Pre-Application Orientation: Day Activity and Health Services (DAHS)

- Before applying to contract with the Texas Department of Aging and Disability Services (DADS) to provide Day Activity and Health Services (DAHS) you should understand what is expected of you.

- This pre-contract orientation is intended only as a brief overview of DAHS contract requirements.

- If determined eligible to contract with DADS you will also receive a more detailed orientation from DADS contract staff in your local region. A DAHS contractor is added to a regional contractor consumer choice list only after completion of the regional orientation.

- Consumers choose the contractor of their preference from the regional contractor consumer choice list. DADS does not assign consumers to contractors or guarantee referrals.

- DADS determines eligibility for DAHS and authorizes the contractor of the consumer’s choice to deliver a specific number of service units per week.

- If a consumer expresses no choice the referral is made by rotation among all eligible contractors in the service area.

- If determined eligible to contract with DADS, you are only eligible to receive payment for contracted services beginning the effective date of your contract.

- DADS will make referrals when a contractor completes the service specific orientation.

- You will only receive payment for services to eligible individuals beginning the effective date of the individual’s service authorization.

- At all times you must comply with applicable program and contract rules, contract terms and conditions, and policy letters.

- You must obtain and maintain a DADS Adult Day Care license.

- You must not exceed the licensed capacity of the facility. If a DADS service authorization will cause you to exceed licensed capacity, you must inform the DADS case manager so the individual may select a different service provider.

- You must participate in the Texas Department of Agriculture, Child and Adult Care Food Program (CACFP).
**DAHS Program Description**

In the DAHS program, licensed Adult Day Care facilities must provide services at least 10 continuous hours each day, five days a week (Monday through Friday), except for published holidays; to individuals residing in the community.

- Services address physical, mental, medical and social needs. Individuals may attend up to five days per week, depending on their eligibility and need for health care tasks.

- Required services include nursing, personal care, physical rehabilitation, noon meal and snacks, social, educational and recreational activities, and transportation.

- Individuals must be:
  1. Medicaid eligible for Title XIX-funded DAHS services; or
  2. determined by DADS to be financially eligible for Title XX-funded DAHS.

- Prior to beginning DAHS individuals must:
  1. have a medical diagnosis and physician's order requiring care or supervision by a licensed nurse;
  2. have a functional disability related to a medical diagnosis;
  3. need assistance with one or more personal care tasks; and
  4. be approved for services by a DADS Regional Nurse.

**Licensure Requirements**

- To be eligible to contract for DAHS, you must first obtain a DADS Adult Day Care license.

- The license is specific to one facility. If you plan to move to a different facility, you must notify both Regulatory Services and, your DADS contract manager prior to the move.

- To obtain an Adult Day Care license you must:
  1. properly complete a license application;
  2. pay the required licensure fee;
  3. pass a health and Life Safety Code inspection; and
  4. pass a background check

- Failure to maintain your license or failure to comply with licensure requirements will result in DADS taking action against your contract, up to and including contract termination.

- You may view information about, and requirements for, Adult Day Care licensing at the following link: [http://www.dads.state.tx.us/providers/adc/howto.html#licensing](http://www.dads.state.tx.us/providers/adc/howto.html#licensing)
**Child and Adult Care Food Program (CACFP) Requirement**

- DAHS contractors must provide DADS with evidence of CACFP participation prior to the effective date of the contract. Thus the CACFP must be obtained during the enrollment process. Obtaining a CACFP could take 2 months or more.

- Failure to demonstrate ongoing participation in the CACFP will result in contract termination.

- Please use this link for more information about CACFP:

- You may contact the Special Nutrition Programs (SNP) office by telephone at 1-877-TEX-MEAL (839-6325) or in writing:
  Department of Agriculture
  Child and Adult Care Food Program
  Attn: Rose Westerman
  P.O. Box 12847
  Austin, Texas 78711

**Additional Requirements for Contracting**

To be eligible for a DAHS contract you must have:

1. a minimum of two months operating funds available for conducting business on the effective date of the contract, and maintain two months operating funds to provide services for the duration of the contract;

2. adequate staff to provide services on the effective date of the contract and to maintain adequate staff to provide services for the duration of the contract; and

3. staff must meet the professional license or other job specific criteria required for the position for which they are designated. For example, the facility nurse must be a licensed nurse.

