



Bulletin

NUMBER

#15-25-02

DATE

February 20, 2015

OF INTEREST TO

County Directors
Social Services Supervisors
and Staff
Managed Care
Organizations
Providers

ACTION/DUE DATE

Understand and apply
appropriate rate
methodologies when
authorizing EW, AC and
ECS services.

End use of certain daily
procedure codes by 7/1/15.

EXPIRATION DATE

February 20, 2017

Rate Methodologies for EW, AC, and ECS Service Authorization

TOPIC

Rate methodologies and rate policies to use when authorizing services under the Elderly Waiver (EW), Alternative Care (AC), and Essential Community Supports (ECS) programs.

PURPOSE

Notify lead agencies (county, health plans and tribes) and providers of rate methodologies and rate policies that must be applied when determining rates and authorizing services for Elderly Waiver, Alternative Care, and Essential Community Supports participants.

CONTACT

Submit policy questions through [PolicyQuest](#).

For MMIS data entry questions contact the Disability Service Division (DSD) Resource Center at (651) 431-2450, (888) 968-8463 or dhs.resourcecenter@state.mn.us.

SIGNED

LOREN COLMAN
Assistant Commissioner – Continuing Care Administration

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. Background

The Minnesota Department of Human Services (DHS) Aging and Adult Services Division, in partnership with the Disability Services Division, is undertaking multiple efforts to modernize its systems for managing, monitoring, and paying providers of Home and Community Based Services (HCBS) waiver and Alternative Care services. These efforts are in response to concerns communicated from the Centers for Medicare and Medicaid Services (CMS), as outlined in bulletin #13-56-02.

CMS has directed that states must have in place uniform statewide service rate determination methods and standards. In April 2014, DHS issued a memo to lead agencies that provided guidance on the methods to use when authorizing Elderly Waiver (EW) and Alternative Care (AC) services. The memo stated that lead agencies should ensure these methods are applied to services authorized through EW and AC no later than July 1, 2014.

CMS approved the renewal of the Elderly Waiver in September 2014, based on Minnesota's application of the rate methodologies described in the April 2014 memo. The purpose of this bulletin is to re-issue and update the guidance provided in the April 2014 memo, following CMS' approval of the Elderly Waiver. Information contained in this bulletin regarding rate methodologies also applies to services authorized under the Essential Community Supports (ECS) program, as well as services provided to some individuals under Emergency Medical Assistance. See bulletins #14-25-13 for more information about the Essential Community Supports Program available January 1, 2015, and #14-25-01 for information about HCBS services available to individuals who are eligible for Emergency Medical Assistance.

II. Description of Rate Methodologies

Elderly Waiver, Alternative Care, and Essential Community Supports rates authorized by the lead agency are determined using the following methods:

1. State Established Rates

The state (through the Minnesota Department of Human Services) establishes rates for most EW, AC, and ECS services, for state plan services including Extended State Plan services that are authorized under EW, and personal care assistant (PCA) and home care that is authorized under AC.

2. Rate Setting Tool

Customized living and 24 hour customized living

DHS requires counties and tribes to use the EW Customized Living Tool (CL Tool) for determining rates for EW customized living services. See bulletin #14-25-06 for further information about EW customized living services.

Foster care and residential care

On June 6, 2014, DHS issued an updated version of the CL Tool that can be used to determine rates for EW foster care and residential care services. Lead agencies currently have the option of determining foster care and residential care rate authorizations using the CL Tool or a lead-agency developed rate-setting tool based on an individual's case mix and assessed need. Beginning July 1, 2015 lead agencies will be required to use the CL Tool to determine rates for EW foster care and residential care services.

3. Market Rates

Some EW, AC, and ECS services are authorized at the market rate, which is the rate for services purchased at the usual price typically charged on a community market basis. A subset of the market rate services are those services and goods purchased infrequently or one time for consumers from vendors on a retail basis and reimbursed based on receipts. Market rate services have established rate maximums. These services must be authorized at the market rate, up to the published rate maximum.

4. Consumer Directed Community Supports (CDCS)

Individual CDCS budget caps for EW and AC participants are established by the state and published in the [Continuing Care Service Rate Limits](#) document.

Authorization of services approved as part of a person's individual CDCS plan and budget must be according to policies set by DHS and within the [Consumer Directed Community Supports Lead Agency Operations Manual \(DHS-4270\)](#).

