

# Iowa Medicaid Habilitation Services Criteria Utilization Management Guidelines

**Subject: Iowa Medicaid Habilitation Services**    **Current Effective Date: 7/6/2017**

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Description
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State plan home- and community- based habilitation services are intended to meet the needs of individual members with chronic mental illness. Services are available to members that meet the habilitation financial- and needs-based eligibility criteria. A comprehensive functional assessment identifies the individual's functional impairments and need for services.

Habilitation services include:

- Home-based habilitation.
- Day habilitation.
- Prevocational habilitation.
- Supported employment habilitation.

Member eligibility is based on assessed behavioral health needs meeting and identified psychiatric risk factors along with the identified need for assistance that affects the member's ability to function independently in the community.

Members receiving habilitation services must be enrolled in Integrated Health Home (IHH) or Long-Term Services and Supports, which includes the provision of case management services. Nonfinancial eligibility for habilitation services is determined by an assessment with a state-specified tool, interRAI™ Community Mental Health (CMH) or other approved state assessment. The proprietary tool was developed by interRAI, an international consortium devoted to improving care for medically complex and disabled persons. Assessments of members for initiating habilitation will include use of the interRAI CMH or other approved state assessment. Person-centered plans devised to include habilitation services will be revised no less often than every year including use of the interRAI CMH or other approved state assessments. Person-centered plans should also be revised when there is significant change in the member's circumstances or needs or at the request of the member.

Home-based habilitation and community psychiatric support and treatment are managed with the [Clinical UM Guidelines](#).

Clinical Indications
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Habilitation services are considered clinically appropriate when the member has one of the following:

1. The member has undergone or is currently undergoing psychiatric treatment more intensive than outpatient care (e.g., emergency services, alternative home care, partial hospitalization or inpatient hospitalization) more than once in the member's life.
2. The member has a history of psychiatric illness resulting in at least one episode of continuous, professional supportive care other than hospitalization.\*

## Assessment

The InterRAI CMH or person-centered comprehensive case management assessment demonstrates a member need for assistance based on continuing or intermittent issues identified from two or more of the following:

- Inappropriate social behavior that results in a demand for intervention — Examples of this behavior must be provided, including identification as continuous or intermittent (must include frequency if intermittent).
- The inability to independently perform basic living skills — Examples must be provided with detail sufficient to align the inability with one or more of the elements listed below and include identification of continuous or intermittent performance:
  - Self-care
  - Money management
  - Housekeeping
  - Cooking
  - Medication management
- Severe inability to establish or maintain a personal social support system — A description that supports the severity and identifies the inability as continuous or intermittent must be provided.
- Financial instability requiring assistance to live outside of a hospital, including the inability to acquire financial means — a description identifying this condition as continuous or intermittent must be provided.
- Member job issues:
  - Unemployment
  - Sheltered employment
  - Significantly limited job skills and poor work history

Assessments must also meet the standards of *441 IAC 24.4(2)* and must include:

- Information about the individual:
  - Current situation
  - Diagnosis
  - Needs
  - Problems
  - Wants
  - Abilities
  - Desired results
- References to medical records to support any diagnoses:
  - Psychological evaluations conducted by a qualified professional
  - Professional documentation
  - Collateral provider information
- Documentation of decisions regarding the level, type and immediacy of services to be provided based on the information gathered.
- Documentation of any need for further assessment or evaluation based on the information gathered.

Assessments must be updated:

- When there is a change in the member's circumstances.
- When Amerigroup Iowa, Inc. becomes aware that the member's medical status has changed in a way that affects their level of care.
- At the request of the member.
- At least annually.

## **State plan home- and community-based habilitation written comprehensive service plan documentation**

State plan HCBS habilitation written comprehensive service plan documentation:

- Reflects individual's strengths and preferences.
- Reflects clinical and support needs.
- Includes observable, measurable goals and desired outcomes.
  - a) Identify interventions and supports needed to meet those goals with incremental action steps as appropriate.
  - b) Identify the staff people, businesses or organizations responsible for carrying out the interventions or supports.
- Identifies for a member receiving home-based habilitation:
  - a) The member's living environment at the time of enrollment
  - b) The number of hours per day of on-site staff supervision needed by the member
  - c) The number of other members who will live with the member in the living unit
- Reflects providers of services/supports including unpaid supports provided voluntarily in lieu of waiver or state plan HCBS including:
  - a) Name of the provider.
  - b) Service authorized.
  - c) Units of service authorized.
- Includes risk factors and measures in place to minimize risk.
- Includes individualized backup plans and strategies when needed.
  - a) Identify any health and safety issues applicable to the individual member based on information gathered before the team meeting including a risk assessment.
  - b) Identify an emergency backup support and crisis response system to address problems or issues arising when support services are interrupted or delayed or the member's needs change.
  - c) Providers of applicable services shall provide for emergency backup staff.
- Includes individuals important in supporting individual.
- Includes the names of the individuals responsible for monitoring plan.
- Is written in plain language and understandable to the individual.
- Documents who is responsible for monitoring the plan.
- Documents the informed consent of the individual for any restrictions on the member's rights, including maintenance of personal funds and self-administration of medications, the need for the restriction, and either a plan to restore those rights or written documentation that a plan is not necessary or appropriate.