**DADS does not enter into a contract if the applicant:**

1. is under a monitoring agreement with DADS Regulatory Services.

2. has a license revocation action pending with DADS;

3. has Level B administrative penalties pending with DADS;

4. has had any community care program contract involuntarily terminated within the previous 24 months other than due to failure to provide services to DADS consumers for 6 consecutive months;
5. has had a DAHS contract involuntarily terminated due to failure to provide services to DADS consumers for 6 consecutive months within the previous 6 months; or

6. has voluntarily terminated any community care program contract within the previous 12 months.

**DADS may choose not to enter into a contract with an applicant if:**

1. in the preceding 12 months, the applicant had any Level B administrative penalties imposed by Departmental order;

2. in DADS opinion, the applicant may not provide acceptable services under the contract.

**Contract Monitoring**

DADS contract staff conduct contract and fiscal compliance monitoring to assess contractor compliance with contracting rules and requirements. Please use the following links to view DAHS monitoring tools:

- DAHS Monitoring Workbook - [http://www.dads.state.tx.us/providers/contractcompliance/dahs/DAHSWorkbook.pdf](http://www.dads.state.tx.us/providers/contractcompliance/dahs/DAHSWorkbook.pdf)
- For additional information and details about contract monitoring, please view information at this link: [http://www.dads.state.tx.us/providers/contractcompliance/index.html](http://www.dads.state.tx.us/providers/contractcompliance/index.html)

**Rules and Regulations**

- To enter into and maintain a contract, you must, at all times, meet all applicable rules and regulations.

- Contracted entities are required to comply with contracting rules as well as applicable licensing rules, policy letters, and regulations.

- This orientation is not a review of all relevant rules and regulations. It is your responsibility to be knowledgeable of, and adhere to, all requirements.
- DAHS Program and contract rules are published in the Texas Administrative Code (TAC).

- DADS rules are found in Title 40, Social Services and Assistance, and Part 1 of the TAC. Part 1 of the TAC is further subdivided into Chapters.

- DADS contracting rules are found at Chapter 49.

- DAHS program rules are at Chapter 98.

**Accessing the Texas Administrative Code (TAC)**

- Go to DADS home page at [http://www.dads.state.tx.us](http://www.dads.state.tx.us)

- Click on “Rules and Statutes”

- Scroll down and click on Texas Administrative Code

- Click on DADS TAC References

- Click on the appropriate chapter

**Professional Licensure**

- You must ensure your staff that is required to be licensed to provide services keep their licenses current.

- Always check licenses and professional credentials prior to hiring.

**Other Information**

- In addition to applicable rules, policy letters and regulations, contractors must comply with the terms of the contract and the policies and procedures outlined in the program specific provider manuals.

- The contract is DADS Form 3254 which can be viewed at this link: [http://www.dads.state.tx.us/forms/3254/index.htm](http://www.dads.state.tx.us/forms/3254/index.htm).

- The DAHS Program manual can be viewed at this link: [http://www.dads.state.tx.us/handbooks/dahs/](http://www.dads.state.tx.us/handbooks/dahs/)

- Failure to comply with the terms of your contract, program rules or policies may result in DADS taking adverse action against your contract, up to and including contract termination.

**DADS Communications**

- Provider manuals, alerts, policy letters and other important information can be found on the DADS website at: [http://www.dads.state.tx.us/providers/index.cfm](http://www.dads.state.tx.us/providers/index.cfm).
Choose the program of interest (Adult Day Care and DAHS) from the left side of this page.

- Contractors are responsible to review and comply with all Policy Letters (Alerts, Information Letters and Policy Clarifications) issued by DADS.

- You are strongly encouraged to sign-up for DADS e-mail updates at the following link: https://service.govdelivery.com/service/multi_subscribe.html?code=TXHHSC&custom_id=307

- Registering for DADS e-mail updates ensures you are notified of important alerts, policy letters and other DADS communications as soon as they are published.

