

GUIDE TO EXCEPTIONS

July, 2014

INTRODUCTION

An exceptional rate is a payment that exceeds the CAPS assessed service payment levels for individuals residing in community-based care settings. (See Payment Limitation Rule 411-027-0050.) Exceptional rates are determined necessary when there is evidence that the placement is the most appropriate for the resident, special services are necessary to meet individual needs and the provider has the capability to meet those needs, either in their own home or in a community-based care facility, such as an adult foster home or a residential care facility. Exceptional rates are not available for those in assisted living facilities or nursing facilities.

GENERAL SUMMARY

(See specific instructions below for In-home, AFH, ICP and RCF exception requests.)

- The case manager (CM) meets with an eligible or applying individual to discuss service needs and, if needed, conducts a CAPS assessment to reflect current service needs. For exceptions, the CAPS must be within six months of the current date and represent the individual's condition and functioning which require the exceptional rate. The case manager, individual and identified service providers work to develop a service plan to address the needs.
- If the number of hours required is above the maximum amount (in-home field office approval or AFH/RCF base rate plus add-ons or not covered in add-on) on the published rate schedule, the case manager prepares an exceptional rate request by completing an SDS 0514 (and 514A for AFH requests) and gathering other relevant documents.
- The case manager emails the form(s) to the manager for review and approval.
- The manager thoroughly reviews the exception.
- If approved, the manager emails the form(s) to

spd.exceptions@state.or.us with a cc to the case manager. If the manager does not support the exception but wishes to have it reviewed by the exceptions team, the manager should still email it, but comment in the email that it is not supported locally. However, exceptions can be denied locally without Central Office review.

- The subject line of the email must identify the type of exception.
 - In-Home, AFH, or RCF; AND
 - One of the following: Diversion Case, Emergent Need, Exception Renewal, or New Exception. Example: AFH – New Exception
- The email is delivered to the Exceptions mailbox that is monitored by APD Central Office staff. The date the request arrives in the mailbox is considered the effective date.
- When the request is received in the mailbox, the information is logged into a database and tracked.
- Central Office staff in the In-Home or Field Services unit reviews the request.
- The Central Office staff contacts the field office via email if more information is needed, missing, incomplete, or out of date.
- A decision is made on each request to approve, deny, or defer the request for more information with a goal of a 48-hour maximum turnaround from the time all necessary information is received in the exceptions mailbox.
- The decision is communicated via email to the case manager and manager.
- The case manager takes all action necessary on the case as a result of the decision except for payment related tasks. If an exception has been approved for an individual in an AFH or RCF, Central Office staff will adjust the rate on the 512 so the correct payment is made. Confirmation of the adjustment will be sent via email. The case manager will be directed to touch the 512 after the adjustment is made in order for the new rate to take effect. For In-home exceptions, the Provider Payments Unit will update the rate table so vouchers can be issued for HCWs. The case manager will be notified by email when the adjustment is completed and adjusted vouchers can be created.
- The case manager monitors the service plan on-going and makes

adjustments as needed. This adjustment may affect the approved exceptional payment.

- Exceptional rates may not be prior authorized. For in-home exceptions, the request must be submitted and approved by Central Office prior to the start of the service plan. The effective date is the date of receipt. For new AFH exceptions, if approved, the effective date is the date of receipt. For AFH renewals, the exception must be submitted prior to the expiration of the current exceptional rate, or the date submitted is the effective date.
- A list of all exceptions expiring in the next 60 days is sent to managers monthly. Case managers are encouraged to review the list on a regular basis to ensure that a renewal, if needed, is prepared and submitted in a timely manner.

*For a person who lives in an AFH or RCF, the case manager will need to submit a new exception request if the person's needs change (increase or decrease). A new exception request is also required when a client moves from one facility to another or if a provider number changes, regardless of whether the person's needs have changed.

* For a person living in their own home, the case manager will need to submit a new exception request if the number of service plan hours exceed the approval. If the plan remains the same, a new request must be re-submitted prior to the expiration date of the current exception.

