



COMMISSIONER
Jon Weizenbaum

Memorandum

To: Community Services Regional Directors
Community Services Program Managers

From: Dana Williamson
Manager
Long Term Services and Supports Policy

Subject: Transferring Individuals Due to Provider Contract Terminations or
Contract Assignments

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This memorandum applies to the Community Care for the Aged and Disabled (CCAD) and Medically Dependent Children Program (MDCP).

This memorandum is being issued to inform Department of Aging and Disability Services (DADS) staff of revised terminology used for specific provider contract actions and transfer procedure changes. DADS contract staff have updated procedures for specific contract actions and also identified contact actions that change current MDCP and CCAD transfer procedures. This memorandum:

- replaces procedures in CM CCAD Handbook Appendix I, Transferring Individuals Due to Provider Contract Cancellation or Conversion; and
- establishes procedures for transferring an individual receiving MDCP services when a provider's contract is terminated or assigned to a different provider.

Terminology

A *contract termination* occurs when a provider (business entity) will no longer have a contract with DADS. A contract termination requires that the individual receiving services from DADS be transferred to a different provider before the effective date of the contract termination. For CCAD, the term contract termination replaces contract cancellation.

A *contract assignment* occurs when a contract is transferred from one business entity to another business entity. In this situation, there is an exchange between two business entities and the receiving business entity is assigned a new provider number. When a contract assignment occurs, the affected individual's service authorization record is

transferred to the new provider through an automated mass transfer process in the Service Authorization System (SAS).

Not all changes in the provider's operation will require a provider change action. A contracted provider may have a change in ownership in which part of the business ownership changes, a complete change in ownership or a name change in the provider's license. Not all of these provider operations result in the change in provider number. For CCAD, the term contract assignment replaces contract conversion.

Contract Termination Transfer Determination Procedures

When a contracted provider decides to terminate its contract with DADS or when a contract assignment is needed, the contractor must notify DADS contract staff. Notification of a contract termination may be received by contract or regional management staff. The contract termination end date negotiated with the provider must be 60 calendar days or less after the date the written notice of contract termination is received. If contract termination is due to license revocation, the end date is 30 calendar days or less. Expedited transfer procedures must be used if the contract termination or assignment occurs with less than 10 calendar days notification to DADS.

Upon notification of a contract termination or contract assignment, the regional director will determine whether transfers will be handled as either routine or expedited transfers. The regional director must immediately report to the Community Services and Program Operations (CSPO) Director when a decision to apply expedited transfer procedures is made. A decision to apply routine procedures does not require notification to state office staff. The regional director will advise the case manager whether the transfer will be accomplished using routine or expedited transfer procedures.

The case manager must not initiate transfer procedures due to a contract termination until contract or regional management staff issues an official written notice to the provider.

If there is adequate time to refer the individual to a new provider without disrupting services or adversely impacting the individual, the regional director will advise the case manager to use routine transfer procedures.

If there is not adequate time to refer the individual to a new provider without disrupting services or if implementing routine procedures may adversely impact the individual, the regional director will advise the case manager to use expedited transfer procedures. An adverse impact is likely to occur when the individual:

- requires total care;

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- is unable to transfer from a bed to a chair without help;
- is unable to manage toileting tasks without help;
- is in danger of not receiving daily nourishment because he is unable to prepare or eat his meals without help;
- requires nursing services; or
- has no caregiver available to provide the tasks necessary to maintain the individual's health or welfare.

In some instances, services may be disrupted for a short time; however, if there is no adverse impact to the individual, the regional director may advise the case manager to use routine transfer procedures.