III. Rate Methodologies and Rate Policy By Service

Rate limits, monthly budget caps, and component service rates published in the [Continuing Care Service Rate Limits](#) document apply to AC, EW, and ECS services.

In addition, lead agencies should apply the following rate methodologies and policies when authorizing services under EW, AC, and ECS.

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
24 Hour Customized Living	Per Month	T2030 TG	EW	Rate setting tool	
Adult Day Service	15 Minutes	S5100	AC, EW, ECS	State established	
Adult Day Service	Daily	S5102	AC, EW	State established	Cannot be used for services provided after July 1, 2015. Until then, use for a service need of 4 hours per day or less.
Adult Day Service - FADS	15 Minutes	S5100 U7	AC, EW, ECS	State established	
Adult Day Service - FADS	Daily	S5102 U7	AC, EW	State established	Cannot be used for services provided after July 1, 2015. Until then, use for a service need of 4 hours per day or less.
Adult Day Service Bath	15 Minutes	S5100 TF	AC, EW	State established	

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
Case Management	15 Minutes	T1016 UC	AC, EW, ECS	State established (when delivered by counties and tribes)	Case management services delivered by contracted entities may be authorized at a county-determined rate based on contractual agreements, up to the state-established service rate.
Case Management – Conversion	15 Minutes	T1016	AC	State established (when delivered by counties and tribes)	Case management services delivered by contracted entities may be authorized at a county-determined rate based on contractual agreements, up to the state-established service rate.
Case Management Aide (Paraprofessional)	15 Minutes	T1016 TF UC	AC, EW, ECS	State established (when delivered by counties and tribes)	Case management services delivered by contracted entities may be authorized at a county-determined rate based on contractual agreements, up to the service rate limit.
CDCS Background Check	Per Print	T2040	AC, EW	State established	

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
CDCS Mandatory Case Management	15 Minutes	T2041	AC, EW	State established (when delivered by counties and tribes)	Case management services delivered by contracted entities may be authorized at a county-determined rate based on contractual agreements, up to the state-established service rate.
Chore Service	15 Minutes	S5120	AC, EW, ECS	State established	
Community Living Assistance in person and remote	15 Minutes	H2015	ECS	State established	
Community Living Assistance remote only	Daily	H2016	ECS	State established	
Companion Services	15 Minutes	S5135	AC, EW	State established	
Customized Living	Per Month	T2030	EW	Rate setting tool	
Discretionary Services Option		X5527	AC	Market	Limited to 25% of the county's base allocation amount
Environmental Accessibility Adaptations (<i>Home Assessment</i>)	Per assessment	T1028	AC, EW	Market	Total of all 4 environmental accessibility adaptations (EAA) services cannot exceed \$10,000 per waiver year

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
Environmental Accessibility Adaptations (Home Installation)	Per service	S5165	AC, EW	Market <i>May be reimbursed based on receipts.</i>	Total of all 4 EAA services cannot exceed \$10,000 per waiver year
Environmental Accessibility Adaptations (Vehicle Modification Assessment)	Per assessment	T2039 UD	AC, EW	Market	Total of all 4 EAA services cannot exceed \$10,000 per waiver year
Environmental Accessibility Adaptations (Vehicle Modification Installation)	Per service	T2039	AC, EW	Market <i>May be reimbursed based on receipts.</i>	Total of all 4 EAA services cannot exceed \$10,000 per waiver year
Family Caregiver Coaching and Counseling (including Assessment)	15 Minutes	S5115 TF	AC, EW, ECS	State established	Do not exceed the maximum number of units as instructed in bulletin #13-25-06.
Family Caregiver Training and Education	15 Minutes	S5115	AC, EW, ECS	Market <i>May be reimbursed based on receipts.</i>	
Foster Care – Adult, Corporate	Per Month	S5141 HQ	EW	Rate setting tool	DHS rate setting tool will be required beginning July 1, 2015.
Foster Care – Adult, Family	Per Month	S5141	EW	Rate setting tool	DHS rate setting tool will be required beginning July 1, 2015.
Home Delivered Meals	Per meal	S5170	AC, EW, ECS	State established	Limit of one meal per day.

