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July 29, 2016

Statewide Medicaid Managed Care (SMMC) Policy Transmittal

Policy Transmittal: 16-20

Applicable to:

- Comprehensive Long-term Care (LTC) Plan
- Managed Medical Assistance Health Maintenance Organization
- Managed Medical Assistance Provider Service Network
- Managed Medical Assistance Specialty Plan
- Children's Medical Services (CMS) Plan

Applicable to enrollees in:

- Managed Medical Assistance (MMA)
- Long-term Care (LTC)

Re: Authorization of Long-term Care Maintenance Therapy Services

The SMMC contract requires that the managed care plan must provide Long-term Care (LTC) services listed in the contract in accordance with the Florida Medicaid State Plan, the applicable federal waivers, the Florida Medicaid Coverage and Limitations Handbooks, the Florida Medicaid fee schedules, and the provisions herein, unless otherwise specified elsewhere in the contract. (Attachment II, Exhibit II-B, Section V.A.1.a.) The purpose of this policy transmittal is to instruct managed care plans on authorization requirements for maintenance therapy services in the LTC program and to advise managed care plans of amended federal requirements on coverage and authorization of Medicaid services.

The purpose of **occupational therapy** under the LTC program is to restore, improve or **maintain** impaired functions aimed at increasing or maintaining the enrollee's ability to perform tasks required for independent functioning. (Attachment II, Exhibit II-B, Section V.A.1.a.(22), emphasis added) The purpose of **physical therapy** under the LTC program is to provide treatment to restore, improve, or **maintain** impaired functions... There must be an explanation that the patient's condition will be improved significantly (the outcome of the therapies shall be measurable by the attending medical professional) in a reasonable (and generally predictable) period of time based on an assessment of restoration potential, or a determination that services are necessary to a safe and effective **maintenance program** for the enrollee... (Attachment II, Exhibit II-B, Section V.A.1.a.(23), emphasis added) The term "maintenance program," as used in the contract, means a program, documented in the enrollee's plan of care, of safe and effective services prescribed to sustain an enrollee's health or level of functioning in its existing state or to preserve the enrollee's health or level of functioning from failure or decline.

The managed care plan must ensure that the services are sufficient in amount, duration, or scope to reasonably achieve the purpose for which the services are furnished. (Title 42 Code of Federal Regulations (CFR), Section 438.210(3)(i)) The managed care plan must establish and



maintain a utilization management system to monitor utilization of services, including an automated service authorization system for denials, service limitations and reductions of authorization. The managed care plan must not **arbitrarily** deny or reduce the amount, duration or scope of a required service solely because of the enrollee's diagnosis, type of illness or condition. (Attachment II.D.20., emphasis added) The LTC Exhibit requires that service authorizations must reflect services as specified in the plan of care. When developing service authorizations, case managers must authorize ongoing services within timeframes specified in the plan of care, and the authorization time period must be consistent with the end date of the services as specified in the plan of care. (Attachment II, Exhibit II-B, Section V.E.6.d.(1) and (2))

In the Medicaid and Child Health Insurance Program (CHIP) Managed Care Final Rule (81 FR 27497), the Centers for Medicare and Medicaid Services amended 42 CFR 438.210 on coverage and authorization of services. Effective July 6, 2016, the managed care plan may place appropriate limits on a service on the basis of criteria applied under the State plan, such as medical necessity, or for the purpose of utilization control, provided that:

- The services furnished can reasonably achieve their purpose, as required in 42 CFR 438.208(a)(3)(i); and
- **The services supporting individuals with ongoing or chronic conditions or who require long-term services and supports are authorized in a manner that reflects the enrollee's ongoing need for such services and supports.** (42 CFR 438.210(a)(4)(A) and (B), emphasis added)

The managed care plan is responsible for ensuring the appropriateness and adequacy of services and authorizing services in a manner consistent with the nature and severity of the enrollee's needs.

If you have any questions, please contact your Agency contract manager at (850) 412-4004.

Sincerely,



Beth Kidder
Assistant Deputy Secretary for
Medicaid Policy and Quality

BK/dp