

**Select originating cluster**

**Policy Transmittal**

Catherine Cooper  
Authorized Signature

**Number:** SPD-PT-05-002  
**Issue Date:** 02/10/2005

**Topic:** Developmental Disabilities

**Transmitting (check the box that best applies):**

- New Policy   
  Policy Change   
  Policy Clarification   
  Executive Letter  
 Administrative Rule   
  Manual Update   
  Other: \_\_\_\_\_

**Applies to (check all that apply):**

- |  |   |
|--|---|
| <input type="checkbox"/> All DHS employees                     | <input checked="" type="checkbox"/> County Mental Health Directors  |
| <input type="checkbox"/> Area Agencies on Aging                | <input type="checkbox"/> Health Services  |
| <input type="checkbox"/> Children, Adults and Families         | <input checked="" type="checkbox"/> Seniors and People with Disabilities  |
| <input checked="" type="checkbox"/> County DD Program Managers | <input checked="" type="checkbox"/> Other (please specify): Brokerage Directors and listed DD Provider Organizations (DD 54, DD 149, other) |

Policy/Rule Title:	Limited Monthly Billing by Provider Organizations For Support Service Customers		
Policy/Rule Number(s):		Release No:	
Effective Date:	March 1,2005	Expiration:	
References:			
Web Address:			

**Discussion/Interpretation:**

This Policy Transmittal is intended to clarify policy, procedures, orientation, and documentation, and other requirements for Provider Organizations, Brokerage Personal Agents, and Support Service customers when billing and paying for designated services and supports on a monthly basis.

This policy allows for a limited use of a monthly billing option by provider organizations only in the delivery of supported employment (740) or community inclusion (726) services when an individual customer has a documented pattern of absenteeism at a defined level. This monthly billing option will be allowed only when all conditions are met. Implementation of this policy is based on funds already identified within an approved plan and budget so no plan amendments will be required.

This policy may be phased in starting March 1, 2005. Power point presentations and sample forms are provided to support implementation requirements.

## **Background**

### **Present Support Service Payment and Rate Policies**

Support Services payment is only made for planned and contracted service units actually provided. No payment is made for days or hours when an individual is absent. (Medicaid Transmittal Notice 71-94, October 31, 1994 and Oregon 2002 Rate Setting Manual page 10)

All provider organizations are expected to define services and establish daily or hourly rates within State published rate ranges and other conditions established in Oregon Administrative Rules Chapter 411, Division 340. The cost of planned absences can be factored in when identifying the administrative portion of an organization's established rate (Oregon 2002 Rate Setting Manual page 27, 33. 34).

### **Reason For Change In Practice and Policy**

In 2003, over 884 persons transferred from County DD54 contracted services to individualized budgets and agreements. After many years of traditional services, the movement to support service brokerages with individual budgets and agreements has been a significant change for all parties. Movement from monthly to daily/hourly payments alone has resulted in problems covering basic provider costs for individuals with a significant pattern of unplanned absences.

Seniors and People with Disabilities (SPD) recognizes the need to support effective use of individual resources by each customer and cover provider organization fixed costs. There are some Brokerage customers who experience medical or other issues that make their attendance patterns intermittent and or unpredictable. These individuals may choose to pay a monthly rate in order to assure the availability of support when they are capable of using it. Revisions in practices related to billing, invoicing, customer acknowledgement, and quarterly review of receipts and plans are being implemented to respond to these needs. There is no need for a plan amendment to implement this policy.

## **Policy**

1. **ISP and Service Agreement Content.** The ISP is the whole life description of the goals, support needs, and resources developed by the Brokerage customer, Personal Agent, and others designated by the customer. A Services Agreement is the specific document developed between the customer and a chosen provider organization to achieve identified ISP goals related to employment and or community inclusion.
  - a. **Information Required.** The ISP and Service Agreement must provide information in a manner that is person-centered, clear and understandable to the customer and identifies:

- i. The service content and goals,
- ii. The established provider rate,
- iii. The frequency and schedule for services; and
- iv. The expected monthly and annual cost for these services.

b. Signatures. Signing of the Service Agreement represents an understanding that:

- i. The provider organization will have staff and other resources available to support planned attendance and the achievement of defined goals and outcomes;
- ii. An individual with disabilities will attend scheduled supports and work toward the identified goals and outcomes.

