Rate Setting Considerations for Remote Delivery of Services in 1915(c) Waiver Programs

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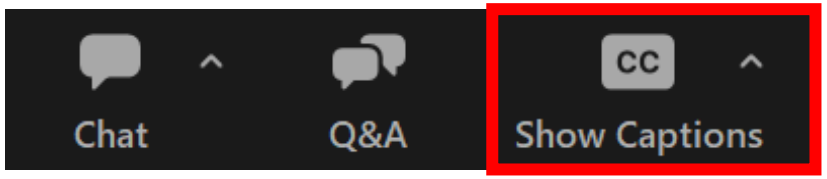

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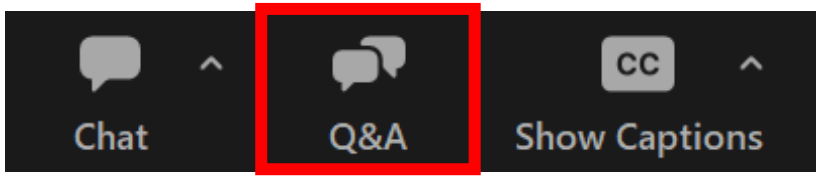

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Training Objectives

- Define remote delivery of services for Medicaid home and community-based services (HCBS).
- Understand the current methods and landscape of delivering services remotely in 1915(c) waiver programs.
- Discuss strategies and promising practices for reimbursing, implementing, and monitoring remotely delivered services in states' HCBS programs.
- Identify the process for updating the 1915(c) waiver application to account for services delivered remotely.

Overview of the Remote Delivery of Services

Overview of Remote Delivery of Services in HCBS

A **remotely delivered service (also commonly referred to as telehealth)** is a waiver service delivered from another location that would otherwise be delivered in-person.

HCBS are typically delivered face-to-face with participants in their homes or community settings. Remotely delivered HCBS are delivered virtually with the use of technology that supplements, or is an alternative to, in-person contact.

- **Remote delivery/telehealth is a modality of service delivery, rather than a discrete service itself.**
  - This training focuses on fee-for-service (FFS) remotely delivered services, which have a set payment rate based on a unit of service (*compared to a negotiated market price, most common for remote monitoring services*).

Remote Delivery of Services in 1915(c) Waiver Programs

The remote delivery of services has been an option in 1915(c) waiver programs for decades. The two most common core services that allow for remote delivery are Assistive Technology and Personal Emergency Response System (PERS) services.

Assistive Technology

Assistive technology means an item, piece of equipment, service animal or product system, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities of participants. Assistive technology service means a service that directly assists a participant in the selection, acquisition, or use of an assistive technology device.

Personal Emergency Response System (PERS)

PERS is an electronic device that enables waiver participants to secure help in an emergency. The participant may also wear a portable "help" button to allow for mobility. The system is connected to the participant's phone and programmed to signal a response center once a "help" button is activated. The response center is staffed by trained professionals, as specified herein.

Common Modalities for Remote Service Delivery

Remote service delivery is provided through four main modalities. The method of delivery selected is based off a variety of reasons, including, service type, participant need, and frequency of remote service delivery.

Two-Way, Real-time Audio-Visual and Multi-Person Video Calls	Audio-Only
Face-to-face audio-visual interaction between participants and providers. This is the most common method of delivery and while usually provided between two parties, it can also be used for a multi-person service delivery of three or more parties.	Real-time interactions between participants and their providers that only requires audio technology, usually provided on a phone.
Asynchronous Communications	**Remote Patient Monitoring (RPM)**
Contact between participants and providers that do not require real-time interaction. This could be provided through a messaging system that can include text only, image, video, or audio messages. This modality is often also called store and forward.	The deployment and use of technology to capture biometric information about the patient that is automatically shared with a remote provider.

Remote Service Delivery and the Public Health Emergency (PHE)

Although remote service delivery has been available in many states for years, the COVID-19 PHE accelerated interest and utilization.

- In general, states responded to the COVID-19 PHE by expanding remote service delivery capabilities to increase access to service and expand provider capacity.
- When the COVID-19 PHE ended, the majority of states expanded remote service delivery policies in 2022 and 2023.
- The most common state policies expanding remote delivery of services included the addition or expansion of:
  - Allowable modalities for remote service delivery
  - Waiver services with remote delivery flexibilities
  - Allowable distant/originating sites
  - Payment parity with in-person services

Remote Delivery of HCBS

Requirements, Scope, and Safeguards for Remote Service Delivery

When allowing for the remote delivery of waiver services in 1915(c) waivers, states must consider the following in how the service impacts waiver participants and care delivery.

