spent processing multiple household set-up TARS. Under GL #15-005 (superseded by this letter, GL #16-014) household set-up costs were pre-authorized, up to the applicable household set-up cost threshold, through a single TAR. Unfortunately, the modified billing code and existing billing structure did not allow LOs to receive reimbursement for more than one (1) submission of household set-up costs (regardless of the cost threshold). As a temporary fix, LOs were instructed to submit home set-up TARS with 10 units. Soon after, DHCS received reports from LOs stating they were not receiving accurate reimbursement for the home set-up costs they submitted.

Upon investigation, DHCS learned that the state fiscal intermediary, Xerox, assigns equal, maximum payment amounts to each unit assigned to a payment threshold. As a result, when a home set-up TAR is submitted/approved with 10 units, up to a maximum amount, each unit is assigned a payable amount of 1/10 of the maximum reimbursement amount. For example, a \$5000 TAR approved for 10 units will only allow a maximum amount of \$500 per unit to be claimed ($\$5000/10 \text{ units} = \$500/1 \text{ unit}$).

The new process for approving household set-up expenses outlined in this GL is intended to mitigate the identified billing issues, while still providing a standard framework for basic household set-up.

GUIDANCE

Upon approval of the 100-hour TAR for Transition Coordination services, CCT LOs may submit TARs utilizing service code T2038 HT for allowable¹ household set-up costs. While multiple TARs may be submitted, the total **maximum** billable amount for this service is \$7,500.

The TAR must be submitted for one unit and the dollar amount requested must be included in the "Miscellaneous TAR Information" section, or included as an attachment to the TAR. CCT LOs must submit appropriate documentation to their assigned state Nurse for review to justify the request for funds. Appropriate documentation may include but is not limited to: receipts, purchase orders, written justification of items to be purchased, photographs, diagrams, written statement of medical necessity from physicians, etc.

HOUSEHOLD SET-UP COST THRESHOLDS

The **maximum** billable amount for this service is \$7,500. Requests for additional funds for household set-up will not be approved.

It is the responsibility of the CCT LO to ensure public funds are used efficiently, effectively, and in compliance with state and federal purchasing requirements. All CCT expenditures must adhere to the cost principles established by the Federal Office of Management and Budgets (OMB). Title 2 of the Code of Federal Regulations (2 CFR), Subtitle A, Chapter II, parts 225 and 230 specifically outline allowable costs and should be the basis for determining the allowability of household set-up costs.

QUESTIONS

If you have any questions regarding this Guidance Letter, please contact Karli Holkko at: karli.holkko@dhcs.ca.gov or (916) 322-5253.

Sincerely,

(original signed by)

Rebecca Schupp, Chief
Long-Term Care Division

¹ Allowable costs are described in the *Home Set-up Resource* available on the CCT Website, at: <http://www.dhcs.ca.gov/services/ltc/Documents/CCTHomeSet-UpResource.pdf>