

**DSS Administrative Letter No. 03-2003 - Adult and Family Services Special Assistance Basic ACH Rate Change October 2003 (Obsolete 03/01/04, Change Notice 01-04)**

**Date: August 22, 2003**

**Subject: Special Assistance Rate Change**

**Distribution: County Directors and Special Assistance Supervisors**

**I. Background and Content of Change**

Session Law 2003-284 (House Bill 397) was ratified by the General Assembly on June 30, 2003. The law contains a provision to adjust the maximum Adult Care Home rate for State/County Special Assistance for Adults, as well as several other provisions that affect Special Assistance. These changes are effective October 1, 2003.

**A. Maximum Rate and Personal Needs Allowance Changes**

The maximum rate for Special Assistance recipients with Ambulation Capacity Code "B" will decrease from \$1,091 to \$1,066.

The personal needs allowance will increase from \$36 to \$46 for all Special Assistance recipients, including the disenfranchised groups.

The maintenance amount for those with Ambulation Capacity Code "B" will decrease from \$1,127 to \$1,112 (\$1,066 + \$46).

**B. Shifting Costs to Personal Care Services**

The Department of Health and Human Services is conducting an evaluation of the rate setting methodology for adult care homes. As part of this study, it was determined that some additional services that have historically been included in the Special Assistance room and board rate are allowable Medicaid covered Personal Care Services.

Effective October 1, 2003, the Medicaid reimbursement rate for Adult Care Home/Personal Care Services (ACH/PCS) will increase to cover the cost of these additional services. There is no change in the reimbursement rates for Enhanced PCS.) The new rates will be published in the October *Medicaid Bulletin*, which will be available on October 1 on the Division of Medical Assistance website at <http://www.dhhs.state.nc.us/dma/>.

The maximum Special Assistance rate is reduced as a result of shifting additional, allowable PCS costs to Medicaid. The Special Assistance reduction is less than the increase in ACH/PCS due to the increase in the Special Assistance room and board rate for facilities for SFY 03-04.

The result of the rate adjustments is that facilities will receive a higher combined payment from Special Assistance and Medicaid, with a greater share of the costs paid with federal dollars and a lesser share with state and county dollars.

Please feel free to share the new ACH/PCS rate information with the adult care facilities in your county. If facility administrators have questions regarding ACH/PCS reimbursement, please refer them to the Division of Medical Assistance.

### **C. New Disenfranchised Group, Ambulation Capacity Code "D"**

Due to the decrease in the maximum rate, the income limit to qualify for Special Assistance will decrease from \$1,127 to \$1,112. This creates a new group of disenfranchised recipients, designated in EIS by Ambulation Capacity Code "D".

Disenfranchised recipients with Ambulation Capacity Code "D" remain eligible as long as they meet the following requirements:

1. The application is taken prior to October 1, 2003, and
2. The recipient resides in an adult care home and is eligible for SA on September 30, 2003, and
3. The recipient's countable income is less than \$1,136.50.

Note that the maintenance allowance (income limit) for this group will increase to \$1,137 due to the \$10 increase in the personal needs allowance.

If a disenfranchised individual's Special Assistance is terminated or transferred to another aid program/category, disenfranchised status ends. If the individual later reapplies for Special Assistance, he/she must meet the regular requirements (Ambulation Capacity Code "B").

### **D. Current Disenfranchised Group**

Individuals in the original disenfranchised group, Ambulation Capacity Codes "A" and "S", will receive an increase in their personal needs allowance. The domiciliary rate for this group remains \$1,231 and the maintenance amount will increase to \$1,277.

**E. Special Assistance In-Home Cases, Ambulation Capacity Code “H”**

These changes do not affect the SA In-Home cases with Ambulation Capacity Code “H”. Instructions for the SA In-Home Program need standard and payment standard are found in the SA In-Home Eligibility Policy and Procedures Manual.

**II. Automated Update for Ongoing Cases**

On the night of August 26, 2003, EIS will automatically update active SAA and SAD cases to reflect the new rate and the new maintenance allowances effective October 1, 2003. Do not send a notice for the October checks. A notice will be mailed with the September checks. A copy of the notice is attached in Figure 1.

**A. Active Case Records with Ambulation Capacity Code “B”**

1. For each active SAA or SAD case in EIS with an Ambulation Capacity of “B” and Total Countable Income of \$1,111.50 or less, EIS will:
  - a. Change the Domiciliary Rate to \$1,066.
  - b. Change the Maintenance Amount to \$1,112.
2. For each active SAA or SAD case with an Ambulation Capacity Code “B” and Total Countable Income of \$1,111.51 - \$1,136.50, EIS will:
  - a. Change the Ambulation Capacity Code to “D”.
  - b. Leave the Domiciliary Rate at \$1,091.
  - c. Change the Maintenance Amount to \$1,137.
3. EIS will update the Monthly Payment Amount by subtracting Total Countable Monthly Income from the new Maintenance Amount (minus any Grant Recoupment) and rounding the difference to a whole dollar. The Payment Effective Date will change to October 1, 2003. Case profiles will be in NCXPTR.

**B. Active Case Records With Ambulation Capacity Codes “A” or “S”**

1. For cases with Ambulation Capacity Codes “A” or “S”, EIS will:
  - a. Change the Maintenance Amount to \$1,277.
  - b. Leave the Domiciliary Rate at \$1,231.