Waiver Requirements

States have broad flexibility in designing coverage and payment requirements for remotely delivered services. States must meet federal requirements related to coverage of benefits and other applicable federal law, including Title XIX of the Social Security Act, federal regulations as interpreted in published CMS guidance, and the parameters of a state's CMS-approved 1915(c) waiver program.

Scope of Service

States should consider how remote delivery of services will be integrated into 1915(c) waiver programs, including which services are most appropriate for remote service delivery and the efficacy of delivering quality services via remote technology.

Safeguards for Remote Delivery

When implementing remote service delivery, states must ensure participant safeguards are in place, including ensuring participants have freedom of choice in selecting the modality of service delivery and protecting privacy through the Health Insurance Portability and Accountability Act (HIPAA).

Remote Service Delivery and Health and Welfare of Waiver Participants

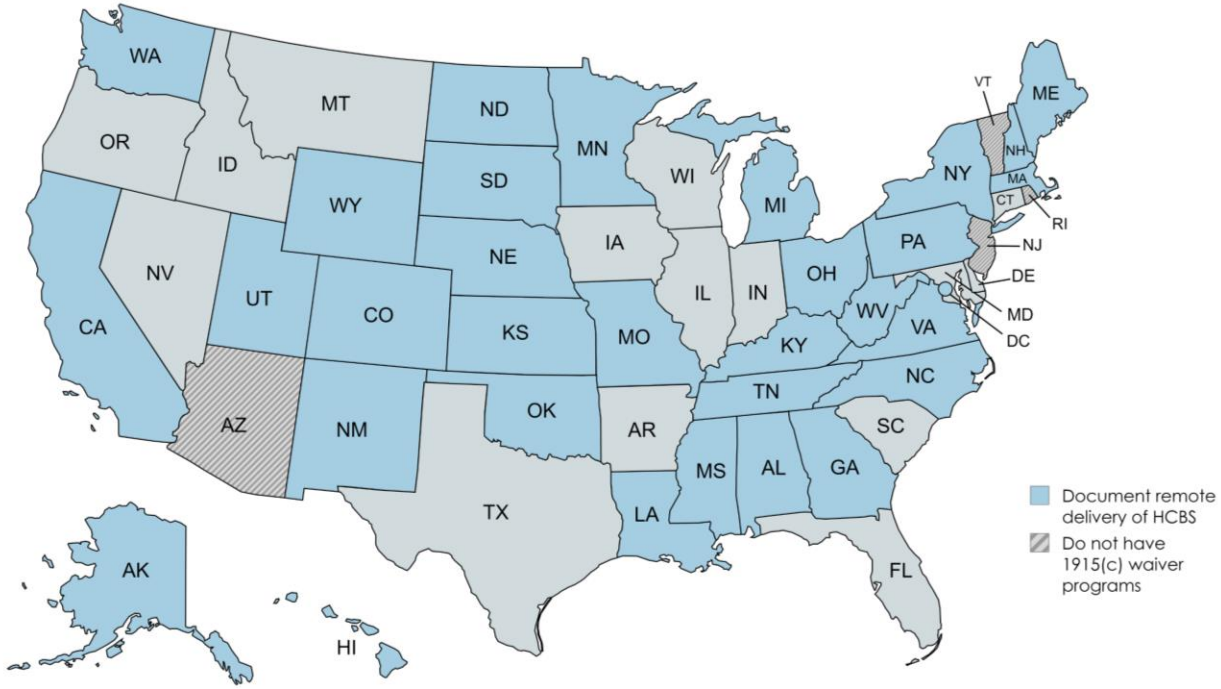
States must take a person-centered approach to remotely delivered HCBS and protect the health and welfare of waiver participants.

- Remotely delivered HCBS must be provided in a person-centered manner that prioritizes the health and wellbeing of the waiver participant and contributes to the participants support needs and goals.
- Many states have designed remote service delivery safeguards for participant health and welfare such as:
  - Performing remote service delivery assessments to determine in-person service needs and remote service delivery readiness.
  - Prohibiting duplicate billings or billings for in-person services on the same day as services delivered remotely.
  - Requiring periodic in-person visits or service encounters.
  - Limiting providers' delivery of remote services to only those participants with which the provider has a history delivering in-person services to.