- When you sign-up for e-mail updates you may customize your account to receive only those updates that are relevant for you.

- Here are the links to 4 important DAHS letters regarding license capacity, changes of ownership, license non-renewal / contract termination, and emergency preparedness, respectively. Please review each letter and sign-up for e-mail updates:

**Contract Assignments**

- If you plan to undergo a change of ownership, change in the legal entity responsible for the contract, change in employer identification number or change in tax status, then the individual with signature authority for your contract must request a contract assignment.

- Please refer to 40 TAC §49.15 to review the applicable rule.

- If you request to assign your contract, you must provide DADS Community Services Contracts Unit with at least sixty (60) days notice prior to the requested effective date of the contract assignment. If the contract assignment is requested due to a change of ownership.
Other Contract Changes
Contractors must notify DADS of changes affecting their contract such as:

- change of address, change of ownership or control, and restriction, revocation, non-renewal, or suspension of license.
- Failure to notify DADS of changes in accordance with the terms of your contract may result in DADS taking adverse action against your contract up to and including contract termination.

For most changes, DADS requires advance notice.

Advertising and Solicitation
Contractors may not solicit individuals pursuant to 40 TAC §49.19:

“(a) The provider agency may advertise for clients as long as the provider agency does not:
   (1) state or imply that the provider agency provides better services than other providers;
   (2) solicit clients from other providers; or
   (3) limit or influence a client's freedom of choice.
(b) The provider agency's advertisement may only be an announcement of available services and must not target specific clients.
(c) If DADS determines that the provider agency has violated this section, DADS may deny the provider agency's application for a contract or impose a sanction against the provider agency's existing contract, up to and including contract termination.”

Records Maintenance

- You must maintain program-related records in accordance with 40 TAC Chapter 49, program rules and the terms of your contract

- Failure to properly maintain records could result in DADS taking adverse action against your contract, up to and including contract termination.

Cost Reports and Rates

- Contractors must submit required cost reports to the Texas Health and Human Services Commission (HHSC) consistent with HHSC instructions.

- Failure to do so will result in your contract being placed on vendor hold (a hold on payments) and could result in DADS terminating the contract.

- You will be required to attend HHSC cost report training.

- Information regarding DAHS cost reporting requirements is located at TAC Title 1, Part 15, Chapter 355, Subchapter A.
• Further information regarding Long Term Care Services rates is located at: http://www.hhsc.state.tx.us/medicaid/programs/rad/LtcSvs.html

No Guarantee of Referrals
• Individuals receiving DADS services are always allowed free choice of eligible service providers. DADS is not allowed to refer individuals to any particular contractor. Individual choice is protected in all cases.

• Therefore, although you may enter into a contract with DADS to provide services, there is no guarantee you will be chosen by consumers.

• DADS may terminate your contract if you fail to provide contracted services in any six consecutive months.

• DADS strongly encourages you to research the market in your geographical area and make a good business decision about the need for services in your area prior to applying for a license or contract.

• You may find DADS Quality Reporting System (QRS) helpful to determine the number of competing DAHS providers and need for services in your area. QRS can be accessed at: http://facilityquality.dads.state.tx.us/qrs/public/qrs.do

Review Key Concepts
• Contractors should develop a business plan and review the market in which they plan to do business prior to deciding to pursue a contract;

• Contractors must know and meet all licensure requirements at all times;

• Contractors must adhere to all applicable policy letters and regulations at all times;

• Contractors must meet all the terms of the contract at all times; and

• Contractors should carefully follow billing procedures to ensure timely payment.

For more information on contracting with DADS:
• http://www.dads.state.tx.us/providers/index.cfm

• Choose the program of interest on the left side of the screen.

• If interested in becoming a provider, click on the button “Click here to learn how to become a provider” at the top right corner of any program page.

• To view Form 3254, click on the following link: http://www.dads.state.tx.us/forms/3254/index.htm
For Questions about DAHS contracting

- E-mail – communityservicescontracts@dads.state.tx.us
- Community Services Contracts Voice Mail – 512-438-355
- Unit Support: 512-438-2080

For Questions about Adult Day Care Licensing

- Licensing: 512-438-2630
- Policy: 512-438-3015