- Any rights restrictions must be implemented in accordance with [441 IAC 77.25\(4\)](#).
- Includes the signatures of all individuals and providers responsible.
- Is distributed to the individual and others involved in plan.
- Includes purchase/control of self-directed services.
- Excludes unnecessary or inappropriate services and supports.

## Home-based habilitation

Home-based habilitation services are based on:

- Individualized supportive services provided in the member's home and community that assist with residence in the integrated setting appropriate to the member's needs.
- Provision of daily living needs of the member and availability as needed during any 24-hour period.
- Support needs for each member that are determined necessary by the interdisciplinary team and identified in the member's comprehensive person-centered plan.

Covered supports identified in the person-centered plan include at least one of the following:

- Adaptive skill development
- Assistance with activities of daily living
- Community inclusion
- Transportation
- Adult educational supports
- Social and leisure skill development
- Personal care
- Protective oversight and supervision (may be a component of home-based habilitation services but may not comprise the entirety of the service)
- Transportation (acceptable if it supports the acquisition, retention or improvement of another skill, such as grocery shopping or getting medical care)

Payment exclusions may apply. Please see Discussion/general information section on page 16 for more information.

## Home-based habilitation tiers

The tiers represent the number of hours per day of onsite service needed by the member. For these services to be approved, a member needs to be assigned to a specific tier. Tier assignment applies to the sections below.

### Intensive III

H2016 U9 is authorized for 17-24 hours of service per day and is the highest level of service offered for home-based habilitation. The comprehensive person-centered plan is developed for symptom stabilization. Member must meet *all* of the following criteria:

- Demonstrates an impairment of functioning as a result of a serious mental illness
- Has significant risk of harm to self or others, or disturbances of mood, thought or behavior which renders him/her incapable of appropriate self-care or self-regulation 17-24 hours a day

- Lacks ability or capacity to participate in structured or meaningful activity in the community due to significant behaviors that could cause harm to self or others
- Requires significant intervention from staff for 17-24 hours a day
- Shows instability in his or her mental health; needs significant assistance with mood, coping and other mental health systems
- Has approval from his or her psychiatrist or other appropriate clinician due to the severity of the member's behaviors and symptoms

Collaboration should be consistent and ongoing with IHH staff, habilitation supervisors, in-home nurses, psychiatrists and additional team members due to the severity of the member's behaviors and symptoms.

### **Intensive II**

H2016 U8 is authorized for 13-16.75 hours of service per day to support the member in completing activities of daily living (ADLs) in order to gain proficiency and to increase independence. The goal is to stabilize the member's symptoms to maintain a daily routine. Member must meet *all* of the following criteria:

- Exhibits significant signs of ongoing self-harm or harm to others that puts self or others at risk for injury
- Lacks ability or capacity to participate in structured and meaningful activity outside residence (e.g., going to church with a staff member or attending a book club with a staff member)
- Requires significant support, especially during waking hours, to complete basic living skills for 13-16.75 hours per day (e.g., frequent interventions, hand-over-hand support)
- Requires significant intervention from staff to remain safe in the community and home for 13-16.75 hours per day
- Requires significant support from staff to stabilize daily routine, especially during waking hours, and to manage mood, coping or other mental health symptoms

### **Intensive I**

H2016 UD is authorized for 9-12.75 hours of service per day to assist the member in greater independence and community integration as reflected by the comprehensive person-centered plan. Members must meet *all* of the following criteria:

- Exhibits mild signs of ongoing self-harm or harm to others
- Shows increased participation in the community (e.g., working, volunteering, participating in day habilitation)
- Shows signs of risk for hospitalization, loss of independent living, incarceration or increase of harm to self without support in the following areas:
  - Problem solving
  - Emotional management
  - Coping skills
  - Relaxation/self-regulation
  - Crisis planning and implementation

### **Medium need**

H2016 UC is authorized for 4.25-8.75 hours of service per day with the goal of increasing participation in the community and regularly participating in meaningful activities. Members must meet *all* of the following criteria:

- The member is transitioning from a more intensive level of care and continues to show improvement in symptoms, *or* the member needs more structure.
- Support is required after being in a lower level of care.
- The member has a daily minimal need for support with skills in the following areas:
  - Managing the living environment
  - Performing ADLs
  - Employing positive community and social skills
  - Implementing a schedule or daily routine

### **Recovery transitional**

H2016 UB is authorized for 2.25-4 hours of service per day with treatment goals focused on managing ADLs, interacting within the community and personally defined goals. Members must meet *all* of the following criteria:

- Greater independence in navigating the community
- Ability to follow a schedule and to leave the home for purposeful activity
- Engagement in meaningful activities at home with assistance from staff members

### **High recovery**

H2016 UA is authorized for 0.25-2 hours of service per day and is the lowest level of care offered under home-based habilitation. Minimal intervention or staff member support is needed. This level of care would be considered a step above independent living. Members must meet *all* of the following criteria:

- Member continues to show progress towards goals of managing ADLs.
- Member has interaction within the community.
- Member has personally defined goals.
- Member has ability to navigate in the community with little to no assistance.
- Member has ability to follow a schedule and is able to leave home for purposeful activities or engages in meaningful activity at home independently.