Landscape of Remote Service Delivery in 1915(c) Waivers

Thirty-one states and the District of Columbia documented a remote service delivery method for one or more HCBS in Medicaid 1915(c) waiver programs.

- CMS analyzed states' service definitions in Appendix C-1/C-3 of the 1915(c) waivers to observe remote service delivery trends in waiver programs.
- States documented the use of remotely delivered waiver services in **97** 1915(c) waiver applications, a third of which of which highlighted new rate setting considerations for remotely delivered services.



**As of March 15, 2024. Does not include data from 1915(c) Appendix Ks.*

Common Taxonomies for Remotely Delivered Services

Remote delivery is most frequently used to enable increased accessibility in care delivery. Common service types include day, therapeutic, and employment services.

Common Taxonomies	# of States with a Service in this Taxonomy	Taxonomy Definition	Service Examples	State Example
 **Day Services**	15	Services other than supported employment typically provided outside the person's home during the working day.	• Adult Day Services • Community Integration • Community Engagement • Habilitation	One State described the use of two-way communication to facilitate Adult Day Services in a remote location. The service is designed as a supplement to in-person supports and allows for more immediate access to the service, particularly in areas with geographic barriers.
 **Health and Therapeutic Services**	15	Services that support people in improving or maintaining health or functional capacity.	• Occupational Therapy • Physical Therapy • Nutrition Services	A State uses remote delivery of occupational therapy services to provide immediate access to therapists or clinicians.

Common Taxonomies for Remotely Delivered Services Continued

Common Taxonomies	# of States with a Service in this Taxonomy	Taxonomy Definition	Service Examples	State Example
 **Supported Employment**	21	Assistance to help a person obtain or maintain paid employment or self-employment.	• Individual/Group Supported Employment • Employment Development • Workplace Assistance	One State delivers supported employment services remotely. The State includes a virtual services risk assessment to determine to what extent remote services will be used to assist the participant with meeting employment goals.

Key Rate Setting Takeaways from States with Remotely Delivered Services

As states work to select, review, and document rate methodologies and rates for remote service delivery, states will need to consider the scope and coverage of remotely delivered services.

- States generally account for rate setting for remotely delivered HCBS in one of three methods:
  1. The state updates its existing rate methodology for an in-person service to allow for remotely delivered HCBS.
  2. The state combines or uses other waiver services and supports to facilitate remotely delivered HCBS (e.g., a state uses another waiver service like assistive technology or enabling technology to allow for remote service delivery for another service type), and/or;
  3. The state pays for remotely delivered services in the same manner or at the same rate paid for face-to-face services, visits, or consultations.
- Many states offer remotely delivered HCBS as a supplement to in-person services in an effort to expand provider networks, increase access to services, and improve service efficiencies.
  - Most states have safeguards to ensure participants receive in-person visits or services.

Designing Rate Methodologies for Remotely Delivered Services

Rate Setting Considerations for Remotely Delivered Waiver Services

States should evaluate, engage, identify, and monitor remotely delivered waiver services to assess effectiveness and alignment with 1915(c) waiver program goals.

EVALUATE

Evaluate which services and providers may deliver waiver services remotely and under what circumstances (e.g., certain tiers, after in-person consultations, etc.).

ENGAGE

Engage stakeholders (providers, participants, families and caregivers) to assess the costs, benefits, and risks to delivering services remotely. A formal stakeholder engagement process is required if a rate methodology change is needed.

IDENTIFY

Identify the costs and service delivery differences associated with delivering remote services and determine whether a rate setting methodology change is needed and/or if remotely delivered services can be paid for in the same manner and rate as face-to-face or in-person services.

MONITOR

Monitor quality of care, community integration, cost effectiveness, participant health and welfare, access to care, and fraud, waste and abuse for remotely delivered waiver services.

Evaluating Services for Remote Delivery

As states consider offering remotely delivered waiver services and developing rate methodologies, they should begin with evaluating what and how services should be delivered.

