Appendix A: Waiver Administration and Operation

1. State Line of Authority for Waiver Operation. Specify the state line of authority for the operation of the waiver *(select one)*:

●	The waiver is operated by the State Medicaid agency. Specify the Medicaid agency division/unit that has line authority for the operation of the waiver program (*select one;*:		
	○	The Medical Assistance Unit *(name of unit) (do not complete Item A-2*);	
	●	Another division/unit within the State Medicaid agency that is separate from the Medical Assistance Unit (name of division/unit). This includes administrations/divisions under the umbrella agency that has been identified as the Single State Medicaid Agency. (*Complete item A-2-a):*	Office of Long-Term Living (OLTL)
○	The waiver is operated by		
	a separate agency of the State that is not a division/unit of the Medicaid agency. In accordance with 42 CFR §431.10, the Medicaid agency exercises administrative discretion in the administration and supervision of the waiver and issues policies, rules and regulations related to the waiver. The interagency agreement or memorandum of understanding that sets forth the authority and arrangements for this policy is available through the Medicaid agency to CMS upon request. (*Complete item A-2-b).*		

2. a. Medicaid Director Oversight of Performance When the Waiver is operated by another Division/Unit within the State Medicaid Agency. When the waiver is operated by another division/administration within the umbrella agency designated as the Single State Medicaid Agency. Specify (a) the functions performed by that division/administration (i.e., the Developmental Disabilities Administration within the Single State Medicaid Agency), (b) the document utilized to outline the roles and responsibilities related to waiver operation, and (c) the methods that are employed by the designated State Medicaid Director (in some instances, the head of umbrella agency) in the oversight of these activities.

The CHC waiver is administered by the Pennsylvania Department of Human Services (DHS), Office of Long-Term Living (OLTL), an office within the Single State Medicaid Agency. OLTL exercises administrative discretion in the administration and is responsible for oversight of the waiver, as well as all policies, procedures and regulations.

The Deputy Secretary of the Office of Long-Term Living reports directly to the Secretary of the Department of Human Services (DHS), the head of the Single State Medicaid agency. The Secretary of DHS and the Deputy Secretary of the Office of Long-Term Living meet weekly to discuss operations of the waiver and other long term living programs, and gain consent on Waiver policies, rules and guidelines. In addition, the OLTL Policy staff meet with the State Medicaid Director on a monthly basis.

All waiver-related policies, renewals and amendments undergo an extensive review process, which includes review by the State Medicaid Director. Policy guidance, which is authorized through the

55 Pa. Code, Chapter 52 regulations, is issued after it is reviewed by OLTL Bureau Directors, the Long-Term Services and Supports Subcommittee of the Medical Assistance Advisory Committee, DHS leadership offices, including Legal, Policy, and Budget (if applicable) and the State Medicaid Director, and issued after signature by OLTL's Deputy Secretary. All waiver-related documents go through the same process but are additionally issued for public comment through the PA Bulletin, OLTL ListServs and a disability advocacy group. They are then further reviewed by the DHS Secretary's Office, the Governor's Offices of Budget, General Counsel, and Policy and, finally, by the Legislative Reference Bureau.

The following details waiver-related organizational responsibilities within OLTL:

- The Bureau of Coordinated and Integrated Services (BCIS) is responsible for the administration and oversight of the Community Health Choices (CHC) Managed Care Organizations (MCO) and the Living Independently for the Elderly (LIFE) managed care program, known nationally as the Program for All-Inclusive Care for the Elderly, which provide managed long-term services and supports to eligible recipients The bureau negotiates agreements with managed care organizations and contracts with other vendors that support bureau functions; monitors CHC MCO agreements through the readiness review monitoring process; recommends program sanctions and penalties, where appropriate; and directs corrective action plans for CHC MCOs and other contractors. The BCIS also manages the enrollment contracts, including participant outreach, assessment, and the independent enrollment broker (IEB).

- The Bureau of Policy Development and Communications Management (BPDCM) supports the strategic policy and communication goals across all bureaus and the Deputy Secretary's Office. The BPDCM plans, coordinates, evaluates, and develops policies and procedures across the OLTL, and coordinates internal and external communication with stakeholders. The bureau serves as a liaison with other DHS programs and policy offices and other commonwealth agencies, supports all bureaus in the development of consistent policy, evaluating impact, and improving strategic direction. The bureau responds to all right to know requests, develops and processes new regulations, and submits state plan and waiver documents to the federal government.