CCAD Routine Transfer Procedures for Contract Terminations

If the regional director directs staff to apply routine transfer procedures, the CCAD case manager completes the following activities:

- Contacts the individual to advise of the contract termination and to request the individual's choice of a new provider. If the individual does not select a provider agency from the list of contracted agencies in the service area, an agency may be selected for the individual as a last resort. The selection is assigned from a regional agency rotation log. The rotation log must be maintained and kept up to date. The regional director may designate a time frame for provider selection depending on the contract termination date.
- Reviews the individual's service plan for accuracy and if any changes are needed, revises the service plan. If the CCAD case manager is unable to determine the individual's needs by telephone or if an annual assessment is due **within 30 days**, the CCAD case manager makes a home visit to complete a reassessment of the individual. If there are changes in the service plan, the CCAD case manager sends Form 2101, Authorization for Community Care Services, to the current provider agency. The required time frame for conducting an annual reassessment is no longer three months.
- Negotiates the transfer date with both provider agencies avoiding any service disruption to the individual whenever possible.
- Sends an initial referral packet to the new provider agency within five calendar days of the contact and sends the losing provider a copy of Form 2101.

For a routine transfer referral, the receiving provider follows procedures and requirements for initial referrals except for Primary Home Care (PHC) and Community Attendant Services (CAS). For PHC and CAS, a new practitioner's statement is not required for the transfer.

MDCP - Routine Contract Termination during the Individual Plan of Care (IPC) Year

Follow the procedures in the CM-MDCP Handbook, Section 5140, Provider Transfers During the IPC Period, to complete a routine transfer for an individual receiving MDCP services. The time frame for a routine provider transfer, as noted in Section 5140, applies unless the regional director provides other direction. The regional director may provide other direction depending on the end date of the contract termination.

MDCP - Routine Contract Termination during the Initial Enrollment

If the contract termination occurs during the initial enrollment process, the case manager must request the applicant select another MDCP provider. The case manager must document in the case record the contract termination and the selection of the new provider by the applicant.

MDCP - Routine Contract Termination during the Annual Reassessment Process

If the contract termination occurs during the annual reassessment process, the MDCP case manager must request the individual select another provider, as appropriate. Depending on the effective date of the contract termination, procedures may vary. The MDCP case manager may be able to transfer the individual to the new provider effective with the new annual reassessment IPC or as an IPC change to assure there is no gap in services.

If the transfer to the new provider will be effective with the IPC effective date, the MDCP case manager sends the annual reassessment packet and service authorization form(s) to the new provider. The case manager must obtain the individual's approval for any service changes made to the IPC. The case manager must obtain the new provider's response to the service authorization form(s).

The time frame for a routine provider transfer applies, unless other direction is provided by the regional director or using the routine transfer time frame will cause the annual reassessment to be late or occur after the effective date of the contract termination.

Expedited Transfer Procedures for CCAD and MDCP Contract Terminations

An expedited transfer must be used when there is not adequate time to use the routine referral process to refer the individual to a new provider without disrupting services. In an expedited transfer, special procedures are used to quickly transfer the individual to a provider that can promptly begin service delivery. The regional director determines when an expedited transfer should be used. Generally, an expedited transfer is used when the contract termination occurs with less than 10 calendar days notification to DADS, a large number of individuals are involved in the transfer or both.

The regional director designates a coordinator to work with contract staff and providers to establish transfer dates. The coordinator or case manager identifies individuals whose annual reassessments are due or in process and negotiates, as instructed by the regional director or coordinator, an expedited service initiation date for individuals with the new provider.

Using the expedited transfer process, the individual is offered a choice of providers. If the individual does not select a provider agency from the list of contracted agencies in the service area at the point of contact, the case manager assigns a provider from the regional agency rotation log. The rotation log must be maintained and kept up to date.

CCAD Expedited Transfer Procedures for Contract Terminations

If the regional director determines to apply expedited transfer procedures, the CCAD case manager completes the following activities:

- Contacts the individual to advise of the contract termination and to request the individual's choice of a new provider. If the individual does not select a provider agency from the list of contracted agencies in the service area within the designated time frame, the individual will be assigned to a provider agency by rotation. The selection is assigned from a regional agency rotation log. The rotation log must be maintained and kept up to date.
- Reviews the individual's service plan for accuracy and if any changes are needed, revises the service plan. If the CCAD case manager is unable to determine the individual's needs by telephone or if an annual assessment is due **within 30 days**, the CCAD case manager makes a home visit to complete a reassessment of the individual. If there are changes in the service plan, the CCAD case manager sends Form 2101 to the current provider agency. The required time frame for conducting an annual reassessment is no longer three months.
- Negotiates, as instructed by the regional director or coordinator, an expedited

service initiation date for each individual with the new provider and documents on Form 2065-A, Notification of Community Care Services, and the negotiated effective date is due to expedited contract termination.

