

June 17, 2021

<Provider Name>
<Provider Address 1>
<Provider Address 2>
<City> <State> zipcode5-zipcode4

Dear Provider:

RE: Long Term Supports and Services (LTSS) COVID-19 Response: Additional Guidance on the Level of Care Determination (LOCD) for Medicaid-Certified Nursing Facility and Program of All-Inclusive Care for the Elderly (PACE)

The purpose of this letter is to provide additional guidance to Medicaid-certified Nursing Facility and PACE providers on the LOCD process during the COVID Public Health Emergency (PHE). The LOCD is an eligibility tool used to determine functional eligibility of individuals seeking LTSS in a Medicaid-Certified Nursing Facility, MI Choice, Program of All-Inclusive Care for the Elderly (PACE), or MI Health Link HCBS Waiver.

As stated in letter L 21-19, MDHHS has extended the end date of existing LOCDs in the Community Health Automated Medicaid Processing System (CHAMPS) for beneficiaries who are currently receiving services from a Medicaid-certified Nursing Facility or PACE program where LOCD end dates fall between March 1, 2021 and August 31, 2021. **Medicaid-certified Nursing Facilities and PACE programs must not conduct LOCDs during this timeframe if there is an existing eligible LOCD in CHAMPS for a currently admitted or enrolled beneficiary.**

Adopting LOCDs

When assessing a beneficiary for admission or enrollment, Medicaid-certified NFs and PACE providers **may adopt an active LOCD if all of the following criteria are met:**

- the provider agrees with the current LOCD Door eligibility,
- the record is Doors 1-7 or Door 8 (excluding 8-2019),
- the verification status of the LOCD is “not selected” or “approved”, and
- the LOCD end date is after the date of assessment.

If the LOCD record does not meet all criteria, a new LOCD must be conducted and entered into CHAMPS.

L 21-37

LOCD Door 8-2019 is not adoptable. When evaluating a beneficiary for admission or enrollment who has Door 8-2019 as their current LOCD, a new LOCD must be conducted and entered in CHAMPS. MDHHS is monitoring LOCD Door 8-2019 records. **If an LOCD Door 8-2019 is adopted, all paid claims utilizing this record will be voided and payments recouped.**

If a beneficiary is currently receiving services from another provider, and as part of the enrollment/admission process an LOCD is conducted with the beneficiary, it must be entered into CHAMPS. **If LOCD Door 0 (ineligible) is entered for a beneficiary, the current provider must be notified of the LOCD Door 0 and the beneficiary must be given their appeal rights.** The notification to the provider must be documented.

If another provider enters LOCD Door 0 for a beneficiary who will continue to receive services from a Medicaid-certified Nursing Facility or PACE provider, MDHHS will inactivate the Door 0 and re-instate the previous eligible LOCD record with updated end dates. This supports a beneficiary's right to maintain enrollment during the coronavirus PHE.

LOCDs Due to Significant Change in Condition

Medicaid-certified Nursing Facilities and PACE programs must not conduct LOCDs for currently admitted/enrolled beneficiaries if there is an active eligible LOCD in CHAMPS.

The passive redetermination process may create a new eligible LOCD record for a beneficiary if all requirements are met. These records are visible in CHAMPS. The passive redetermination process is not creating Door 87 (cannot confirm eligibility) for the duration of the PHE.

Other Information

Guidance specific to the termination of the PHE will be provided in the future.

Please refer to the frequently asked questions document (attached) for additional information.

Guidance for MI Choice and MI Health Link HCBS Waiver providers is found in L 21-18 and L 21-36. Numbered letters can be found at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms

Enrolled beneficiaries may elect to voluntarily disenroll regardless of LOCD eligibility. Providers must offer discharge planning to beneficiaries who are considering voluntary disenrollment. Discharge planning must take into consideration issues unique to the coronavirus pandemic, including the beneficiary's vaccination status, prior to disenrollment. Providers must be aware of current guidance from the Centers for Disease Control and Prevention (CDC) regarding coronavirus variants, vaccine efficacy, and other community mitigation strategies as these factors will be relevant to discharge planning.

Policy information for LOCD can be found in the Nursing Facility Level of Care Determination Chapter of the MDHHS Medicaid Provider Manual at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

MDHHS strongly encourages providers to subscribe to COVID-19 updates at www.Michigan.gov/coronavirus.

An electronic version of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Massey', followed by a horizontal line.

Kate Massey, Director
Medical Services Administration

attachment

**Level of Care Determination (LOCD) Frequently Asked Questions (FAQs) -
Nursing Facilities and Program of All-Inclusive Care for the Elderly (PACE)**

1. When do I need to conduct an LOCD with a beneficiary?

Nursing Facilities and PACE providers must conduct an LOCD during the enrollment or admission process when **one** of the following criteria are met:

- 1) The beneficiary has does not have an active LOCD record.
- 2) The beneficiary's current LOCD is Door 8-2019, 67, or 77.
- 3) The end date of the LOCD is on or prior to today's date
- 4) The current LOCD verification status is "documents not available" or "in review"
- 5) You do not agree with the current LOCD Door determination
- 6) You choose to not adopt an LOCD

Nursing Facilities and PACE providers must not conduct LOCDs on any currently enrolled/admitted beneficiaries who have an active eligible LOCD in CHAMPS.