- States should carefully evaluate which service(s) is most appropriate for remote delivery. Considerations include:
  - Determining which service types and providers are best equipped to deliver remote services
  - Whether waiver participants and providers have the information and technology necessary to receive and/or deliver remote services
  - Whether the existing rate methodology is sufficient to support remotely delivered services
  - Considerations for privacy and consent laws
  - Whether the full extent of the waiver service can be delivered effectively remotely and if efficacy varies across populations
  - Pre-payment and post-payment review processes to prevent fraud, waste, and abuse, including duplicate and inappropriate billings

Evaluating Remote Service Delivery

Some states have implemented remote service delivery as a supplement to in-person services and to address waiver program challenges such as workforce shortages and access to care.

State Example

One State offers remotely delivered occupational therapy services for adults as an adjunct to in-person services. By offering remote service delivery, participants can receive immediate access to a therapist or clinician in an urgent or emergent situation. The State has also used remote service delivery to address provider shortages and expand access to care in rural and frontier areas.

Engage Stakeholders and Program Participants

States should engage stakeholders and waiver program participants to determine how remote service delivery can be used to improve the waiver program and expand access to care.

- States should engage program participants and stakeholders to identify remote service delivery opportunities that leverage the full scope of waiver services and supports to promote community integration.
- States have used surveys, pilot programs, and stakeholder outreach to identify opportunities to implement remote service delivery offerings.
- States have also started to include remote service delivery considerations as part of participant intake and assessment activities to determine whether the participant would benefit from services delivered remotely.

Engaging Program Participants

Some states have used pilot programs to engage program participants and experiment with new flexibilities relating to remotely delivered waiver services.

State Example

One State implemented a program for the remote delivery of supported employment services, developed to broaden the way program participants engage in pre-employment services. The program used innovative pre-employment videos, trainings, and assessments to help program participants better identify job interests and skills. The State used feedback from participants and provider agencies to assess the efficacies and value of remotely delivered pre-employment services.

Identify Remote Service Delivery Costs

State Medicaid agencies should review existing payment methodologies to ensure that rates for services factor in additional costs that may be incurred by providers when delivering services remotely that would not otherwise be incurred in a face-to-face visit.

- States must have a rate setting methodology and/or plan to account for the costs and service considerations for remotely delivered waiver services.
- Some states have been able to leverage existing services and supports to facilitate the remote delivery of other in-person waiver services.
  - For example, a State uses assistive technology to enable the technological supports needed to facilitate remotely delivered adult day services.
- No federal approval is required or needed for state Medicaid programs to pay for remotely delivered services in the same manner or at the same rate paid for face-to-face services, visits, or consultations.
  - States should consider methodologies that include costs associated with the time and resources spent facilitating care where the waiver participant is located.

Identifying Remote Service Delivery Costs

States should consider cost differences for services delivered remotely when developing the rate methodologies.

State Example

One State conducted a rate study analyzing the remote delivery of therapy services. The analysis included a peer review of neighboring states and programs using remote service delivery to assess costs and operational details. The rate study also highlighted opportunities for the State to work with waiver participants and providers to enable the infrastructure in participant homes and other community-based settings needed to access remote service delivery such as equipment, connectivity, maintenance, and training costs.

Monitoring Remotely Delivered Services

States should monitor remotely delivered service utilization to verify that services are delivered as intended to further participant and waiver program goals.

- Many states have already conducted evaluations of Medicaid remote services to understand more about the quality and clinical effectiveness or outcomes of services delivered remotely beyond what is currently captured in claims and encounters.
  - States have leveraged tools such as the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey to better understand participants' experiences with remotely delivered services.
- States have used other tools such as data collection, participant interviews, pilot programs, and provider surveys to evaluate remotely delivered waiver services.
  - As many states have expanded remote service delivery offerings, states have identified limitations with remote service delivery analysis such as data quality, completeness, accuracy, and other data limitations thus necessitating the need for alternate methods to analyze the effectiveness and quality of services.

How to Monitor the Usage of Remote Service Delivery

States should consider the usage of services in monitoring how rates are set or adjusted for remote service delivery.

State Example

One State conducted an analysis of remotely delivered Medicaid services by aiming to address questions spanning three broad topics relating to access to care, utilization, and cost. The review compared remote service delivery costs to in-person alternatives and included a qualitative analysis of participant interviews, focus groups, and a provider survey. This study helped the State to identify potential vulnerabilities relating to billing and payment, opportunities to improve data insights from remotely delivered services for future analyses and provided an assessment of access to quality care.