- Sends a referral packet to the new provider agency and notes “Expedited Transfer” on Form 2101 within five calendar days of the provider agency selection and sends the losing provider a copy of Form 2101.

For an expedited transfer referral, the receiving provider follows procedures and requirements for initial referrals except for PHC and CAS. For PHC and CAS, a new practitioner’s statement is not required for the transfer.

MDCP - Expedited Contract Termination during the Individual Plan of Care (IPC) Year

Follow the procedures in the CM-MDCP Handbook, Section 5140 to complete an expedited transfer for an individual receiving MDCP services with the exception of a shorter time frame to ensure there is no interruption in services or adverse impact to the individual. The case manager negotiates, as instructed by the regional director or coordinator, an expedited service initiation date for each individual with the new provider and documents on Form 2065-B the negotiated effective date is due to expedited contract termination

MDCP - Expedited Contract Termination during the Initial Enrollment

If the contract termination occurs during the initial enrollment process, the case manager must request the applicant select another MDCP provider. The MDCP case manager must document in the case record the contract termination and the selection of the new MDCP provider by the applicant. The case manager must use professional judgment to ensure the transfer case actions occur timely or follow the time frames as instructed by the regional director or coordinator to ensure there is no interruption in services or adverse impact to the individual.

MDCP - Expedited Contract Termination during the Annual Reassessment Process

If the contract termination occurs during the annual reassessment process, the MDCP case manager must request the individual select another provider, as appropriate. Depending on the effective date of the contract termination, procedures may vary. The MDCP case manager may be able to transfer the individual to the new provider effective with the new annual reassessment IPC or as an IPC change to assure there is no gap

in services.

If the transfer to the new provider will be effective with the IPC effective date, the MDCP case manager sends the annual reassessment packet and service authorization form(s) to the new provider. The case manager must obtain the individual’s approval for any service changes made to the IPC. The case manager must obtain the new provider’s response to the service authorization form(s).

The case manager must use professional judgment to ensure the transfer case actions occur timely or follow the time frames as instructed by the regional director or coordinator to ensure there is no interruption in services or adverse impact to the individual.

Contract Termination – Residential Living Arrangements

The transfer process for an individual residing in an AFC home, AL facility, host family setting or residential care (RC) facility is complicated by the necessity to find a new living arrangement for the individual. Use the following steps when handling a contract termination affecting an individual residing in an AFC, AL, host family or RC setting.

Step	Responsibility	Action
1	Regional Director	<ul style="list-style-type: none"> • works with contract staff, the case manager and providers to negotiate the date the transfer must be completed; and • identifies resources available to regional staff in facilitating transfer activities (for example, DADS ombudsman).
2	Contract staff	<ul style="list-style-type: none"> • surveys regional facilities to identify available residential settings; and • provides a list of available residential settings to the case manager and the individual.
3	Case manager	<ul style="list-style-type: none"> • meets with residents (individually or as a group) to present available options that may include: <ul style="list-style-type: none"> ○ remaining in the current residential setting as a private pay resident; ○ transferring to a residential setting contracted with DADS; ○ receiving services in the individual’s own home; or ○ moving to a nursing facility;

		<ul style="list-style-type: none">• negotiates, as instructed by the regional director or coordinator, an expedited service initiation date for each individual with the new residential setting contracted provider, if that option is selected;• documents on Form 2065-A, or Form 2065-B, the negotiated effective date is due to expedited contract termination; and• completes the same procedures noted for routine or expedited transfers, except for time frames provided by the regional director or coordinator based on the contract termination end date.
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Depending on the option selected by the individual when a residential setting contract is terminated, the case manager completes the appropriate procedures to complete the action. For example, if an individual in a residential setting chooses to go to his daughter's home in the community, the case manager follows normal procedures for authorizing services in the community. If an individual chooses to move or return to a nursing facility permanently, the case manager follows normal procedures to terminate program eligibility and services.