- The Bureau of Fee for Service Programs (BFFSP)manages provider focused activities and functions in OLTL. The BFFSP coordinates all provider enrollment activities and manages the financial management services contract, which provides payroll assistance to participants of the self-directed model of care. The BFFSP provides programmatic guidance to service providers and general training and technical support for the bureau, OLTL, business partners and contracted staff. The bureau also directs the Quality Management Efficiency Teams (QMETs) that conduct reviews of enrolled providers to ensure compliance with federal regulations related to the HCB Settings Rule.

- The Bureau of Quality Assurance and Program Analytics (BQAPA) is responsible for ensuring that valid statistical and procedural methodologies are used to collect and analyze quality control data to evaluate and improve service delivery. The bureau manages data analysis to measure the effectiveness of program design and operations, and ensures required reports are provided to CMS and other regulatory entities. The bureau also supports OLTL management in the development and implementation of policies and procedures, oversees the analysis of data obtained through consumer satisfaction surveys and provider performance measures, and directs all activities related to incident management and risk reduction.

- Bureau of Finance (BOF) manages and monitors OLTLs appropriations and operating budget. The BOF serves as liaison to the DHS budget office and the Governor's budget office. The bureau develops and manages related fiscal activities including rate setting, cost reporting, budget reporting and submissions, audits, and fiscal management of grants and contracts.

b. Medicaid Agency Oversight of Operating Agency Performance. When the waiver is not operated by the Medicaid agency, specify the functions that are expressly delegated through a memorandum of understanding (MOU) or other written document, and indicate the frequency of review and update for that document. Specify the methods that the Medicaid agency uses to ensure that the operating agency performs its assigned waiver operational and administrative functions in accordance with waiver requirements. Also specify the frequency of Medicaid agency assessment of operating agency performance:

3. Use of Contracted Entities. Specify whether contracted entities perform waiver operational and administrative functions on behalf of the Medicaid agency and/or the waiver operating agency (if applicable) (s*elect one)*:

●	**Yes.** Contracted entities perform waiver operational and administrative functions on behalf of the Medicaid agency and/or the operating agency (if applicable). Specify the types of contracted entities and briefly describe the functions that they perform. *Complete Items A-5 and A-6.*
	Enrollment: OLTL currently contracts with one non-governmental Independent Enrollment Broker (IEB) entity to facilitate eligibility determinations (waiver related enrollment activities), excluding initial clinical eligibility determinations, for multiple home and community-based waivers managed by OLTL. OLTL will be extending the contract with this entity to perform the same functions for the CHC waiver. Specifically, the Independent Enrollment Broker (IEB) is responsible for the following activities: • Educate individuals on their rights and responsibilities in long-term services and supports, opportunities for self-direction, appeal rights, and provider choices within the CHC-MCO network; • Provide applicants with choice of receiving Nursing Facility institutional services; home and community-based waiver services; services through the Living Independence for the Elderly (LIFE) program for individuals aged 55 and over; or no services, and electronically document the applicant's choice; • Respond to questions about CHC announcement and plan assignment/selection letters; • Respond to questions about how CHC enrollment and benefits interrelate with Medicare coverage, and refer applicants to the State Health Insurance Assistance Program (APPRISE) as necessary; • Provide applicants with a choice of Managed Care Organizations and document the individual's choice on the OLTL Service Provider Choice Form; • Assist the applicant to obtain a completed physician certification form (MA-570) from the individual's physician; • Refer the applicant to the independent assessment entity for the Clinical Eligibility Determination;

- Assist the participant to complete the financial eligibility determination paperwork; and
- Facilitate the transfer of the new enrollee to their selected Managed Care Organization, including sending copies of all completed assessments and forms.

Initial and Annual Level of Care Determinations:

OLTL has entered into a sole-source contract with a non-governmental independent assessment entity to conduct the initial and annual level of care determinations and redeterminations, hereafter referred to as Functional Eligibility Determinations/Redeterminations. The independent assessment entity performs the Functional Eligibility Determinations and annual Redeterminations, and ensures that Functional Eligibility Determinations are completed 10 days after the participant referral from the Independent Enrollment Broker. The selected entity is also responsible for validating the results of the documentation collected by the CHC-MCO and officially making the annual Functional Eligibility Redetermination. Lastly, the selected entity is responsible for ensuring that Functional Eligibility Determinations and annual Redeterminations are completed within the required timeframes as set forth in policy.

