

DATE: June 10, 2024

OPERATIONS MEMORANDUM #24-06-01

SUBJECT: Introduction to the Office of Long-Term Living (OLTL) In Lieu of Service (ILOS) Initiative - Long-Term Care (LTC) in Assisted Living Settings

TO: Executive Directors

FROM: Robert Hixson
Director
Bureau of Operations

PURPOSE

To provide background and procedures to County Assistance Offices (CAO) regarding the OLTL ILOS Initiative.

BACKGROUND

In 2016 the Centers for Medicare & Medicaid Services finalized 42 CFR § 438.3(e)(2) to allow states additional flexibility to address health disparity and unmet social needs. This regulation allows Managed Care Organizations (MCOs) to provide services covered by Medical Assistance (MA) in new settings, such as LTC level of care in Assisted Living Residences (ALR). In the past, OLTL has realized a significant need for alternate settings to better fit the needs of the varied and growing LTC population. This initiative will target those who meet a Nursing Facility Clinically Eligible (NFCE) level of care but do not need intensive physical intervention by LTC facility staff and would be safely served in an ALR setting with long-term services and supports in place, equivalent to what the recipient had in the LTC facility.

DISCUSSION

Effective January 1, 2024, OLTL began to work with the University of Pittsburgh Medical Center (UPMC) to enroll ALRs willing to take part in the ILOS initiative. In the future, if other Community HealthChoices MCOs are approved to take part in the initiative, this Operations Memorandum (Ops Memo) will be updated. CAOs may begin to receive questions related to the initiative but should refer questions to OLTL's Independent Enrollment Broker at 1-877-550-4227. If a recipient elects to receive ILOS from the UPMC MCO, MA LTC recipients may receive LTC services in an ALR. Recipients who elect to receive ILOS will continue to receive MA LTC and will pay a

monthly cost of care to the ALR. Unlike LTC facilities, ALRs are not considered an institutional setting. MA recipients who choose to enroll in the ILOS program will be reviewed by OLTL to meet all the following requirements:

- Previously NFCE determined.
- Previously resided in a Skilled Nursing Facility.
- Do not require 24/7 physical health services.
- Able to live safely in an ALR with a LTC level of services in an ALR.

ILOS participants will reside in a community setting but are not eligible for Home and Community-Based Services (HCBS) MA or any 1915(c) waiver services if they elect to take part in the ILOS initiative. ILOS can only be authorized in ALRs that have contracted with UPMC to serve the ILOS population. Individuals who are not enrolled in ILOS and residing in an ALR are not eligible to receive MA LTC facility services but may receive HCBS or other MA benefits.

PROCEDURES

CAOs will be notified an LTC recipient is transitioning to the ILOS Initiative via receipt of the LTC Admission and Discharge Transmittal Form (MA 103) from the ALR. The following information will be included on the MA 103 to designate ILOS:

- Section I “Resident Data” must include “OLTL ILOS” under the “Other” checkbox in part seven (7).
- Section II must include the ALR name under the “Provider Data” in part ten (10).
- Section IV must include “OLTL ILOS” under the “Other” checkbox in part sixteen (16) and list the ALR address under “Summarize condition that warrants the care recommended”.

An MA 103 from a LTC facility discharging to the ALR is also expected but does not confirm ILOS eligibility. The LTC budget should only be maintained in the case record if there is a MA 103 from the ALR confirming ILOS election. If an LTC facility resident transfers to an ALR (even one contracting with UPMC for ILOS) and there is no MA 103 from the ALR confirming ILOS, then the CAO will process the change following current procedures for a LTC recipient transferring to a community setting.

The CAOs will review the record to see if a partial renewal is needed, following the same processes used when a case transitions between LTC and HCBS (See [LTCH 423.6](#)). Fair consideration and spousal impoverishment apply to ILOS cases like any other LTC applicant or recipient. An ILOS recipient’s cost of care will be determined as it is for residents of LTC facilities, but it will be paid to the ALR in which they reside. CAOs should ensure the record contains an accurate 902Z cost of care calculation and Third Party Liability entry.

When the CAO receives an MA 103 designating “OLTL ILOS”, the CAO will take the following actions:

Review the case record to determine if a partial renewal is needed. (Review all Income Eligibility Verification System data sources and ensure case data is accurate.)

NOTE: Cost of care determinations, fair consideration and spousal impoverishment provisions apply to ILOS participants.

1. Enter the LTC case in Maintenance Mode.
2. Update the case addresses to match the new ILOS ALR address on the Household Screen in the case non-financial section in the Electronic Client Information System.
3. Remove the Skilled Nursing Facility the recipient previously resided in from the MA Provider Screen.
4. Add the ILOS ALR to the MA Provider Screen.
5. Navigate to the Facility Screen. If the facility code is anything other than code “36 – Private Facility”, enter an end date for the facility code the day before the ILOS admission date. Add a new facility code 36 beginning on the admission date to the ALR. If the facility code is already entered as code 36 take no action on the Facility Screen.
6. Commit the case and narrate all actions including “MA 103 received from OLTL ALR, LTC recipient resides in ALR and elected to receive ILOS.”

NOTE: If moving from one of the six Veteran’s Homes listed in [LTCH 405.5](#), the enhanced Personal Needs Allowance will no longer apply upon admission to the ILOS ALR.

NEXT STEPS

1. Review this Ops Memo with appropriate staff.
2. Contact your Area Manager if you have any questions.

ATTACHMENTS

[Attachment 1: List of Contracted UPMC ALRs](#)

[Attachment 2: Sample MA 103](#)