Please see the Discussion/general information section on page 16 for exclusions.

### **Day habilitation**

This also applies to the Intellectual Disability waiver.

Day habilitation activities and environments are designed to foster the acquisition of skills, appropriate behavior, greater independence and personal choice. Services are focused on enabling the member to attain or maintain the member's maximum functional level and are coordinated with physical, occupational and speech therapy. Services may serve to reinforce skills or lessons taught in other settings.

Services must enhance or support the member in at least one of the following areas:

- Intellectual functioning
- Physical and emotional health and development
- Language and communication development

- Cognitive functioning
- Socialization and community integration
- Functional skill development
- Behavior management
- Responsibility and self-direction
- ADLs
- Self-advocacy skills
- Mobility

Day habilitation services take place in a nonresidential setting separate from the member's residence; services are not provided in the member's home. When members reside in a residential care facility of more than 16 beds, services are provided in an area apart from the member's sleeping accommodations. Services are provided for four or more hours per day on a regularly scheduled basis for one or more days per week as specified in the member's comprehensive person-centered plan.

Please see the Discussion/general information section on page 16 for exclusions.

## Prevocational habilitation

This also applies to Brain Injury and Intellectual Disability waivers.

Services that provide career exploration, learning and work experiences including volunteer opportunities where the member can develop nonjob, task-specific strengths and skills that lead to paid employment in individual community settings.

### Scope

Prevocational services are provided to persons who are expected to be able to join the general workforce with the assistance of supported employment. Prevocational services are intended to develop and teach general employability skills relevant to successful participation in individual employment. These skills include but are not limited to the ability to communicate effectively with supervisors, co-workers and customers; an understanding of generally accepted community workplace conduct and dress; the ability to follow directions; the ability to attend to tasks; workplace problem-solving skills and strategies; general workplace safety and mobility training; the ability to navigate local transportation options; financial literacy skills; and skills related to obtaining employment.

Prevocational services are career exploration activities that facilitate successful transition to individual employment in the community. ***Participation in prevocational services is not a prerequisite for individual or small group supported employment services.***

### Career exploration

Career exploration activities are designed to develop an individual career plan and facilitate the member's experientially based informed choice regarding the goal of individual employment. Career exploration ***may be provided in small groups of no more than four members*** to participate in career exploration activities that include:

1. Business tours.
2. Attending industry education events.
3. Benefit information.
4. Financial literacy classes.

5. Attending career fairs.

Career exploration **may be authorized for up to 34 hours to be completed over 90 days in the member's local community or nearby communities** and may include but is not limited to the following activities:

1. Meeting with the member and the member's family, guardian or legal representative to introduce them to supported employment and explore the member's employment goals and experiences
2. Business tours
3. Informational interviews
4. Job shadows
5. Benefits education and financial literacy
6. Assistive technology assessment
7. Job exploration events

#### *Expected outcome of service*

1. The **expected outcome of prevocational services** is individual employment in the general workforce or self-employment in a setting typically found in the community where the member interacts with individuals without disabilities other than those providing services to the member or other individuals with disabilities to the same extent that individuals without disabilities in comparable positions interact with other persons and for which the member is compensated at or above the minimum wage but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals without disabilities.
2. The **expected outcome of the career exploration** activity is a written career plan that will guide employment services that lead to community employment or self-employment for the member.

#### *Setting*

Prevocational services shall take place in community-based nonresidential settings.

#### *Concurrent services*

A member's individual service plan may include two or more types of nonresidential habilitation services (e.g., individual supported employment, long-term job coaching, small group supported employment, prevocational services and day habilitation); however, more than one service may not be billed during the same period of time (e.g., the same hour).

#### *Exclusions*

Prevocational services payment shall not be made for the following:

1. Services that are available to the individual under a program funded under Section 110 of the *Rehabilitation Act of 1973* or the *Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.)*; documentation that funding is not available to the individual for the service under these programs shall be maintained in the service plan of each member receiving prevocational services.
2. Services available to the individual that duplicate or replace education or related services defined in the *Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.)*.
3. Compensation to members for participating in prevocational services.