- c. Change the Monthly Payment Amount by subtracting Total Countable Monthly Income from the new Maintenance Amount (minus any Grant Recoupment) and round the difference to a whole dollar. The Payment Effective Date will change to October 1, 2003. Case profiles will be in NCXPTR.
2. There will be a "window" for the caseworker to change disenfranchised cases from "A" or "S" to "D" or "B". The time period for these changes is October 29 through November 21.
  - a. If the Total Countable Monthly Income is \$1,111.50 or less, you may change "A" or "S" to "B". Change the Domiciliary Rate to \$1,066.
  - b. If the Total Countable Monthly Income is \$1,111.51 - \$1,136.50, you may change "A" or "S" to "D". Change the Domiciliary Rate to \$1,091.

### **III. Applications**

#### **A. Application Pending on October 1, 2003 - Effective Date Prior to October 1**

For applications pending on October 1, 2003 with an effective date prior to October 1, approve the application with a Payment Effective Date of October 1, 2003. Authorize months prior to October 2003 in the Retro 1 and 2 fields.

1. If Total Countable Monthly Income is \$1,111.50 or less, approve the case as Ambulation Capacity Code "B" with a Maintenance Amount of \$1,112 and a Domiciliary Rate of \$1,066.
2. If Total Countable Monthly Income is \$1,111.51 - \$1,136.50, approve the case as Ambulation Capacity Code "D" with a Maintenance Amount of \$1,137 and a Domiciliary Rate of \$1,091.

#### **B. Application Pending on October 1, 2003 - Effective Date of October 1 or Later**

For applications pending on October 1, 2003 with an effective date of October 1 or later, approve the case as Ambulation Capacity Code "B" only if income is \$1,111.50 or less. Do not approve applications with income greater than \$1,111.50.

#### **C. Applications Taken On or After October 1, 2003**

Use the new Maintenance Amount and Domiciliary Rate for all applications taken on or after October 1, 2003.

## IV. Reports

The following reports will be available in NCXPTR on August 27. Follow the instructions below for each report. Reports are sorted by county and by district number within the county. Payees in each district number are listed in alphabetical order by last name with case ID and county case number.

### A. Audit Report (DHREJA SA RATE DECR–AUDIT REPORT)

There will be a list of those cases that were correct and were automatically updated by EIS. The report includes the old and new payment amounts and the old and new Total Countable Monthly Income. Review the cases to ensure the revised payment is correct.

If the payment is incorrect (usually because changes occurred that were not keyed prior to August 26 or it was too late to follow “pull check” procedures), recalculate the payment following budgeting procedures. Be sure to include the new personal needs allowance of \$46. Notify the recipient of any change using the appropriate notice.

### B. Case Profiles (DHREJA SA RATE DECR–CASE PROFILE)

A case profile will be in NCXPTR for each case updated by EIS. No case profiles will be mailed.

### C. Error Report - Cases Not Updated (DHREJA SA RATE DECR–ERROR REPORT)

The cases listed on the error report were not updated by EIS. Review each case on the error report and manually compute the payment for October and ongoing months. Follow the budgeting procedures in SA-3220. Be sure to include the new personal needs allowance amount of \$46. Update the case and send the appropriate notice for any changes.

The following is a description of the error messages:

1. **AMB CAP NOT “B”, ”A”, ”S”, or ”H”**: These are cases without a correct SA Ambulation Capacity Code in EIS. When updating these cases, ensure that the correct Ambulation Capacity Code is entered.
2. **MAINT NOT \$1,127 or \$1,267**: These are cases with a Maintenance Amount that was not \$1,127 when the Ambulation Capacity is “B” or \$1,267 when Ambulation Capacity is “A” or “S”. When updating these cases, ensure that the correct Maintenance Amount is entered.

3. **DOM RATE NOT \$1,091 or \$1,231:** These are cases with a Domiciliary Rate that was not \$1,091 when the Ambulation Capacity is “B” or \$1,231 when Ambulation Capacity is “A” or “S”. When updating these cases, ensure that the correct Domiciliary Rate is entered.
4. **PAYMT NOT EQUAL DIFF:** These are cases where the total of RSDI, SSI, and Earned Income does not equal the Maintenance Amount minus the Total Countable Monthly Income minus Grant recoupment Amount.
5. **TOT MO INC NOT BAL:** These are cases where the total of the RSDI and SSI amounts does not equal the Total Countable Monthly Income plus \$20 (when there is no other income).
6. **UNEARN INC = ZERO:** There are no entries for SSI and RSDI in EIS.

**D. Disenfranchised Cases With Ambulation Capacity Code “A” or “S” (DHREJA SA RATE DECR-A&S DISEN CA)**

This is a list of cases with Ambulation Capacity Code “A” or “S” after the update. Once the window for changing Ambulation Capacity has closed, the report will show the cases remaining with Ambulation Capacity Code “A” or “S”.

**E. New Disenfranchised Cases With Ambulation Capacity Code “D” (DHREJA SA RATE DECR-D DISEN CASE)**

This is a list of all cases that changed from Ambulation Capacity Code “B” to Ambulation Capacity Code “D” after the update. Once the window for changing Ambulation Capacity has closed, the report will show the cases remaining with Ambulation Capacity Code “D”.

**F. Listing of Potential Zero Pay Cases (DHREJA SA RATE DECR-POTE ZERO PA)**

As a result of these changes, some current recipients may become zero pay cases (cases with a Payment Amount of \$1.00, \$2.00, \$3.00 or \$4.00). These cases are not automatically updated in EIS. Manually compute the new payment for October and ongoing months following budgeting procedures in SA-3220. Update the case and send the appropriate notice.

If you have any questions regarding this information, please contact your Adult Programs Representative or Jackie Franklin, Special Assistance Program Coordinator.

Sincerely,



John T. Tanner, Chief

Attachment  
[Figure 1](#)