

## Potential Changes to Residential Habilitation Services Offered by SDS

**Background:** The Alaska Division of Senior and Disabilities Services (SDS) pays for 24/7 Residential Habilitation support in Home and Community Based Waivers through two primary mechanisms: Family Home Habilitation and Group Home Habilitation. Group Home Habilitation is provided in a licensed assisted living home (ALH) primarily using staff who do not live on the property to support two or more individuals ages 18 and older. Family Home Habilitation is provided by a family that typically takes one person (though it can be two or three people) into their own home, which must also be licensed. Family Home Habilitation providers serving adults must have an ALH license which is given by the Residential Licensing Unit of the Division of Health Care Services. Family Home Habilitation providers serving children must have a Community Care License to serve foster children from the Office of Children Services, which sometimes uses a child placement agency.

During the process of verifying all settings in which services were provided, SDS observed that many providers of Family Home and Group Home Habilitation services acted as subcontractors to SDS-certified and enrolled providers that billed and received the Medicaid payment and then passed the payment to the subcontractor. This is not allowed under 42 CFR 447.10 (prohibition against assignment of claims). The current structure for these contractual arrangements needs revisions to become compliant under federal regulations, so SDS has been taking steps to rectify this situation. SDS has worked with providers to better understand barriers faced by the individuals rendering the Family Home Habilitation service. Through feedback, SDS has learned that many of these providers choose to subcontract with and accept a lower payment from a certified provider to avoid some of the burdens associated with being certified as a provider directly by SDS.

To comply with the “no factoring” federal regulation, all providers must eventually meet certification standards. This means that more providers will need to be individually certified and monitored.

Prior to proposing regulatory amendments to accomplish this, SDS analyzed its current regulations for Family Home Habilitation and Group Home Habilitation, reviewed regulations for these services in other states, conducted a survey of its providers, and held meetings with groups of providers. This research identified the following challenges:

- 1) SDS’ provider requirements did not clearly delineate the difference between Family Home Habilitation and Group Home Habilitation.
- 2) Many individuals or families wanting to be Family Home Habilitation providers find the ALH licensing requirements overly burdensome in comparison to the requirements for a Community Care License for foster children.
- 3) Some providers may perceive other certification requirements, such as insurance mandates, as being burdensome.
- 4) Some Family Home Habilitation providers may not be aware that they can be directly certified as a provider.

**Proposed Changes:** SDS is exploring three major changes to Residential Habilitation and would like to obtain provider and other stakeholder input about these changes prior to developing regulations. While

SDS wants to address the challenges described above and increase the availability of Family Home Habilitation as a service, SDS also wants to avoid creating unnecessary challenges for providers or actions that will have a negative impact on program participants. Therefore, SDS views this document as the starting point of a dialogue with stakeholders.

**Clarifying the Differences Between Family Home Habilitation and Group Home Habilitation:**

SDS envisions that Family Home Habilitation involves a family including a person on a waiver in their household. In contrast, Group Home Habilitation supports individuals living with peers in an independent setting. The table below shows the proposed differences between these two services.

Family Home Habilitation	Group Home Habilitation
<b>Who Lives at the Site</b>	
<p>The property <u>must be</u> the primary residence of the family (operator) that is providing the service (whether owned or rented). The entire family (including program participants) should reside together and share common areas. The physical address of the Family Home Habilitation provider must be exactly the same as the physical address where the participant(s) is living.</p>	<p>Everyone residing in the Group Home space that is licensed as an ALH must be receiving paid services (Medicaid, GR, other State or private pay). Staff cannot live in the licensed ALH space.</p>
<b>Who Provides Support</b>	
<p>The business operator and the business operator's family must provide the majority of the support to the individual.</p>	<p>A majority of the Group Home service must be provided by staff who do not live on the property.</p>
<p>Family Home Habilitation providers cannot hire staff to provide direct care services, but participants can receive other waiver or PCS services.</p> <p>The only other service a Family Home Habilitation provider can be certified to provide is daily respite. However, the provider cannot provide this or any other paid service to a participant who resides in their home.</p>	<p>Other services, such as Day Habilitation and employment supports shall be provided by other staff and in other settings whenever possible.</p> <p>Group home staff cannot provide other services to a participant who resides in the home (i.e., staff providing other services, such as day habilitation, must be separate unique staff), unless SDS allows for an exception because there are no other willing and qualified providers. However, other employees of the agency that operates the group home services who are not providing group home services can provide other services (for example, an agency could have a staff member who provides day habilitation, but not group home services at the same Assisted Living Home).</p>
<b>How Many People are Supported</b>	
<p>Families can be as small as one person and do not need to be biologically related.</p>	<p>The home must be licensed to serve at least 2 people.</p>
<b>How Participant's Preferences are Accomodated</b>	