Managed Care Organizations

OLTL has entered into agreements with fully capitated risk based managed care organizations to conduct operational, administrative, and case management functions within five regions of the commonwealth for the waiver. CHC-MCOs are also responsible for the following functions: referring individuals to the Independent Enrollment Broker for enrollment; certifying and training direct service providers participating in their provider networks, but for consumer directed services; collecting the documentation and information necessary for completing the annual level of care redetermination and forwarding this information to the independent assessment entity (see above); ensuring that assessments are completed within the required timeframes as set forth in the agreement; ensuring each participant's Person-Centered Service Plan (PCSP) reflects waiver services in the amount, scope, and duration necessary to meet the participant's assessed needs; conducting prior authorization and utilization management of waiver services; and performing quality assurance and quality improvement activities. OLTL allows the CHC-MCOs to use a broker for Home Adaptations, Pest Eradication and Non-Medical Transportation services.

Participant Direction:

OLTL currently contracts with one Fiscal/Employer/Agent (F/EA) to perform certain functions for the successful operation of participant direction for multiple home and community-based waivers managed by OLTL. The CHC-MCOs must establish relationships and cooperate with the Commonwealth-procured FMS entity so that necessary FMS services can be provided to participants choosing to self-direct their services. The administrative functions delegated to the F/EA by OLTL include:

- Execute Medicaid provider agreements with qualified vendors and support workers;
- Assist in implementing the state's quality management strategy related to FMS; and
- Provide written financial reports to the participant, the Service Coordinator and the CHC-MCO on a monthly and quarterly basis and as requested by the participant, Service Coordinator and the CHC-MCO.

In addition to these delegated activities, the F/EA also serves to:

- Enroll participants in Financial Management Service (FMS) and apply for and receive approval from the IRS to act as an agent on behalf of the participant;
- Provide orientation and skills training to participants on required documentation for all directly hired support workers, including the completion of federal and state forms; the

completion of timesheets; good hiring and firing practices; establishing work schedules; developing job descriptions; training and supervision of workers; effective management of workplace injuries; and workers compensation;

- Establish, maintain and process records for all participants and support workers with confidentiality, accuracy and appropriate safeguards;
- Conduct criminal background checks and, when applicable, child abuse clearances, on potential employees;
- Assist participants in verifying support workers citizenship or alien status;
- Distribute, collect and process support worker timesheets as verified and approved by the participant;
- Prepare and issue support workers' payroll checks, as approved in the participant's Individual Support Plan;
- Maintain funds for individual service budgets separately and with full accounting;
- Withhold, file and deposit federal, state and local income taxes in accordance with federal IRS and state Department of Revenue rules and regulations;
- Broker workers' compensation for all support workers through an appropriate agency;
- Process all judgments, garnishments, tax levies or any related holds on workers' pay as may be required by federal, state or local laws;
- Prepare and disburse IRS Forms W-2's and/or 1099's, wage and tax statements and related documentation annually; and
- Establish an accessible customer service system for the participant and the Service Coordinator.

External Quality Review Organization:

Finally, the Department of Human Services has also contracted with an External Quality Review Organization (EQRO). The EQRO is responsible for evaluating the care provided to participants by managed care plans in the areas of quality, access and timeliness. The EQRO provides reports that will help OLTL assess plan results in required quality improvement and performance measurement activities and help both OLTL and the CHC-MCOs understand where resources should be focused to further improve the quality of care.

The EQRO will provide services consistent with federal law and policy, including EQR protocols published by CMS. The EQRO conducts a series of external quality review activities involving MCOs providing long-term services and supports, physical health services, and behavioral health services, as well as Medicare providers, and assists the state in ensuring coordination of care. The EQRO will also provide an annual report on the analysis and evaluation of aggregated information on quality, timeliness, and access to LTSS and other services provided by MCOs in CHC. The EQRO will validate performance measures, performance improvement projects, and conduct desk audits to determine CHC-MCO compliance with federal and state CHC-MCO quality standards. Part of the EQRO's requirements is to conduct on-site audits if desk audits or other activities indicate a need for more information or validation on performance measures. The EQRO will produce technical reports to OLTL on mandatory activities, and will be required to submit ad hoc reports on a weekly, monthly quarterly and annual basis. The annual report is designed to comply with federal requirements; the interim reports will respond to state requirements for early implementation performance.