2. Do I need to conduct an LOCD when a beneficiary has a significant change in condition?

No. Nursing Facilities and PACE providers must not conduct LOCDs on currently enrolled/admitted beneficiaries who have an active eligible LOCD in CHAMPS at this time.

3. When can I adopt an LOCD?

An LOCD may be adopted if it **meets all four** of the following criteria:

- 1) Active LOCD Door is 1-8, excluding Door 8-2019
- 2) The end date of the LOCD is after today's date
- 3) The verification status of the LOCD is "not selected" or "approved"
- 4) You agree with the current LOCD Door determination

4. When can I **NOT** adopt an LOCD?

A LOCD **cannot** be adopted if it meets **any one** of the following criteria:

- 1) Active LOCD Door is Door 8-2019, 67, or 77
- 2) The end date of the LOCD is on or prior to today's date
- 3) The verification status of the LOCD is "documents not available" or "in review"
- 4) You **do not** agree with the current LOCD Door determination

5. What happens if a beneficiary is enrolled/admitted with another provider and they want to transfer to my provider and we determine they are LOCD Door 0 (ineligible)?

The LOCD must be entered into CHAMPS and the current provider must be notified of your determination. You must retain documentation of the provider notification. The beneficiary must be given their appeal rights.

6. What if a provider enters a LOCD Door 0 for a beneficiary enrolled/admitted to my provider?

No action is required by a Nursing Facility or PACE provider. MDHHS staff will be monitoring CHAMPS on a regular basis for a Door 0 that ends an eligible LOCD. For beneficiaries that continue to be enrolled/admitted with the same PACE or Nursing Facility provider, the Door 0 will be inactivated and the previous eligible LOCD Door will have the end date updated to show continued eligibility.

7. What if a beneficiary has a break in Long Term Supports and Services (LTSS) enrollment/admission?

The beneficiary must meet criteria for LOCD Doors 1-8, excluding Door 8-2019, and all other program criteria for enrollment/admission. An LOCD may be adopted if it meets the criteria outlined in question number 3.

8. What is LOCD Door 8-2019?

LOCD Door 8-2019 is a new LOCD door created for use by MI Choice and MI Health Link HCBS Waiver programs during the PHE. Centers for Medicare & Medicaid Services (CMS) is requiring that these programs resume conducting LOCDs with beneficiaries. The new COVID-specific door was created to allow beneficiaries to continue their enrollment due to the suspension on involuntary disenrollments.

9. How do I know if a beneficiary has a LOCD Door 8-2019?

When logged into CHAMPS with LOCD-Tech profile, go to the Level of Care Determination List Page. Search for the beneficiary using one of the approved search criteria. If the beneficiary has LOCD Door 8 on the list page, in the action drop down box, click "view LOCD". In the LOCD record, click on "Doors" in the left navigation pane, then "Door 8". Approval criteria and approval code are visible on this page. If a beneficiary has LOCD Door 8-2019, you will see approval criteria "Frailty" and approval code "2019." The LOCD webpage also has a job aide available.

10. Can a beneficiary enroll with a Door 8-2019?

No. Door 8- 2019 is only approved for currently enrolled beneficiaries. A beneficiary seeking enrollment must meet criteria for Doors 1-7 or Door 8 (excluding 8-2019). MDHHS will be monitoring beneficiaries with LOCD Door 8-2019. If you adopt an LOCD Door 8-2019, all paid claims utilizing this record will be voided and payments recouped.

11. Can I re-enroll or re-admit a beneficiary who has a Door 8-2019?

No. Once a beneficiary disenrolls or discharges, they must meet LOCD Doors 1-8 (excluding 8-2019) to re-enroll/re-admit. A new LOCD must be conducted with this beneficiary.

12. Can I enroll or admit a beneficiary who has a LOCD Door 0?

No, all beneficiaries must be enrolled/admitted with an LOCD Door 1-7 or Door 8, excluding 8-2019. Any submitted claims utilizing a Door 0 record will automatically deny.

13. When does the Freedom of Choice form need to be completed?

A Freedom of Choice (FOC) form must be completed with each conducted LOCD and any time an LOCD is adopted. The provider must make a considerable effort to obtain all needed signatures. If the provider is unable to obtain signatures from the beneficiary or their representative, the attempts to get signatures must be documented.

14. If LOCDs were conducted during the PHE, do those need to be entered into CHAMPS?

No, do not retroactively enter LOCDs into CHAMPS.

15. Will passive redetermination LOCDs be created in CHAMPS?

The passive redetermination LOCD process continues to run. If the Resident Assessment Instrument – Home Care (iHC) or Minimum Data Set (MDS) assessment generates an eligible LOCD, that LOCD record will be in CHAMPS. The passive redetermination process is **not** creating Door 87 (cannot coNursing Facilityirm LOCD eligibility) during the PHE.

16. What will happen when the PHE ends?

Specific guidance for the termination of the PHE and resumption of pre-COVID processes will be published at a future date.