4. Support for members volunteering in for-profit organizations and businesses other than for-profit organizations or businesses that have formal volunteer programs in place (e.g., hospitals, nursing homes) and support for members volunteering to benefit the service provider.
5. The provision of vocational services delivered in facility-based settings where individuals are supervised for the primary purpose of producing goods or performing services, or where services are aimed at teaching skills for specific types of jobs rather than general skills.
6. A prevocational service plan with the goal or purpose of the service documented as maintaining or supporting the individual in continuing prevocational services or any employment situation similar to sheltered employment.

### *Limitations*

Time limitation for members starting prevocational services:

For members starting prevocational services after May 4, 2016, participation in these services is limited to 24 calendar months. This time limit can be extended to continue beyond 24 months if one or more of the following conditions apply:

- The member who is in prevocational services is also working in either individual or small group community employment for at least the number of hours per week desired by the member as identified in the member's current service plan.
- The member who is in prevocational services is also working in either individual or small group community employment for less than the number of hours per week the member desires as identified in the member's current service plan, but the member has services documented in the member's current service plan or through another identifiable funding source (e.g., Iowa vocational rehabilitation services IVRS), to increase the number of hours the member is working in either individual or small group community employment.
- The member is actively engaged in seeking individual or small group community employment or individual self-employment, and services for this are included in the member's current service plan, or services funded through another identifiable funding source (e.g., IVRS) are documented in the member's service plan.
- The member has requested supported employment services from Medicaid and IVRS in the past 24 months.
- The member has been receiving individual supported employment services (or comparable services available through IVRS) for at least 18 months without obtaining individual or small group community employment or individual self-employment.
- The member is participating in career exploration activities.

### **Supported employment habilitation**

This applies to Brain Injury and Intellectual Disability waivers for all three types listed below:

- Individual supported employment
- Long-term job coaching small group supported employment
- Small group supported employment

### ***Individual supported employment***

Individual supported employment involves supports provided to or on behalf of the member that enable the member to obtain and maintain individual employment. Services are provided to members who need support because of their disabilities.

### ***Scope***

Individual supported employment services are services provided to or on behalf of the member that enable the member to obtain and maintain an individual job in competitive employment, customized employment or self-employment in an integrated work setting in the general workforce.

### ***Expected outcome of service***

The expected outcome of this service is sustained employment or self-employment paid at or above the minimum wage or the customary wage and level of benefits paid by an employer in an integrated setting in the general workforce in a job that meets personal and career goals.

*Successful transition to long-term job coaching, if needed, is also an expected outcome of this service.*

An expected outcome of supported self-employment is that the member earns income that is equal to or exceeds the average income for the chosen business within a reasonable period of time.

### ***Setting***

Individual supported employment services shall take place in integrated work settings.

For self-employment, the member's home can be considered an integrated work setting. Employment in the service provider's organization (not including a sheltered workshop or similar type of work setting where members are paid for the production of goods or services) can be considered employment in an integrated work setting in the general workforce if the employment occurs in a work setting where interactions are predominantly with co-workers or business associates who do not have disabilities or with the general public.

**Individual employment strategies** include but are not limited to:

1. Customized employment.
2. Individual placement and support.
3. Supported self-employment.

**Service activities** are individualized and may include any combination of the following:

1. Benefits education
2. Career exploration (e.g., tours, informational interviews, job shadows)
3. Employment assessment
4. Assistive technology assessment
5. Trial work experience
6. Person-centered employment planning
7. Development of visual/traditional résumés
8. Job-seeking skills training and support
9. Outreach to prospective employers on behalf of the member (e.g., job development; negotiation with prospective employers to customize, create or carve out a position for the member; employer needs analysis)
10. Job analysis (e.g., worksite assessment or job accommodations evaluation)

11. Identifying and arranging transportation
12. Career advancement services (e.g., assisting a member in making an upward career move or seeking promotion from an existing employer)
13. Re-employment services (if necessary due to job loss)
14. Financial literacy and asset development
15. Other employment support services deemed necessary to enable the member to obtain employment
16. Systematic instruction and support during initial on-the-job training including initial on-the-job training to stabilization
17. Engagement of natural supports during initial period of employment
18. Implementation of assistive technology solutions during initial period of employment
19. Transportation of the member during service hours
20. Initial on-the-job training to stabilization activity

### ***Self-employment***

Individual employment may also include support to establish a viable self-employment opportunity, including home-based self-employment. An expected outcome of supported self-employment is that the member earns income that is equal to or exceeds the average income for the chosen business within a reasonable period of time. Assistance to establish self-employment may include:

1. Aid to the member in identifying potential business opportunities.
2. Assistance in the development of a business plan, including identifying potential sources of business financing and other assistance in developing and launching a business.
3. Identification of the long-term supports necessary for the individual to operate the business.

### ***Long-term job coaching***

Long-term job coaching is support provided to or on behalf of the member that enables the member to maintain an individual job in competitive employment, customized employment or self-employment in an integrated work setting in the general workforce.