* Diversion/transition coordinators may also prepare exception requests using the same procedure as case managers.

PROCESS for In-Home Exceptions

- To request an exception, complete form SDS 514 completely and correctly. Make sure the requested number of hours has been entered correctly on the 514. The Community based care cost/In-Home Care will reflect the CAPS Hour Segment in the Service Plan. The "assessed number of hours" reflects the allowed hours, and the requested exceptional hours reflect the exception hours. The total number of hours is not required.

- With an in-home exception, the completion of the AFH/RCF section is not required. In-home service plans are discussed in terms of hours and not dollars.
- The completion of the 514A (Exception Request Worksheet) is not required.
- The Exceptions Request – In Home Checklist can be used to assist in completion of the request. The manager can also use this checklist when reviewing the request.
- The 514 Summary should be used to provide a summary of the situation and the exception. This summary should include explanations such as information about prior failed placements, alternate living situations discussed with client, live-in plan feasibility, availability of natural supports, multiple shift providers, complex care, and other information explaining or relating to the answers to the exception criteria check boxes for in-home exceptions. Because the requested service plan hours exceed the number of hours allowed by rule, please explain in detail how long the task takes to complete and how often the task is provided.
- To justify the exceptional hours, fully utilize all areas in the CAPS assessment such as assessment comments, synopsis, client details component, and case narration.
- Email the exception to a manager for review.
- The manager thoroughly reviews and approves exception and emails the request to the Exceptions email box (spd.exceptions@state.or.us)

PROCESS for Adult Foster Home Exceptions

- Complete form SDS 514.
 - Confirm license classification of AFH. If CAPS assesses client as needing full assist with 4 or more ADLs, the AFH must be a class 3 home. If not, contact provider to inform that a licensing variance must be requested and granted from the local licensor before the exception can be approved. Alternatively, the licensor and manager must provide a statement that a classification exception is not

necessary. Refer to OAR 411-050-0443 for AFH classification rules.

- Make sure the requested rate has been calculated correctly. “CAPS assessed rate” is the base rate + add-ons in CAPS. “Requested exception” is the number of additional hours per week (from the 514A) x 4.3 weeks x \$12.00. Total = “CAPS assessed rate” + “requested exception.” * AFH rates are not calculated using a 31-day month.
- Does the provider have a resident manager? If so, that person can not be listed as a caregiver on the 514A. (Resident managers are considered the primary provider. As such, they can not be paid as a secondary caregiver. The exception is for additional staffing that is required to meet the client’s care needs.)
- Are there other exceptions in the AFH? If so, have those other exceptions been considered when assessing the provider’s need for additional staff?
- Complete the SDS 0514A (Exception Request Worksheet). This provides documentation of the provider costs.
 - Provider completes the form and works with the case manager to prepare it for submission as part of the request. Make sure the client’s care needs are adequately described in the tasks section. It is helpful to include how often a task is performed and how long it takes each time.
- In addition to the 514 and 514A, Central Office staff will review the most recent CAPS assessment, comments, treatments and summary as well as case narratives.
- A Behavioral Care Plan should accompany the request if the request is based on behavioral issues.
- Do not include additional health information unless Central Office requests it (AFH/RCF resident’s care plan, medical records, home health or hospice reports, contract RN assessments, rehab plans, etc.).
- Email exception to your manager for review. An AFH Exceptions Rate Checklist is available to assist in reviewing AFH exceptions.
- Manager thoroughly reviews and approves exception and emails

the request to the Exceptions email box (spd.exceptions@state.or.us).

PROCESS for Vent Home Exceptions

The vent rate is \$7486.00 per month.