Contract Terminations When No Other Provider is Available

In some situations, a provider may request to terminate its contract and there is no other provider available in the service area to provide that service. For example, if a HDM provider terminates its contract, there may not be another provider in the service area to deliver meals. In that case, the DADS case manager must contact the individual and offer any other available resources to meet that need. In this example, the individual may elect to receive services by an attendant to prepare meals or locate a congregate meal location.

When a service is terminated rather than transferred to a new provider, the DADS case manager must send a Form 2065-A or Form 2065-C, Notification of Ineligibility or Suspension of Waiver Services, to the individual noting the service is terminated due to the contract termination.

Contract Assignment

Residential and Non-Residential Settings

After DADS contract staff have negotiated the contract assignment effective date, contract staff will notify the regional director that the provider plans to assign its contract as well as the contract assignment effective date. A transfer due to a contract assignment must not occur before the contract assignment effective date.

On or within two working days after the contract assignment effective date, regional staff must send [Form 2097](#), Provider Contract Assignment Notification Letter, to the individual informing him of the change in provider. The letter informs the individual of the change in contract and offers the option to change to a provider selected by the individual or remain with the new provider. The letter informs the individual of the change in contract and offers the option to change to a provider selected by the individual or remain with the new provider.

Individual Chooses to Remain With the New Provider

After receiving confirmation of the automated mass transfer, the case manager reviews the Texas Medicaid and Healthcare Partnership error page in SAS to identify an individual whose service authorization record transfer was not processed. It should not be necessary to check each service authorization record. However, for CCAD, the SAS wizard will not replicate the provider change until the case manager runs the wizard, selecting "Provider Transfer." To prevent billing problems, the CCAD case manager must complete a provider transfer in the SAS wizard immediately for an individual whose service authorization records were not automatically converted. For assistance with an individual whose service authorization records were not automatically converted, contact the coordinator or the regional Claims Management Services (CMS) coordinator.

The losing provider should provide the new provider with all applicable forms. If the losing provider does not provide the forms to the new provider, the case manager must provide copies of the current forms to the new provider. For CCAD, refer to CM-CCAD Handbook Appendix XIII, Contents of Referral Packets, for the list of forms to be sent for provider transfers. For MDCCP, refer to CM-MDCCP Handbook Section 5140 for the list of forms to be sent for provider transfers.

It is not necessary to obtain acceptance by the new provider or send Form 2065-A to the individual or new provider. The case manager must document in the case record the transfer was due to a contract assignment from the losing provider to the new provider. In a mass transfer completed through the automated transfer process, only the SAS

service authorization records are automatically changed to end the losing provider and authorize all services to the gaining provider.

For CCAD, the SAS wizard does not automatically update all data. The provider transfer must be processed in the wizard so the history and Form 2101 data will match changes to the service authorization records.

Individual Chooses to Change to A Different Provider

If the individual chooses to change from the new provider that received the contract assignment to a provider selected by the individual, the case manager must complete two provider change actions. The CCAD case manager uses the SAS wizard to complete the provider change actions. The first provider change action is to change service authorizations from the losing provider to the new provider for services delivered after the contract assignment effective date. The second provider change action is to change service authorizations from the new provider to the provider selected by the individual for services. For MDCP, the case manager completes the service authorization record for services to be delivered to the end of the service plan year.

Both CCAD provider change actions must be completed within the time frame in Section 4676. For MDCP, the second provider change action is completed by following procedures in Section 5140. Both MDCP provider change actions must be completed within the time frame in Section 5140.

For all programs, the individual may change providers at any time as described in current procedures regardless of any changes in the provider's operation.

Questions regarding this memo may be directed to Policy Development and Oversight mailbox at: pdo@dads.state.tx.us