#### *Scope*

Long-term job coaching services are provided to or on behalf of members who need support because of their disabilities and who are unlikely to maintain and advance in individual employment absent the provision of supports. Long-term job coaching services shall provide individualized and ongoing support contacts at intervals necessary to promote successful job retention and advancement.

### ***Expected outcome of service***

The expected outcome of this service is sustained employment paid at or above the minimum wage in an integrated setting in the general workforce in a job that meets the member's personal and career goals. An expected outcome of supported self-employment is that the member earns income that is equal to or exceeds the average income for the chosen business within a reasonable period of time.

### ***Setting***

Long-term job coaching services shall take place in integrated work settings. For self-employment, the member's home can be considered an integrated work setting. Employment in the service provider's organization (not including a sheltered workshop or similar type of work setting) can be considered employment in an integrated work setting in the general workforce if the employment occurs in a work setting where interactions are predominantly with co-workers or business associates who do not have

disabilities or with the general public and if the position would exist within the provider's organization were the provider not being paid to provide the job coaching to the member.

#### *Service activities*

Long-term job coaching services are designed to assist the member with learning and retaining individual employment, resulting in workplace integration, which allows for the reduction of long-term job coaching over time. *Services are individualized, and service plans are adjusted as support needs change and may include any combination of the following activities with or on behalf of the member:*

1. Job analysis
2. Job training and systematic instruction
3. Training and support for use of assistive technology/adaptive aids
4. Engagement of natural supports
5. Transportation coordination
6. Job retention training and support
7. Benefits education and ongoing support
8. Supports for career advancement
9. Financial literacy and asset development
10. Employer consultation and support
11. Negotiation with employer on behalf of the member (e.g., accommodations, employment conditions, access to natural supports and wage and benefits)
12. Other workplace support services may include services not specifically related to job skill training that enable the waiver member to be successful in integrating into the job setting
13. Transportation of the member during service hours
14. Career exploration services leading to increased hours or career advancement

#### ***Self-employment long-term job coaching***

Self-employment long-term job coaching may include support to maintain a self-employment opportunity, including home-based self-employment.

Assistance to maintain self-employment may include:

1. Ongoing identification of the supports necessary for the individual to operate the business.
2. Ongoing assistance, counseling and guidance to maintain and grow the business.
3. Ongoing benefits education and support.

The hours of support for long-term job coaching are based on the identified needs of the member as documented in the member's comprehensive service plan.

#### ***Small group supported employment***

Small group supported employment services are training and support activities provided in regular business or industry settings for groups of 2-8 workers with disabilities. The outcome of this service is sustained paid employment experience, skill development, career exploration and planning leading to referral for services to obtain individual integrated employment or self-employment for which an individual is compensated at or above the minimum wage but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals without disabilities.

#### **Scope**

Small group supported employment services must be provided in a manner that promotes integration into the workplace and interaction between members and people without disabilities (e.g., customers, co-workers, natural supports) in those workplaces. Examples include but are not limited to mobile crews and other business-based workgroups employing small groups of workers with disabilities in employment in integrated business settings and small group activities focused on career exploration and development of strengths and skills that contribute to successful participation in individual community employment.

#### *Expected outcome of service*

Small group supported employment services are expected to enable the member to make reasonable and continued progress toward individual employment.

Participation in small group supported employment services is not a prerequisite for individual supported employment services. The expected outcome of the service is sustained paid employment and skill development which leads to individual employment in the community.

#### **Setting**

Small group supported employment services shall take place in integrated, community-based nonresidential settings separate from the member's residence.

#### **Service activities**

Small group supported employment services may include any combination of the following activities:

1. Employment assessment
2. Person-centered employment planning
3. Job placement (limited to service necessary to facilitate hire into individual employment paid at minimum wage or higher for a member in small group supported employment who receives an otherwise unsolicited offer of a job from a business where the member has been working in a mobile crew or enclave)
4. Job analysis
5. On-the-job training and systematic instruction
6. Job coaching
7. Transportation planning and training
8. Benefits education
9. Career exploration services leading to career advancement outcomes
10. Other workplace support services may include services not specifically related to job skill training that enable the waiver member to be successful in integrating into the individual or community setting
11. Transportation of the member during service hours

#### **Service requirements for all supported employment services**

1. Community transportation options (e.g., transportation provided by family, co-workers, carpools, volunteers, self or public transportation) shall be identified by the member's interdisciplinary team and utilized before the service provider provides the transportation to and from work for the member. If none of these options are available to a member, transportation between the member's place of residence and the employment or service location may be included as a component part of supported employment services.