- Complete form SDS 514.
 - Make sure the requested rate has been calculated correctly. “CAPS assessed rate” is the base rate + add-ons in CAPS. “Requested exception” is the difference between the base rate + add-ons and the “Total rate:” \$7486. Example:

| | |
|-----------------------|------------|
| ○ CAPS assessed rate: | \$ 1856.00 |
| Requested exception: | \$ 5630.00 |
| Total rate: | \$ 7486.00 |
 - CAPS assessed rate: \$ 1856.00
 - Requested exception: \$ 5630.00
 - Total rate: \$ 7486.00
- An SDS 0514A (Exception Request Worksheet) is not required for vent home exceptions.
- In addition to the 514, Central Office staff will review the most recent CAPS assessment, comments, treatments and summary as well as case narratives.
- Do not include additional health information unless Central Office requests it (AFH/RCF resident’s care plan, medical records, home health or hospice reports, contract RN assessments, rehab plans, etc.).
- Email exception to your manager for review. An AFH Exceptions Rate Checklist is available to assist in reviewing AFH exceptions.
- Manager thoroughly reviews and approves exception and emails request to Exceptions mailbox (spd.exceptions@state.or.us).
- Approval will be sent via email.

PROCESS for Independent Choices Exceptions

- In addition to the In Home Exceptions process, also submit the form 546IC.

PROCESS for Adult Day Service Exceptions

- In exceptional circumstances payment for ADS can be authorized for residents of an Adult Foster Home if day services is the appropriate resource to meet a “special need” per OAR 411-027-0000(7)(b), and the services provided by the ADS cannot be provided by the AFH provider. Policy Transmittal 05-013 explains these special needs and how to obtain authorization.

PROCESS for Residential Care Facility Exceptions

- Because RCF rules require the facility to have awake caregivers, sufficient in number, to meet the 24-hour scheduled and unscheduled needs of each resident, RCF exceptions can be more difficult to obtain. Note that memory care RCFs are not eligible for exceptions.
- Once you are ready to submit the 514 and 514A to the SPD exceptions mailbox for review, make sure you have answered the following questions:
 - Are there other exceptions in the RCF? If so, have those other exceptions been considered when assessing the provider’s need for additional staff?
 - Is the CAPS current (date completed is within 6 months of the requested exception)? Are there add-ons? An exception request will not be granted based on the base rate alone.
 - If the reason for the exception is based on behaviors, has a behavioral care plan been submitted along with the 514 and 514a?
 - Has the case manager worked with the provider in filling out the 514a? Are all of the client’s needs adequately described in the task section? Did you include how often a task is performed and how long it takes?
- Make sure your manager thoroughly reviews and approves the exception request prior to submitting it to the Exceptions mailbox (spd.exceptions@state.or.us).

Frequently Asked Questions

1. What is the timeline for processing an exception?

Exceptions will be processed during the regular work week. The timeline of the decision will be dependent on complete information received from the requesting office with a goal of a 48-hour turnaround.

For exception requests for emergent situations, a decision will be made and communicated to the requesting office within 24 working hours of receiving the request (if complete information is received). If the information is received on Friday, the decision Central Office will be communicated on Monday. *Include "URGENT" in the subject line.

2. How long is an exception effective?

Generally, exceptions are approved through the expiration of the most recent CAPS assessment, and not more than one year. Exceptions may be granted for less time (usually 3 or 6 months) if the case manager requests a shorter duration, or it appears the situation needs monitoring and re-evaluation of the plan sooner than one year. For example, a person is receiving the exception to support a rehabilitation plan that is expected to result in improvement within six months.

3. Are there any emergency exceptions?

No. Field offices may not authorize service plans with exceptional rates unless they have received Central Office approval. See PT 08-022.

4. What will Central Office consider as part of the exception?

Central Office will be responsible for reviewing the following:

- 514 or 514A;
- CAPS comments, CAPS client details;
- Service summary, hour segment, assigning of hours; and

- OACCESS narration.

5. *What are the procedures for renewal? Do these differ from the initial request?*

Yes and No. When an exception is due for renewal, and the requested hours haven't changed or the request is a reduction, a local office manager may approve the exception. The manager or other designated users then submit an email with the provider number, prime number, authorized hours, and date span to spd.exceptions@state.or.us notifying APD of the rate to be continued or reduced.