2. The ISP and Customer Agreement Reflect Planned Use of Provider Organization. The first response to situations where a customer is not available for scheduled services should be a person-centered review of the Individual Support Plan (ISP) and service agreement. ISPs and service agreements should be developed and adjusted to address the known or changing circumstances. For example if it is known that an individual vacations in July or need medical care in December, the developed plan and budget should reflect the resulting drop in expected attendance. Monthly billing is not available as an alternative to effective planning.

3. Identifying The Expected Monthly Cost. The expected monthly cost is the amount that a customer has obligated in their budget in each 30 day period to cover the type content and frequency of support services identified in the signed and approved ISP, Service Agreement, individual budget, and schedule. The expected monthly cost is determined by multiplying the approved rate X the planned units of service (days or hours) for the designated period.

4. Identifying the Billing Method. A billing period is determined by the provider organization and is generally based upon one calendar month or a portion of it. Billing will not be allowed in a time period if the individual does not attend.

There are 2 allowable billing methods:

a. **Standard Billing Method** Payment = Units Attended X Rate

Method used for individuals who regularly meet plan expectations for attendance with some absence for illness or other reasons below the threshold for the Monthly Billing Method.

b. **Monthly Billing Method** Payment = Planned Monthly Cost or Obligation

Method used for individuals who meet the following threshold:

- i. A documented pattern of absenteeism averaging 20% or more of planned service units for a period of at least 3- consecutive months.
- ii. Documented willingness to pay the expected monthly cost in order to have service and capacity when needed.

5. Conditions For Monthly Billing

a. Monthly billing will only be allowed when all the following criteria is met;

- i. The entity offering service is a provider organization;

- ii. Services delivered are supported employment (740) or community inclusion (726);
  - iii. Customer has a documented level of absences at the established threshold (average absence of 20% or more for at least 3 consecutive months) that has been reviewed with the Brokerage and the individual;
  - iv. The existing provider/customer service agreement documents
    - 1. An understanding and acceptance of the total monthly obligation in order to assure service and staff availability.
    - 2. The identification of specific criteria that would move the individual to standard billing
  - v. The provider organization submits invoices including all information outlined in 5 a through e.
- b. Monthly billing will end when any of the following criteria are met:
- i. The customer no longer approves payment based upon the monthly method;
  - ii. The customer attendance no longer meets the defined threshold.
  - iii. The customer meets the specific criteria defined in his or her plan {4(A)(iv).(2.) }.

6. Provider Organization Invoices. It is the responsibility of the provider organization to submit monthly or other regular invoices with all required information. The invoice is a primary information tool, as well as, a payment document. The organization may use the SPD recommended invoice format or another as long as the following information is available:

- a. Basic information. Agency name, time period for invoice
- b. Agreement service level- service type, units, established provider rate and expected monthly (or other time period) budget obligation.
- c. Daily or hourly tracking of service status including: (i) attendance services provided; (ii) days/hours absent and (iii) reason for absence
- d. Summary of Charges identifying billed amount for days attended and amount for days absent.
- e. Provider and customer signatures. This is evidence from both parties that services, as documented, were provided. If there is documentation that the customer has agreed to another method of confirmation of service delivery, his or her signature is not required.

The provider organization may also choose to regularly attach an expected progress report to an invoice to help a customer understand that paying for services leads to goals.