2. Personal care or personal assistance and protective oversight may be a component part of supported employment services but may not comprise the entirety of the service.
3. Activities performed on behalf of a member receiving long-term job coaching or individual or small group supported employment shall not comprise the entirety of the service.
4. Concurrent services: A member's individual service plan may include two or more types of nonresidential services (e.g., individual supported employment, long-term job coaching, small group supported employment, prevocational services and day habilitation); however, more than one service may not be billed during the same period of time (e.g., the same hour).
5. Integration requirements: In the performance of job duties, the member shall have regular contact with other employees or members of the general public who do not have disabilities unless the absence of regular contact with other employees or the general public is typical for the job as performed by persons without disabilities.
6. Compensation: Members receiving these services are compensated at or above the minimum wage but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals without disabilities. For supported self-employment, the member earns income that is equal to or exceeds the average income for the chosen business within a reasonable period of time. For small group supported employment, if the member is not compensated at or above minimum wage, the compensation to the member shall be in accordance with all applicable state and federal labor laws and regulations.

### **Limitations**

Supported employment services are limited as follows:

1. Total monthly costs of supported employment may not exceed the monthly cap on the cost of waiver services set for the individual waiver program.
2. In absence of a monthly cap on the cost of waiver services, the total monthly cost of all supported employment services may not exceed \$3,059.29 per month.
3. Individual supported employment is limited to 40 hourly units with one extended authorization not to exceed 20 hourly units (not to exceed 60 hourly units per year).
4. Long-term job coaching is limited in accordance with 441— subrule 79.1(2), must be reauthorized every 90 days and not to exceed \$3,059.29 per month.
5. Small group supported employment is limited to 160 units per week not to exceed \$3,059.29 per month.

### **Exclusions**

Supported employment services payments shall not be made for the following:

1. Services that are available to the individual under a program funded under Section 110 of the *Rehabilitation Act of 1973* or the *Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.)*; documentation that the service is not available to the individual under these programs shall be maintained in the service plan of each member receiving individual supported employment or long-term job coaching services.
2. Incentive payments, not including payments for co-worker supports, made to an employer to encourage or subsidize the employer's participation in a supported employment program.
3. Subsidies or payments that are passed through to users of supported employment programs.

4. Training that is not directly related to a member's supported employment program.
5. Services involved in placing and stabilizing members in day activity programs, work activity programs, sheltered workshop programs or other similar types of vocational or prevocational services furnished in specialized facilities that are not a part of the general workplace.
6. Supports for placement and stabilization in volunteer positions or unpaid internships. Such volunteer learning and unpaid training activities that prepare a person for entry into the general workforce are addressed through prevocational services and career exploration activities.
7. Tuition for education or vocational training.
8. Individual advocacy that is not related to integrated individual employment participation or is not member-specific.
9. Medicaid funds may not be used to defray the expenses associated with starting up or operating a business.

### **Continued stay criteria — all supported employment**

Continued stay criteria requires meeting initial medical necessity criteria. Alternative services are necessary when the following needs have not been met:

- Social behavior (please specify)
- Basic living skills (please specify)
- Maintain personal support systems (please specify)
- Financial assistance to live outside a hospital (please specify)
- Job issues (please specify)

## Not medically necessary

All supported employment services are not medically necessary when the above medical necessity criteria are not met.

Coding		
Coding		
Procedure/ HCPCS code	Modifier	Service definition
H2016	U4	Home-based habilitation, 0.25-2 hours
H2016	U5	Home-based habilitation, 2.25-4 hours
H2016	U6	Home-based habilitation, 4.25-8.75 hours
H2016	U7	Home-based habilitation, 9-12.75 hours
H2016	U8	Home-based habilitation, 13-16.75 hours
H2016	U9	Home-based habilitation, 17-24 hours
H2023	U3	Supported employment — tier one small group 2-4, per 15 minutes/per person
H2023	U5	Supported employment — tier two small group (5-6), per 15 minutes/per person
H2023	U7	Supported employment — tier three small group (7-8), per 15 minutes/per person
H2025	U4	Supported employment — long-term job coaching: tier one = one contact/month
H2025	U3	Supported employment — long-term job coaching: tier two = 2-8 hrs/month
H2025	U5	Supported employment — long-term job coaching: tier three = 9-16 hrs/month
H2025	U7	Supported employment — long-term job coaching: tier four = 17-25 hrs/month
H2025	UC	Supported employment — long-term job coaching: tier five = 26+ hours/month
T1016		Case management, per 15 minutes
T1017		Targeted case management
T2015	U3	Habilitation, career exploration
T2015		Habilitation, prevocational, waiver; per hour
T2018	UC	Supported employment Individual Supported Employment
T2020		Day habilitation, waiver; per day
T2021		Day habilitation, waiver; per 15 minutes



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## Limitations

Supported employment services are limited as follows:

- Total monthly costs of supported employment may not exceed the monthly cap on the cost of waiver services set for the individual waiver program.
- In absence of a monthly cap on the cost of waiver services, the total monthly cost of *all* supported employment services may not exceed \$3,059.29 per month.
- Individual supported employment is limited to 60 hourly units per calendar year and not to exceed \$3,059.29.
- Long-term job coaching is limited in accordance with 441 — subrule 79.1(2).
- Small group supported employment is limited to 160 units per week and is not to exceed \$3,059.29 per month.