All other exception requests must be submitted through the regular process if the above criteria is not met.

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6. *What's expected of a field office SPD/AAA manager before approving an exception request?*

The manager approves and emails the request after assuring the request is:

- Justified for the individual;
- Cost effective;
- Consistent with the administrative rules and exceptions criteria; and
- Properly documented with completed forms and information.

It is strongly recommended that the In-Home or AFH Exceptions Checklist be used to prepare the exception.

7. *Are retroactive requests considered?*

No. The date received by Central Office through the exception request email box (spd.exceptions@state.or.us) is the date the approved request is effective.

8. *What are the possible responses to the exception request?*

The exception request will be approved, denied, or deferred for more information. The decision will include a time frame (for an approval) and may also include technical assistance.

9. *Who gets notified of the decision and by what means?*

Approvals are communicated to the case manager, manager and rate table staff by email.

Requests for more information are communicated by email or a phone call to the case manager or manager and a follow-up email for documentation purposes. A copy is sent to the manager.

Denials are communicated to the case manager, manager and district manager by email.

10. *What is the case manager's responsibility after an exception is approved, denied, or deferred?*

a) Approved.

- The case manager narrates the decision in the OACCESS file.
- The case manager adjusts case records as needed to reflect the exception. For a facility case, Central Office staff will add the exceptional rate to the 512, but the case manager must touch the 512 in order to pick up the rate change. For in-home exceptions, Provider Payments staff adjusts the rate table to allow the creation of the new voucher at a higher amount and notify the case manager.
- The case manager monitors if the new plan is working and if the exception is supporting the client's needs. The case manager makes plan adjustments as needed and may submit a new exception if needs, providers, or services change.
- The case manager monitors the service plan and ensures payments remain below the approved hours or dollar amount.
- The case manager follows up with technical assistance

suggestions made by Central Office (such as involving a Long Term Care Community Nurse).

- The case manager tracks when the exception expires and submits a new exception if needed.

b) Denied.

- For in-home cases, the case manager notifies client of denial.
- The case manager issues an SDS 0540.
- The case manager adjusts the service plan and discusses alternatives for meeting needs.
- For AFH and RCF cases, the case manager notifies provider of denial. Providers have no hearing rights with regard to a denial of an exceptional rate request.

c) Information Needed. The case manager works with designated Central Office staff to submit additional information needed to process the request.

11. When more information is needed, what are the maximum timelines before a denial is issued?

If the deferral is based on a request for additional information, the case manager is asked to respond as quickly as possible. The case manager will be given a maximum of 30 days to submit the additional information requested.

Denials based on the deferral timelines will be formally communicated for documentation purposes and when a contested case hearing is requested.

12. What happens if there is a change in providers?

Rates are not transferable between facility providers. If an individual moves to a new foster home or the AFH provider changes, a new exception must be written based on the costs submitted by the new AFH provider.

In an in-home plan, a new provider may be substituted without the

need for a new exception if the total number of hours in the plan is not changing. If the plan hours change, a new exception is required.

13. What does Central Office staff do?

Central Office staff reviews the exception and approves, denies, or asks for more information about the exception. The staff may contact DHS employees in rate setting, DMAP (RN), licensing, or other units to gather necessary information or to staff the situation to assist in decision making.

14. Does Central Office staff offer technical assistance?

Yes. Central Office staff may provide technical assistance to case managers who are in the process of preparing exceptions and wish to staff the situation prior to submission.

