

To: Managed Care Organizations (MCOs)
From: Carrie Brna, Housing Specialist, LTSS, Division of TennCare
Date: January 31, 2018
Subject: **Minor Home Modifications Revised Guidance**

This memorandum replaces the previous memorandum on Minor Home Modifications (MHM) sent to the MCOs on November 17th, 2017. The purpose of this memorandum is to provide guidance to MCOs related to the MHM benefit in CHOICES and Employment and Community First CHOICES (ECF CHOICES). Specifically, this memorandum addresses three issues:

- (1) Whether MCOs can exceed the MHM lifetime limit of \$20,000 as a Cost-Effective Alternative (CEA);
- (2) What items and improvements are permissible for reimbursement under the MHM benefit; and
- (3) Whether the \$6,000 exception for emergency needs for ECF CHOICES Group 5 members can be used for MHMs.

Whether MCOs can exceed the MHM lifetime limit of \$20,000 as a CEA

Pursuant to TennCare Long-Term Care administrative rules and the Contractor Risk Agreement (CRA), the MHM benefit applies to members in CHOICES Groups 2 and 3 and all ECF CHOICES Groups, and these members have a lifetime limit on the MHM benefit of \$20,000. MCOs have requested permission from TennCare to provide MHM reimbursement to members in these Groups above this \$20,000 limit as a CEA.

While the \$20,000 lifetime limit is a “hard” limit, and services above the limit are not covered, TennCare understands that there might be rare instances where the ability to exceed this limit as a CEA might prevent the need for more expensive services that would otherwise be covered by the MCO. Thus, TennCare agrees to consider such rare instances in which an MCO might choose to exceed this lifetime limit as a CEA. However, all such requests must be presented in writing to TennCare for prior approval. Such requests must include:

- (1) A detailed explanation of all MHM reimbursed to that point for the member;
- (2) The impact or efficacy of these prior MHMs; and
- (3) Why additional reimbursement for MHMs is necessary, including whether these additional MHMs are needed in order to prevent or delay institutional placement or placement in a more expensive residential arrangement or increase independence such that the need for other services such as PA are reduced, and delineation of the more expensive covered services the MCO would otherwise provide.

An example of when such additional reimbursement may be necessary would be when a person with extensive physical support needs receives several MHMs in their residence, such as the installation of a ramp and significant bathroom modifications. If this person has to move out of the home or needs additional MHMs in order to reduce the need for paid supports, but these additional MHMs will put him or her over the \$20,000 benefit lifetime limit, then such requests may be submitted to TennCare for review.

What items and improvements are permissible for reimbursement under the MHM benefit

TennCare Long-Term Care administrative rules Section 1200-13-01-.02(134) provides a list of both acceptable and excluded items and improvements for the MHM benefit in CHOICES and ECF CHOICES. If the MCO is proposing to use the MHM benefit for the purchase of an item or improvement that is not listed in Section 1200-13-01-.02(134), then they may do so at their discretion and do not need to submit such requests to TennCare for approval. Please note that overhead or ceiling track system lifts and minor modifications required for installation are covered when medically necessary as part of the MCO's DME benefit, except when significant structural modifications are required. The MHM benefit should wrap around the DME benefit by covering the cost of significant structural modifications, but should not supplant benefits for which the MCO is already responsible as part of their capitation payment.

Whether the \$6,000 exception for emergency needs in ECF CHOICES can be used for MHMs

Pursuant to TennCare Long-Term Care administrative rules and the CRA, for members in ECF CHOICES Group 5, TennCare may allow an exception to the \$30,000 per person per calendar year expenditure cap of up to \$6,000 for emergency needs, not to exceed the hard cap of \$36,000 per calendar year. MCOs have requested permission from TennCare to use some or all of the emergency needs exception for MHMs for ECF CHOICES Group 5 members.

TennCare agrees that the emergency needs exception may be used for MHMs for ECF CHOICES Group 5 members in certain circumstances. However, for an MCO to authorize use of this exception for MHMs there must be an emergency sufficient to justify the use of the exception, and the exception cannot go toward routine MHM needs. For example, the emergency needs exception may be used in situations in which the member is experiencing a threat involving the permanent or temporary involuntary loss of their present residence, for which MHMs acquired through the use of the emergency needs exception will allow the member to remain in the residence without ongoing risk of institutionalization. It may also be used for MHM if the absence of the MHM would mean the person could not be safely supported and would have to move to a higher benefit package.