



COMMISSIONER
Chris Traylor

February 4, 2011

To: Program of All-Inclusive Care for the Elderly (PACE) Organizations

Subject: Information Letter No. 11-24
Medical Necessity and Level of Care Assessment

The purpose of this letter is to inform Program of All-Inclusive Care for the Elderly (PACE) Organizations about a recent change in the Long Term Care (LTC) Online Portal.

On October 1, 2010, the Medical Necessity and Level of Care (MN/LOC) Assessment, version 3.0, was implemented on the LTC Online Portal. This version included an edit that will not allow the MN/LOC assessment to be completely entered into the LTC Online Portal if the physician answers N (no) to question S7a. Question S7a asks, "Did an MD/DO certify that this individual requires nursing facility services or alternative community based services under the supervision of an MD/DO? ". This question must be answered for the initial enrollment only, it is not required on the annual reassessment of the individual.

If the physician answers N (no) to question S7a., the individual will be denied services through the PACE program. The PACE organization must send a physician's narrative justifying the reason for the N (no) answer along with the MN/LOC assessment to:

The Department of Aging and Disability Services
Attention Janet Barker MC W524
P O Box 149030
Austin, Texas 78714-9030

The State will review the documentation and inform the PACE site whether to enter the information into the Online Portal or to deny services to the individual. If the State determines the individual will be denied services the PACE organization must provide written notice to the individual notifying them of their right to appeal to the Texas Department of Health and Human Services Commission (HHSC) Appeals Division and must include the rule citation 40 TAC, Part 1, Subchapter 60, §60.12 which states, "(a) To be eligible for participation the applicant must: (2) meet the medical necessity criteria for nursing facility care in accordance with §19.2401 of this title (relating to General Qualifications for Medical Necessity Determinations);". The individual's request to appeal must be in writing and must state the basis of the appeal of the adverse action. They must include with their request a legible copy of your official notice of denial. The appeal request must be received at the following address within 15 calendar days of the individual's receipt of your denial notice.

Department of Aging and Disability Services
Attention: Janet Barker MC W524
P O Box 149030
Austin, Texas 78714-9030

701 W. 51st St. ★ P.O. Box 149030 Austin, Texas 78714-9030 ★ (512) 438-3011 ★ www.dads.state.tx.us

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If you have any questions or need additional information, please contact Janet Barker, PACE Program Consultant, at (512) 438-2013 or by email at janet.barker@dads.state.tx.us.

Sincerely,

[signature on file]

Carol Sloan
Section Manager
Community Services and Program Operations

CYS:lr