15. Who is the Central Office staff to contact if assistance is needed with the exceptions process?

a) For In-Home including VDQ:

- Kelsey Weigel, 503-945-6413
Kelsey.C.Weigel@state.or.us
- Darwin Frankenhoff, 503-947-5162 (back up)
Darwin.J.Frankenhoff@state.or.us
- Suzy Quinlan, 503-947-5189 (back up)
Suzy.Quinlan@state.or.us

b) For AFH/RCF:

Margaret May, 503-945-6418
Margaret.May@state.or.us

c) For ICP:

Kelsey Weigel, 503-945-6413
Kelsey.C.Weigel@state.or.us

Relevant Oregon Administrative Rules

DEFINITION – OAR 411-027-0005

"Exception" means an approval for payment of a service plan granted to a specific individual in their current residence (or in the proposed residence identified in the exception request) that exceeds the CAPS assessed service payment levels for individuals residing in community-based care facility services or the maximum hours of service as described in OAR 411-030-0070 for individuals residing in their own homes. The approval is based on the service needs of the individual and is contingent upon the service plan meeting the requirements in OAR 411-027-0020, OAR 411-027-0025, and OAR 411-027-0050. The term "exception" is synonymous with "exceptional rate" or "exceptional payment."

ELIGIBILITY – OAR 411-027-0050

1. Who may qualify for an exception?

Exceptions may be written for Medicaid eligible service recipients receiving:

- In-home services including the Client-Employed Provider Program, in-home contract agency services, spousal pay services, or Independent Choices Program services;
- Adult day services (ADS) or ADS with adult foster home services;
- Adult foster home services;
- Residential care facility services except memory care facilities; or
- Eligible individuals being diverted from or transitioned out of nursing facilities.

Exceptions will not be granted for individuals who reside in assisted living facilities, flat rate contracted facilities, specialized living services settings or nursing facilities.

2. When is an exception needed?

In-Home Services Plans: Exceptions must be written if the hours of

the proposed in-home plan exceed the field office approval amount found on the APD rate schedule.

In-Home Services Program exceptions are not exceptions to the hourly rates paid to providers. All hourly rates are based on the APD rate schedule or in-home agency contracted rates.

Adult Foster Home Plans: Exceptions must be written if the cost of the proposed foster home services:

- Exceed the base rate plus any one or combination of three potential add-ons, as determined in the assessment process; or
- The cost of proposed services is not covered by the add-ons.

Rates are found on the APD rate schedule.

CRITERIA – OAR 411-027-0020, 411-027-0025, & 411-027-0050

1. What are the rule criteria for granting any exception?

- a) Service payments are based on the needs assessed in the current CAPS assessment.
- b) Payment may only be authorized when the natural support system is “unavailable, insufficient, or inadequate” to meet client’s needs.
- c) APD determines the individual has service needs documented in the service plan that warrant a service payment exception.
- d) The service plan is based upon less costly means of providing adequate care consistent with client choice. Client choice means that the person has been informed of alternatives to nursing facility services and has been given the choice of institutional services, waived services, or the Independent Choices Program. Any services that are available at a rate higher than the APD rate schedule will only be a choice if the client meets the criteria in the exception policy in OAR 411-027-0020 or OAR 411-027-0050.
- e) The provider actually provides the exceptional service.
- f) For individuals in facilities, exceptions are based on demonstrated program costs that:
 - Exceed basic service costs for direct care (customary services provided in that setting).

- Are costs which are not covered or in excess of the base rate plus add-ons.
 - Building costs, utilities and food may not be included in the exception.
- g) For individuals who receive in-home services:
- It is determined the placement is the most appropriate place for the individual.
 - Special services are necessary to meet the client needs.
 - Provider has the capability to meet those needs.

2. What are the additional criteria for exceptions that exceed the comparable nursing home rate?

- a) There is a specific rehabilitation plan approved by APD with goals and definite time frame for delivery that will improve the client's self-sufficiency; or
- b) APD determines that intensive convalescent care is required for a limited period of time (e.g. hospice); or
- c) APD determines that intensive long-term care or special technology (e.g. ventilator care) is required but is otherwise only locally available in an acute care facility (hospital); and
- d) APD has reviewed the costs of service to be provided and determined their reasonability.