



California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

May 12, 2004

Dear Stakeholder:

The California Department of Health Services (CDHS) thanks you for your continued interest in the Assisted Living Waiver Pilot Project. The intent of this letter is to provide you with an update on the activities and the plans for implementation of the pilot project beginning this fall. The Assisted Living Waiver Pilot Project (ALWPP) intends to test the efficacy of assisted living as a new Medi-Cal waiver benefit in three pilot communities, San Joaquin County, Sacramento County and a portion of Los Angeles County.

CDHS contracted with NCB Development Corporation to design and implement this project. CDHS intends to request federal approval for a new Home and Community Based Services (HCBS) waiver. This benefit will serve Medi-Cal eligible residents in two models of assisted living—licensed Residential Care Facilities for the Elderly (RCFEs) and publicly subsidized housing. During the past several months, we have designed the structure of the program, developed a waiver application and created the infrastructure needed to deliver services. CDHS expects to submit the waiver to the Centers for Medicare and Medicaid Services by the middle of June 2004. Once the waiver is approved, the Assisted Living waiver benefit will be available to a limited number of individuals over the age of 21 who would otherwise require nursing facility services, but can be maintained safely in the community with the support of waiver services. The waiver service package includes:

- Assisted Living Services. This bundled array includes personal care services, chore services, companion services, medication oversight and administration (to the extent permitted under State law), therapeutic social and recreational programming, and individualized response services. This service also includes the coordination of transportation and home health care.
- Environmental Accessibility Adaptations
- Care Coordination
- Community Transition Services
- Translation and Interpretation Services
- Consumer Education

In the coming months, the ALWPP will solicit applications from providers in the specified counties to deliver services under this waiver. In Residential Care Facilities for the Elderly, the bundle of assisted living services will be provided by the RCFE's staff. In the publicly subsidized housing sites, the assisted living bundle will be provided by Medi-Cal licensed and certified Home Health Agencies. All waiver providers must meet the Provider Participation Criteria (see enclosure).

All participants must be Medi-Cal beneficiaries who require the level of care provided in a skilled nursing facility, either an Intermediate Care Facility (NF-A level of care) or a Skilled Nursing Facility (NF-B level of care). Providers of the assisted living services will be reimbursed at one of four tiered rates depending on the level of care needed by the participant.

The participant's level of care will be determined pursuant to an assessment. Care coordination, which is reimbursed at a monthly rate per participant, will be provided by an experienced community-based organization. Providers of both assisted living services and care coordination must enroll as Medi-Cal providers in order to be reimbursed. The other services will be purchased as needed from reputable non-profit or proprietary business entities depending on the nature of the service.

The ALWPP will establish a County Stakeholder Group in each of the three targeted communities. These groups will be comprised of service providers and interested consumers who have a record of involvement in their respective communities. The County Stakeholder Groups will provide input to the project during the pre-implementation months, help outreach to the service community and prospective project participants, and review provider applications.

Once provider application forms have been reviewed and providers have been selected by CDHS, NCB will train the providers to follow the program's policies and procedures, use the required forms, provide the requisite documentation and complete the billing process. It is expected that participants will be enrolled into the program beginning in November 2004.

To learn more about the ALWPP, please visit the project's web site at:
www.californiaassistedliving.org.

Stakeholder
Page 3
May 12, 2004

If you have any questions about the project or this letter, please call or email either:

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Sincerely,

Benjamin C. Thomas, Chief
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Enclosure