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<b>Discussion/General Information</b>
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Habilitation Services is a program to provide HCBS for Iowa residents with the functional impairments typically associated with chronic mental illnesses. The federal *Deficit Reduction Act of 2005* permitted states to offer HCBS as a state plan option effective January 1, 2007. Using this option, a program was designed to meet the service needs of residents with the functional limitations typically associated with chronic mental illness. Habilitation services are designed to assist participants in acquiring, retaining and improving the self-help, socialization and adaptive skills necessary to reside successfully in home- and community-based settings.

### Service requirements for all supported employment services

Community transportation options (e.g., transportation provided by family, co-workers, carpools, volunteers, self or public transportation) shall be:

- Identified by the member's interdisciplinary team.
- Utilized before the service provider provides the transportation to and from work for the member.

If neither of these options are available to a member, transportation between the member's place of residence and the employment or service location may be included as a component part of supported employment services.

Personal care or personal assistance and protective oversight may be a component part of supported employment services and may not comprise the entirety of the service.

Activities performed on behalf of a member receiving long-term job coaching or individual/small group supported employment shall not comprise the entirety of the service.

Concurrent services of a member's individual person-centered plan may include two or more types of nonresidential services (e.g., individual supported employment, long-term job coaching, small group supported employment, prevocational services and day habilitation). More than one service may not be billed during the same period of time.

Integration requirements in the performance of job duties include regular contact with other employees or members of the general public who do not have disabilities unless the absence of regular contact with other employees or the public is typical for the job as performed by persons without disabilities.

Compensation requirements for members receiving these services are:

- Compensation at or above the minimum wage
- Compensation not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals without disabilities
- Supported self-employment member income that is equal to or exceeds the average income for the chosen business

For small group supported employment, if the member is not compensated at or above minimum wage, the compensation to the member shall be in accordance with all applicable state and federal labor laws and regulations.

### **Home-based habilitation exclusions**

Home-based habilitation payment shall not be made for the following:

- Room and board and maintenance costs, including the cost of rent or mortgage; utilities; telephone; food; household supplies; and building maintenance, upkeep or improvement
- Service activities associated with vocational services, day care, medical services or case management
- Transportation to and from a day program
- Services provided to a member who lives in a licensed residential care facility of more than 16 persons
- Services provided to a member who lives in a facility that provides the same service as part of an inclusive or bundled service rate, such as a nursing facility or an intermediate care facility for persons with mental retardation
- Personal care and protective oversight and supervision may be a component part of home-based habilitation services but may not comprise the entirety of the service

**Habilitation tiers exclusions:** A minimum of 15 minutes of service must be rendered to bill one unit.

### **Day habilitation exclusions**

Day habilitation payment is not to be made for the following:

- Vocational or prevocational services
- Services that duplicate or replace education or related services defined in Public Law 94-142, the *Education of the Handicapped Act*
- Compensation to members for participating in day habilitation services
- Meals provided as part of day habilitation do not constitute a full nutritional regimen (three meals per day)

### **Prevocational habilitation exclusions**

Prevocational habilitation payment is not to be made for the following:

- Services that are available under a program funded under Section 110 of the *Rehabilitation Act of 1973* or the *Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.)*
  - Documentation that funding is not available for the service under these programs shall be maintained in the file of each member receiving prevocational habilitation services
- Services that duplicate or replace education or related services defined in Public Law 94-142, the *Education of the Handicapped Act*

- Compensation to members for participating in prevocational services
- Support for members volunteering in for-profit organizations and businesses other than for-profit organizations, or businesses that have formal volunteer programs in place (e.g., hospitals, nursing homes) and support for members volunteering to benefit the service provider
- The provision of vocational services delivered in facility-based settings where individuals are supervised for the primary purpose of producing goods or performing services or where services are aimed at teaching skills for specific types of jobs rather than general skills
- A prevocational person-centered plan with the goal or purpose of the service documented as maintaining or supporting the individual in continuing prevocational services or any employment situation similar to sheltered employment
- Meals provided as part of these services do not constitute a full nutritional regimen (three meals per day)

### **Supported employment exclusions**

Supported employment services payments shall not be made for the following:

- Services that are available to the individual under a program funded under Section 110 of the *Rehabilitation Act of 1973* or the *Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.)*
  - Documentation that the service is not available to the individual under these programs shall be maintained in the person-centered plan of each member receiving individual supported employment or long-term job coaching services
- Incentive payments, not including payments for co-worker supports, made to an employer to encourage or subsidize the employer's participation in a supported employment program
- Subsidies or payments that are passed through to users of supported employment programs
- Training that is not directly related to a member's supported employment program
- Services for placing and stabilizing members in day activity programs, work activity programs, sheltered workshop programs or other similar types of vocational or prevocational services furnished in specialized facilities that are not a part of the general workplace
- Supports for placement and stabilization in volunteer positions or unpaid internships
  - Volunteer learning and unpaid training activities that prepare a person for entry into the general workforce are addressed through prevocational services and career exploration activities
- Tuition for education or vocational training
- Individual advocacy that is not related to integrated individual employment participation or is not member-specific

Additionally, Medicaid funds may not be used to defray the expenses associated with starting up or operating a business.