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
Home Health Aide	15 Minutes	T1004	AC	State established	
Home Health Aide, Extended	15 Minutes	T1004	EW	State established	
Home Health Aide	Visit	T1021	AC	State established	
Home Health Service – Skilled Nursing	15 Minutes	G0154	AC	State established	
Home Health Service – Skilled Nursing	Visit	T1030	AC	State established	
Home Health Service – Telehomecare		T1030 GT	AC	State established	
Homemaker – <i>(Assistance with personal cares)</i>	15 Minutes	S5130 TG	AC, EW, ECS	State established	
Homemaker – <i>(Assistance with personal cares)</i>	Daily	S5131 TG	AC, EW	State established	Cannot be used for services provided after July 1, 2015. Until then, use for a service need of 3 hours per day or less.
Homemaker – <i>(Cleaning)</i>	15 Minutes	S5130	AC, EW, ECS	Market	
Homemaker – <i>(Cleaning)</i>	Daily	S5131	AC, EW	Market	Cannot be used for services provided after July 1, 2015. Until then, use for a service need of 3 hours per day or less.

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
Homemaker – (Home Management)	15 Minutes	S5130 TF	AC, EW, ECS	Market	
Homemaker – (Home Management)	Daily	S5131 TF	AC, EW	Market	Cannot be used for services provided after July 1, 2015. Until then, use for a service need of 3 hours per day or less.
Licensed practical nurse (LPN) Complex, Extended	15 Minutes	T1003 TG UC	EW	State established	
LPN Regular, Extended	15 Minutes	T1003 UC	EW	State established	
LPN Shared 1:2 Ratio, Extended	15 Minutes	T1003 TT UC Modifier used for billing purposes only and is not entered on the service agreement.	EW	State established rate for 1:1 ratio.	Billed by provider with the modifier on submitted claims as required.
Nutrition Services	Visit	S9470	AC	State established	
PERS installation and testing	Each time	S5160	AC, EW, ECS	Market <i>May be reimbursed based on receipts.</i>	Total of all 3 PERS codes cannot exceed \$3,000 per waiver/service year. See bulletin #13-25-04.

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
PERS monthly service fee	Monthly	S5161	AC, EW, ECS	Market <i>May be reimbursed based on receipts.</i>	Total of all 3 PERS codes cannot exceed \$3,000 per waiver/service year. See bulletin #13-25-04.
PERS purchase	Each time	S5162	AC, EW, ECS	Market <i>May be reimbursed based on receipts.</i>	Total of all 3 PERS codes cannot exceed \$3,000 per waiver/service year. See bulletin #13-25-04.
Personal Care Assistance (PCA) – 1:1 Ratio	15 Minutes	T1019	AC	State established	
Personal Care Assistance (PCA) – 1:1 Ratio, Extended	15 Minutes	T1019 UC	EW	State established	
Personal Care Assistance (PCA) – 1:2 Ratio	15 Minutes	T1019 TT Modifier used for billing purposes only and is not entered on the service agreement.	AC	State established rate for 1:1 ratio.	Billed by provider with the modifier on submitted claims as required.

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
Personal Care Assistance (PCA) – 1:2 Ratio, Extended	15 Minutes	T1019 TT UC Modifier used for billing purposes only and is not entered on the service agreement.	EW	State established rate for 1:1 ratio.	Billed by provider with the modifier on submitted claims as required.
Personal Care Assistance (PCA) – 1:3 Ratio	15 Minutes	T1019 HQ Modifier used for billing purposes only and is not entered on the service agreement.	AC	State established rate for 1:1 ratio.	Billed by provider with the modifier on submitted claims as required.
Personal Care Assistance (PCA) – 1:3 Ratio, Extended	15 Minutes	T1019 HQ UC Modifier used for billing purposes only and is not entered on the service agreement.	EW	State established rate for 1:1 ratio.	Billed by provider with the modifier on submitted claims as required.
Personal Care Assistance (PCA) – registered nurse (RN) supervision	15 Minutes	T1019 UA	AC	State established	
Home Care Nursing - LPN	15 Minutes	T1003	AC	State established	

