



Information Memorandum

Oregon Department of Human Services

Originating Cluster:

Seniors and People with Disabilities

Authorized by: Cindy Hannum, Administrator
Signature

IM Number: SPD-IM-03-093

Date: October 9, 2003

Subject: Medicaid contract insurance requirements for Assisted Living and Residential Care Facilities

Applies to (check all that apply):

- All DHS employees
- Area Agencies on Aging
- Children Adults and Families
- Community Human Services
- Other (please specify): _____
- County DD Program Managers
- County Mental Health Directors
- Health Services
- Seniors and People with Disabilities

Message:

On September 25, 2003, the SPD Central Office of Licensing & Quality of Care mailed the attached information letter to Oregon's Assisted Living (ALF) and Residential Care Facility (RCF) Administrators. The letter explains the new ALF & RCF Medicaid contract templates and new ALF & RCF insurance options: reduced coverage requirements for Professional/General Liability insurance (from \$1,000,000 to \$500,000 for each with combined singal limit for each claim, incident or occurrence) and Automobile Liability insurance (from \$1,000,000 to \$300,000 for each accident for Bodily Injury and Property Damage); and an ability to waive the requirement for Automobile Liability insurance for ALFs and RCFs that do not provide transportation services for residents in facility or staff vehicles.

No Local office action is required regarding the new ALF & RCF Medicaid contract templates and the ALF & RCF insurance options. The information letter directs all questions to the contacts listed below. The SPD Central Office of Licensing & Quality of Care is processing all requests regarding the new ALF & RCF Medicaid contract templates and the ALF & RCF insurance options. No changes have been made to the Medicaid contracts or insurance requirments for facility types other than ALFs and RCFs.

If you have any questions about this information, contact:

Contact(s):	Contract policy: Keith Ramey, NF Program Coordinator 503 / 945-6407
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	Technical assistance related to ALF rules and licensing: Dennett Taber, ALF Program Coordinator 503 / 945-5793 Technical assistance related to RCF rules and licensing: Allison McKenzie, RCF Program Coordinator 503 / 945-6404		
Phone:	See above	Fax:	503 / 378-8966
E-mail:	Keith.R.Ramey @state.or.us Dennett.Taber@state.or.ur Allison.MCKENZIE@state.or.us		

September 25, 2003

Dear ALF and RCF Facility Administrator,

This letter explains the options that are now available to you with our new Medicaid contracts for Assisted Living (ALF) and Residential Care Facilities (RCF). Recently the Department of Human Services (DHS) adopted a new master template for its Personal/Professional Services Contracts. The Department directed its offices to begin work for implementation of this new document. We, the Office of Licensing & Quality of Care, have now completed and received approval to use the new contract templates for Medicaid services by Assisted Living and Residential Care Facility providers.

Concurrent with this work we conducted a review of the Liability (General, Professional and Auto) insurance requirements in these contracts. Based on discussions with providers, insurance agents/brokers, residents and their family members, advocacy groups and following consultation with other state agencies we determined that it is appropriate to adjust our contract insurance requirements for ALFs and RCFs.

These new contracts and the insurance changes may affect you. At the end of this letter you will find a list of contact names and telephone numbers if you desire to pursue any of the new options or have additional questions.

Features of the new ALF & RCF Medicaid contracts. The contract has been reorganized into a design utilizing exhibits. The new ALF and RCF Medicaid contracts have the following exhibits: Exhibit A contains the Statement of Work, the responsibilities (work) the Contractor must perform. No substantive changes were made to the required work of the Contractor. Exhibit B contains the Standard Terms and Conditions. The Oregon Department of Justice administers the language of this exhibit. Exhibit C outlines the insurance required of the Contractor by the contract. Exhibit D is the Independent Contractor Certification Statement and Exhibit E contains required Federal Terms and Conditions.

New insurance requirements. Following are the new insurance requirements (contained in Exhibit C) of the new ALF & RCF Medicaid contracts:

- Professional Liability insurance with a combined single limit, or the equivalent, of not less than \$500,000.00 each claim, incident or occurrence;
- General Liability insurance with a combined single limit, or the equivalent, of not less than \$500,000.00 each occurrence for Bodily Injury and Property Damage; and
- Automobile Liability insurance with a combined single limit, or the equivalent, of not less than \$300,000.00 each accident for Bodily Injury and Property Damage, including coverage for owned, hired or non-owned vehicles, as applicable.

New insurance option regarding Automobile Liability . For facilities that do not provide transportation services for residents in facility or staff vehicles, a certification process was created to allow for the Automobile Liability insurance requirement to be waived. A Transportation Certificate is enclosed.

What should I do? I have a Medicaid contract and would like to take advantage of the new insurance requirements. Your current Medicaid contract can be amended to reflect the new insurance requirements for its remaining duration. Telephone Tricia Zuniga, Admin. Support, at 503 / 945-6397 to request an amendment to your current contract and also indicate if you wish to take advantage of the Automobile Liability insurance option and its certification process. Requests will be processed in the order received and the volume of requests will determine the completion time of the amendment which is typically two-to-four weeks. A high volume of requests will cause the processing time to lengthen.

What should I do? I have a Medicaid contract that is expiring. The new contract template which includes the lower insurance requirements will be used to prepare a new contract that will be mailed to you for review and signature. Telephone Tricia Zuniga, Admin. Support, at 503 / 945-6397 to indicate if you wish to take advantage of the Automobile Liability insurance option and its certification process.

What should I do? I do have a Medicaid contract and will have it amended to take advantage of the new insurance requirements. When will I receive the new contract template? The new contract template will be used when your existing Medicaid contract and its amendment(s) expire. The new contract will

be prepared and mailed to you for review and signature prior to the expiration of your existing contract.

When can I lower my insurance coverage amounts with my agent/broker?

You must maintain compliance with the insurance requirements of your Medicaid contract. If you've elected to amend your current contract to take advantage of the new insurance options, the amendment must be fully executed to permit you to lower your insurance coverage amounts. An amendment is fully executed when it has received all authorized signatures of the parties to the contract.

Will DHS continue to request copies of insurance certificates? We have been advised by the DHS Office of Contracts and Procurement that they will not be requesting copies of the insurance certificates.

What should I do? I do not have a Medicaid contract and would like one.

Contact your respective ALF or RCF Program Coordinator to discuss the contracting process. The ALF Program Coordinator is Dennett Taber at 503 / 945-5793. The RCF Program Coordinator is Allison McKenzie at 503 / 945-6404.

I have unanswered questions, who should I call? Please refer to the following for the appropriate contact:

Medicaid contract amendments:

Tricia Zuniga, Admin. Support 503 / 945-6397

Contract policy:

Keith Ramey, NF Program Coordinator 503 / 945-6407

Technical assistance related to ALF rules and licensing:

Dennett Taber, ALF Program Coordinator 503 / 945-5793

Technical assistance related to RCF rules and licensing:

Allison McKenzie, RCF Program Coordinator 503 / 945-6404

We appreciate your consideration of these contract changes. We will work hard to process your requests as quickly as possible. Thank you for your ongoing work on behalf of Oregon's seniors and people with disabilities.

Sincerely,

Megan Hornby, Manager
CBC Nursing & Health Section

MH:krr