Family Home Habilitation	Group Home Habilitation
Participants should be included in most of the activities of the family operating the home. These activities include meals, social gatherings, and recreational outings.	The Group Home will have communal/house rules that include the ability to set personal schedules.
The family should consider the participant's preferences when determining the types of meals provided, when meals and other activities occur, and the type of community and recreational activities that occur.	Participants' preferences should determine the types of meals provided, when meals and other activities occur, and the type of community and recreational activities that occur.
The family should consider the participant's preferences when setting up shared space. The participant's room should be set up to reflect the participant's preferences.	The ALH space in the Group Home should be set up to reflect the preferences of the participants who live in the Group Home. The participant's room should be set up to reflect the participant's preferences.
Changes to Certification Requirements	
SDS is exploring the appropriate type and amount of insurance that would be required.	SDS will maintain current business license and insurance requirements, including Worker's Comp and general liability insurance.
SDS is exploring whether it can eliminate the requirement for a business license for Family Home Habilitation.	Group Home Habilitation providers will have to have a business license.

In addition to obtaining input on the table above, SDS hopes to receive guidance from providers about how providers will document that they have met each particular requirement. For example, service notes could be standardized to collect information about how participants in Family Home Habilitation are being included in family activities. SDS welcomes input about if and how this could be done.

**Replacing the ALH Licensing Requirements**

Family Home Habilitation providers supporting children are required to have a Community Care License for foster children, while Family Home Habilitation providers supporting adults must be licensed as an ALH. SDS' survey of providers suggested that the Community Care License for foster children requirement was not overly burdensome, while the ALH requirement was.

SDS is exploring replacing the ALH license requirement for adults with an Adult Foster Care License. This would require a new licensing category which can only be done with statutory amendment.

**Adding an Administrative Oversight Agency to Assist SDS and Family Home Habilitation Providers with Certification**

Implementing what is outlined above would require a more intensive certification process as well as an increase in the number of Family Home Habilitation providers requiring certification. To accomplish this work, SDS is considering using a administrative oversight agency.

SDS envisions that the oversight agency will help ensure that Family Home Habilitation providers meet the certification standards. SDS would like to receive input regarding other potential functions that the oversight agency could serve, such as:

- Allowing the oversight agency to bill Medicaid on behalf of the Family Home Habilitation service renderer
- Serving as the insurance policy holder
- Providing technical assistance on the certification process and best practices
- Conducting monitoring visits
- Assisting in remediation of critical incidents

Family Home Habilitation providers could either work with this oversight agency or become certified and enrolled and bill Medicaid directly.

This oversight agency could be paid by the State or by the rendering providers who choose to use the service. Either way, the entire Family Home Habilitation payment must go to the Family Home Habilitation provider that provides the service, per federal regulations.

### **Next Steps**

Given the number of changes that SDS is proposing, SDS will be holding three webinars with stakeholder that each address a portion of this document:

- **Clarifying the Differences Between Family Home Habilitation and Group Home Habilitation:** Friday, April 9, 2021 from 1-2:30. You can register for this webinar by clicking on this link: [https://us02web.zoom.us/webinar/register/WN\\_obCgnl8nTb-RnxvwllO7oQ](https://us02web.zoom.us/webinar/register/WN_obCgnl8nTb-RnxvwllO7oQ).
- **Changing Insurance and Licensing Requirements:** Friday, April 16, 2021 from 1-2:30. You can register for this webinar by clicking on this link: [https://us02web.zoom.us/webinar/register/WN\\_zrPHgfY-Rji4rYqGi3Lfwg](https://us02web.zoom.us/webinar/register/WN_zrPHgfY-Rji4rYqGi3Lfwg).
- **Adding an Oversight Agency to Assist SDS and Family Home Habilitation Providers with Certification:** Friday, April 23, 2021 from 1-2:30. You can register for this webinar by clicking on this link: [https://us02web.zoom.us/webinar/register/WN\\_wH0MIzyPQVyzRX4ZT\\_CKfA](https://us02web.zoom.us/webinar/register/WN_wH0MIzyPQVyzRX4ZT_CKfA).

Stakeholders can also send written input regarding this document to [hss.dsds.policy@alaska.gov](mailto:hss.dsds.policy@alaska.gov). Input should be provided by April 30, 2021.