Documenting Rate Methodologies and Fiscal Impact for Remotely Delivered Services

Documenting the Delivery of Remote HCBS in the 1915(c) Waiver Application

As states implement remote delivery for waiver services, states must be prepared to describe the following in the 1915(c) waiver application:

- How the remote service will be delivered in a way that respects the privacy of the individual especially in instances of toileting, dressing, etc.
- How remote service delivery will facilitate community integration.
- How the remote delivery will ensure the successful delivery of services for individuals who need hands on assistance/physical assistance, including whether the service may be rendered without someone who is physically present or is separated from the individual.
- How the state will support individuals who need assistance with using the technology required for remote delivery of the service.
- How the remote service delivery will ensure the health and safety of an individual.

Documenting Rate Methodologies and Fiscal Impact for Remote Delivery of HCBS

As states incorporate the use of remote delivery of services, they must document the rate setting methodology and expected fiscal impact of remote service delivery in Appendices I and J of the 1915(c) waiver application.

- States must update the below appendices to address remote service delivery:
  - **Appendix I-2-a: Rate Determination Methods**
    - States provide the rate setting methodology for each waiver service including detailing if and when the methodology differs for self-directed and remotely delivered services.
  - **Appendix J: Cost Neutrality**
    - In Appendix J, states provide evidence that the waiver program is cost neutral or more cost effective than institutional equivalents. States must document the estimates of remote service delivery utilization and costs in Appendix J.

Documenting the Rate Setting Methodology for Remotely Delivered Services

States must document in Appendix I-2-a the rate setting methodology for each waiver service including the methodology for remotely delivered HCBS.

- In Appendix I-2-a, states document how they account for the costs of delivering HCBS including provider reimbursement methods.
  - States should clearly outline the unique cost considerations for remote service delivery when such cost considerations are included in the rate methodology.
  - States should consider payment methodologies that include costs associated with the time and resources spent facilitating care where the beneficiary is located, such as a medical facility or the participant's home.
  - States may also pay providers for appropriate ancillary costs, such as technical support, transmission charges, and equipment necessary for delivering services remotely but the methodology must specify the costs and circumstances for payment.
- States must consider whether to cover and pay for services the same way regardless of whether they are delivered via remote delivery of services or in-person and should clearly specify any differences relating to rate setting and payments in Appendix I-2-a.

Documenting Remote Service Delivery in Appendix J

States must account for projected costs and utilization of remote service delivery in Appendix J.

- Per §1915(c)(2)(D) of the Act, states must assure that the average per capita expenditure under the waiver (Factor D and D') during each waiver year not exceed 100 percent of the average per capita expenditures that would have been made during the same year for the level of care provided in a hospital, nursing facility, or intermediate care facility for individuals with intellectual disabilities under the state plan had the waiver not been granted (Factors G and G').
- States incorporating remotely delivered services must confirm and assure that payments meet waiver program cost neutrality requirements each year that the waiver program and remote service delivery is in effect.
- When including remote service delivery as a service component or as part of an expense associated with an individual waiver service, the state must provide an estimate of both utilization and total cost of the remotely delivered service in the Appendix J-2-d tables of the 1915(c) waiver.

Summary

- States experienced an uptick of remote service delivery utilization due to the effects of the COVID-19 PHE and have since extended many remote service delivery programs that were previously temporary.
- States have used remotely delivered HCBS to expand access to services, address provider shortages, improve service outcomes and innovate within HCBS 1915(c) waiver programs.
- States should consider the costs and differences of rendering services remotely when designing rate methodologies for remotely delivered HCBS.
- States should design safeguards to protect the health and welfare of waiver participants, promote community integration, and protect against inappropriate and/or duplicate billings for remotely delivered services.
- States must document the fiscal impact of remote service delivery on 1915(c) HCBS waiver programs in Appendices I and J of the waiver application.

References

1. 1915(c) Home and Community-Based Waiver Instructions, *Technical Guide and Review Criteria (January 2019),* Available online: Instructions Technical Guide and Review Criteria (cms.gov)
2. Centers for Medicare & Medicaid Services, *Medicaid Home and Community-Based Services (HCBS) Taxonomy Category and Subcategory Definitions*, Available online: HCBS Taxonomy Category and Subcategory Definitions (cms.gov)
3. Centers for Medicare & Medicaid Services, *State Medicaid & CHIP Telehealth Toolkit*, Available online: https://www.medicaid.gov/medicaid/benefits/downloads/telehealth-toolkt.pdf
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