7. On-going Plan Monitoring and Revision. On-going information, education and technical assistance to assist an individual to monitor and improve the quality of supports and assess and revise plans and goals as needed is the responsibility of the brokerage and the provider organization. Informed decision-making occurs with

- a. Regular monthly review of invoices with customers so that they understand the impact of absence on their budget and resources

- b. At least quarterly review of the pattern of service including the level of absences, the reason(s) for the, and the need for ISP revisions in support of effective use of a customer's budget and resources.
- c. At least annual review with the customer of services delivered, satisfaction and outcomes achieved, desired or needed changes in services, and the roles and responsibilities of all parties in an agreement.
- d. Plan amendment and revision, as needed, based upon a, b, and c.

### **Implementation/Transition Instructions:**

Implementation of this policy is based on the collaborative efforts of a brokerage and local provider organizations. Full implementation may occur at any time after March 1, 2005 and will require:

1. Brokerages meet with local providers to review policy requirements and thresholds. A power point to review the basic components of the policy has been provided to each Brokerage to assist in this process.
2. Providers identify if they intend to consider use of this billing option. If the answer is "YES", the provider is responsible for general notification of all Brokerage customers to whom they sell community inclusion or employment services.
3. The Provider Organization revises its invoice and service agreements, as needed;
4. Brokerage representative and provider review attendance records of the last year to confirm that an individual meets the threshold (average absence 20% or more for 3 consecutive months) for monthly billing;
5. A meeting occurs with the individual customer and others to orient them to the change in billing policy and potential budget impact.
6. An amendment of the existing Service Agreement acknowledges:
  - i. Understanding and acceptance of the monthly billing method by all parties;
  - ii. Individualized criteria that would result in payment based upon the standard process.
7. In support of the evaluation of this policy, Brokerages will maintain information on the # of organizations and customers using the monthly billing option.

**Use of this billing method will not increase the existing customer budget, so NO New Plan Approval will be required.**

### **Training/Communication Plan:**

Two items are being distributed to support essential training and communication

**1. Sample Provider Invoice Form** This is an example not a required form. Any invoice used by a provider must provide the identified information. Most information is required under the existing administrative rule. Shaded areas identify additional requirements related to Monthly Billing.

**2. Limited Monthly Billing OK Power Point** this simplified presentation of the policy designed to support customer and family education has been provided to each Brokerage.

**Local/Branch Action Required:**

**Central Office Action Required:**

**Field/Stakeholder review:**       Yes       No

**If yes, reviewed by:**

**Filing Instructions:**

*If you have any questions about this policy, contact:*

<b>Contact(s):</b>	Molly Holsapple, Home and Community Program Coordinator		
<b>Phone:</b>	503-945 9815	<b>Fax:</b>	503 947-4245
<b>E-mail:</b>	<a href="mailto:Molly.s.Holsapple@state.or.us">Molly.s.Holsapple@state.or.us</a>		

**Sample Provider Organization Invoice**

<b>Provider Name:</b> _____	<b>Customer Name:</b> _____
<b>Address:</b> _____	<b>Invoice Period:</b> _____ to _____
<b>City, State, Zip:</b> _____	<b>Service:</b> _____
<b>Invoice Number:</b> _____	

***Basic Service Cost Data***

<b>A= Monthly Service Units</b>	<input type="text"/>	Days/hours (see ISP)
<b>B= Rate Per Unit</b>	\$ <input type="text"/>	(See published rates)
<b>C= Monthly Budget Obligation</b>	\$ <input type="text"/>	(A x B = C)

***Summary of Billing and Attendance***

<input type="text"/>	\$	#	_____ Days/Hours Attend x Rate		
+	+				
<input type="text"/>	\$	#	_____ Days/Hours Absent x Rate	Is this 20% or more?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="text"/>	\$	= Total Monthly Budget Obligation/Invoice			

***Customer Goals(s) and Reports Progress:***

**Progress Report Attached**

**Report Sent**      **Date:** \_\_\_\_\_

Date	Service Provided	Time/Location	Staff	Attendance	Reason for Absence
1					
2					
3					
4					
5					
6					
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31					

**Attendance**

A=Attend

AB= Absent

**Reason For Absence**

1 = illness

2 = vacation-planned activity

3 = transportation issues

4 = unplanned unknown

**Provider Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Customer Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