### **Denial**

Services shall be denied when it is determined that:

- The member is not eligible for or in need of home- and community-based habilitation services.
- The service is not identified in the member's comprehensive person-centered plan or treatment plan.

- Needed services are not available or received from qualifying providers, or no qualifying providers are available.
- The member’s service needs exceed the unit or reimbursement maximums for drugs and supplies that may be covered when prescribed by a legally qualified practitioner as set forth in 441 — subrule 79.1(2).
- Completion or receipt of required documents for the program has not occurred.

**Reduction**

A particular home- and community-based habilitation service may be reduced when it is determined that continued provision of service at its current level is not necessary.

**Termination**

A particular home- and community-based habilitation service may be terminated when any of the following apply:

- The member’s income exceeds the allowable limit or the member no longer meets other eligibility criteria for the program established by Iowa Department of Human Services.
- The service is not identified in the member’s comprehensive person-centered plan.
- Needed services are not available or received from qualifying providers, or no qualifying providers are available.
- The member’s service needs are not being met by the services provided.
- The member has received care in a medical institution for 30 consecutive days in any one stay.
  - When a member has been an inpatient in a medical institution for 30 consecutive days, the Iowa Department of Human Services will issue a notice of decision to inform the member of the service termination. If the member returns home before the effective date of the notice of decision and the member’s condition has not substantially changed, the decision shall be rescinded, and eligibility for home- and community-based habilitation services shall continue.
- The member’s service needs exceed the unit or reimbursement maximums for a service as established by Iowa Department of Human Services.
- Duplication of services provided during the same period has occurred.
- The member or the member’s legal representative, through the interdisciplinary process, requests termination of the service.
- Completion or receipt of required documents for the program has not occurred or the member refuses to allow documentation of eligibility as to need and income.

<b>Definitions</b>
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[List clarification definitions]

<b>References</b>
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**Case management:** Provides service coordination and monitoring. Available as a habilitation service when the individual does not otherwise qualify for targeted case management.

**Home-based habilitation:** Services provided in the person's home and community. Typical examples would be assistance with medication management, budgeting, grocery shopping, personal hygiene skills,

etc.

**InterRAI CMH:** The interRAI CMH is a standardized assessment system for clinicians in community mental health settings. This instrument is designed to incorporate the person's needs, strengths and preferences when assessing the key domains of function, mental and physical health, social support, and service use. The interRAI CMH provides additional information to help determine disability.

**Day habilitation:** Services that are usually provided in a day program setting outside the home. Focuses on areas such as social skills, communication skills, behavior management, etc.

**Prevocational services:** Can be career exploration, learning and work experiences, including volunteer opportunities where the member can develop nonjob-task-specific strengths and skills that lead to paid employment in individual community settings.

**Supported employment:** Assists in obtaining and keeping a job in the community. Assists in placing the individual in a job in a regular work setting with persons without disabilities at minimum wage or higher and provides support to maintain the job. Typical examples would include: skills assessments, consultation with the employer, job coaching and behavior management.

### Websites for Additional Information

#### References

- *Coding Source: Home- and Community-Based Services (HCBS) Provider Manual* (Iowa Department of Human Services, August 1, 2014) and State Fee-Schedule for codes H2016.
- *Diagnostic and Statistical Manual of Mental Disorders, 5th Edition*. Arlington, VA. 2013. Available at: <http://dsm.psychiatryonline.org/book.aspx?bookid=556>. Accessed on May 11, 2016.
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- InterRAI Community Mental Health (CMH) Assessment. Available at: InterRAI Community Mental Health (CMH) Assessment website. Accessed on November 22, 2016.
- Iowa Administrative Rule, 441 — Chapter 78: <https://www.legis.iowa.gov/docs/iac/rule/02-04-2015.441.78.27.pdf>
- Iowa Department of Human Services (2014) — Habilitation Services
- Iowa Department of Human Services (2016) — Habilitation Services
- Iowa Department of Human Services - ARC2471C, Amendment to Chapters: 77-79, 83
- *Iowa Habilitation Waiver Manual 2014*: <http://dhs.iowa.gov/sites/default/files/Habilitation.pdf>
- Iowa definition of chronic mental illness serious emotional disturbance: <https://www.legis.iowa.gov/docs/iac/chapter/12-23-2015.441.24.pdf>
- HCBS restraints: <https://www.legis.iowa.gov/docs/ACO/rule/441.77.25.pdf>
- <http://dhs.iowa.gov/ime/members/medicaid-a-to-z/hcbs/habilitation/FAQ> accessed 2-16-16
- <https://www.legis.iowa.gov/docs/iac/rule/03-30-2016.441.78.27.pdf>

<b>History</b>
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