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
Home Care Nursing – LPN Complex	15 Minutes	T1003 TG	AC	State established	
Home Care Nursing – LPN Shared 1:2 Ratio	15 Minutes	T1003 TT Modifier used for billing purposes only and is not entered on the service agreement.	AC	State established rate for 1:1 ratio.	Billed by provider with the modifier on submitted claims as required.
Home Care Nursing - RN	15 Minutes	T1002	AC	State established	
Home Care Nursing – RN Complex	15 Minutes	T1002 TG	AC	State established	
Home Care Nursing – RN Shared 1:2 Ratio	15 Minutes	T1002 TT Modifier used for billing purposes only and is not entered on the service agreement.	AC	State established rate for 1:1 ratio.	Billed by provider with the modifier on submitted claims as required.
Residential Care Services	Monthly	T2032	EW	Rate setting tool	DHS rate setting tool will be required beginning July 1, 2015.
Respite Certified Facility	Daily	H0045	AC, EW	State established	Nursing facility (NF) per diem for the client’s case mix
Respite Hospital, 24 hours	Daily	H0045	AC, EW	State established	

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
Respite Care Services, in home	Daily	S5151	AC, EW	State established	Use for overnight respite or for a service need of 12 or more hours.
Respite Care Services, in home	15 Minutes	S5150	AC, EW	State established	Use for a service need of less than 12 hours that does not include an overnight service.
Respite Care Services, out of home	Daily	H0045	AC, EW	State established	Use for overnight respite or for a service need of 12 or more hours.
Respite Care Services, out of home	15 Minutes	S5150 UB	AC, EW	State established	Use for a service need of less than 12 hours that does not include an overnight stay.
RN – Complex, Extended	15 Minutes	T1002 TG UC	EW	State established	
RN Regular Extended 1:1 Ratio	15 Minutes	T1002 UC	EW	State established	
RN Shared Extended 1:2 Ratio	15 Minutes	T1002 TT UC Modifier used for billing purposes only and is not entered on the service agreement.	EW	State established rate for 1:1 ratio.	Billed by provider with the modifier on submitted claims as required.
Specialized Supplies & Equipment	Per Item	T2029	EW	Market <i>May be reimbursed based on receipts.</i>	

Service Name	Service Unit	Procedure Code	Program	Rate Methodology	Notes
Specialized Supplies & Equipment	Per Item	E1399	AC	Market <i>May be reimbursed based on receipts.</i>	
Transitional Service	Per occurrence and per item	T2038	EW	Market <i>May be reimbursed based on receipts.</i>	Includes reimbursement of consumer goods and supports purchased from vendors on a retail basis.
Transportation	One Way Trip	T2003 UC	AC, EW	Market <i>May be reimbursed based on receipts.</i>	See below.
Transportation , Mileage (Commercial Vehicle)	Per Mile	S0215 UC	AC, EW	State established	See below.
Transportation , Mileage (Non-commercial Vehicle)	Per Mile	S0215 UC	AC, EW	State established	See below.

Transportation

Transportation is purchased at the mileage rate or at market rates for a one-way trip, up to the state-established one-way trip rate limit. Use the following guidance in authorizing mileage or trip rates:

- Mileage rate and trip rate cannot be billed for the same trip.
- Do not use the mileage rate when the provider is transporting more than one person at a time. Use the market rate for a one-way trip up to the one-way trip rate limit.
- Mileage rate cannot be authorized for travel time when the person is not in the vehicle.

- Do not authorize transportation that duplicates transportation that is being provided as part of another EW/AC service. **EXCEPTION:** Lead agencies may authorize mileage simultaneously with companion services.
- In instances where there is a choice between authorizing the trip rate vs. the mileage rate, lead agencies should authorize the rate based on what is necessary to ensure the person has access to the transportation service.

IV. MMIS Instructions

The following Elderly Waiver and Alternative Care daily codes will be ended in MMIS effective 7/1/15:

- Homemaker cleaning S5131
- Homemaker home management S5131 TF
- Homemaker assistance S5131 TG
- Adult Day Service S5102
- Adult Day Service FADS S5102 U7

New service agreements entered into the MMIS or existing service agreements with line items that end beyond 6/30/15 will post edit 381 Rate Record Not Found. You must end the line items to 6/30/15.

V. Additional Resources

- [CC service rate limits](#)
- [EW Customized Living Tools](#)
- [Consumer Directed Community Supports Lead Agency Manual](#)
- **All DHS bulletins** can be found at [DHS Bulletins](#). This web site includes a subscription option.
- Minnesota Statutes governing the Elderly Waiver, Alternative Care program and Essential Community Supports are Minnesota Statutes, sections 256B.0915, 256B.0913, and 256B.0922 respectively. Go to <https://www.revisor.leg.state.mn.us/> for more information about these programs.

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-2600 (voice) or toll free at (800) 882-6262 or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.