Administration and oversight of these contracts falls within the purview of OLTL and the Department of Human Services. The assessment methods used to monitor performance of contracted entities are described below in A-1-6 below.

○	**No**. Contracted entities do not perform waiver operational and administrative functions on behalf of the Medicaid agency and/or the operating agency (if applicable).

4. Role of Local/Regional Non-State Entities. Indicate whether local or regional non-state entities perform waiver operational and administrative functions and, if so, specify the type of entity *(check each that applies)*:

☐	**Local/Regional non-state public agencies** conduct waiver operational and administrative functions at the local or regional level. There is an **interagency agreement or memorandum of understanding** between the Medicaid agency and/or the operating agency (when authorized by the Medicaid agency) and each local/regional non-state agency that sets forth the responsibilities and performance requirements of the local/regional agency. The interagency agreement or memorandum of understanding is available through the Medicaid agency or the operating agency (if applicable). *Specify the nature of these agencies and complete items A-5 and A-6:*
☐	**Local/Regional non-governmental non-state entities** conduct waiver operational and administrative functions at the local or regional level. There is a **contract** between the Medicaid agency and/or the operating agency (when authorized by the Medicaid agency) and each local/regional non-state entity that sets forth the responsibilities and performance requirements of the local/regional entity. The contract(s) under which private entities conduct waiver operational functions are available to CMS upon request through the Medicaid agency or the operating agency (if applicable). *Specify the nature of these entities and complete items A-5 and A-6*:
✓	**Not applicable** – Local/regional non-state agencies do not perform waiver operational and administrative functions.

5. Responsibility for Assessment of Performance of Contracted and/or Local/Regional Non-State Entities. Specify the state agency or agencies responsible for assessing the performance of contracted and/or local/regional non-state entities in conducting waiver operational and administrative functions:

The following bureaus will be responsible for monitoring and assessing the on-going performance of the contracted entities noted in Appendix A-3 and A-4 above. All bureaus operate within the Office of Long-Term Living.

- The Bureau of Coordinated and Integrated Services is responsible for assessing initial readiness and ongoing monitoring of the performance of each CHC-MCO as well as the Independent Enrollment Broker, the independent assessment entity, and the Outreach and Education Entity.
- The Bureau of Quality Assurance and Program Analytics is responsible for monitoring and assessing the performance of the EQRO.
- The Bureau of Fee for Service Programs is responsible for monitoring and assessing the performance of the Fiscal/Employer Agent.

Each Bureau will identify a contract manager to oversee the performance of the contracted entities.

6. Assessment Methods and Frequency. Describe the methods that are used to assess the performance of contracted and/or local/regional non-state entities to ensure that they perform assigned waiver operational and administrative functions in accordance with waiver requirements. Also specify how frequently the performance of contracted and/or local/regional non-state entities is assessed:

Managed Care Organizations:

Oversight of Pennsylvania's agreements with the managed care organizations will be performed by the Bureau of Coordinated and Integrated Services (BCIS). The agreements with the CHC-MCOs require the CHC-MCO's to submit monthly, quarterly and annual reports to BCIS on internal quality

assurance/improvement activities such as consumer and provider surveys, performance measures, complaints and grievances and other issues or concerns that affect network access and service delivery. The Commonwealth monitors program operations and assesses the performance of the plans through these reports.

In addition, in order for the Commonwealth to assess compliance with agreement requirements, an annual agreement compliance monitoring will be conducted. This monitoring will review each agreement requirement through desk reviews and on-site monitoring's as well as face to face visits with selected plan participants to determine satisfaction with program services and plans of care. Deficiencies will be noted and plans will be required to develop an acceptable Corrective Action Plan within specified time frames. Each plan will be given copies of their respective monitoring reports. Deficiencies involving health and/or safety issues will be expected to be corrected immediately.

The evaluation of the CHC-MCO performance improvement plans (PIPS) will also be evaluated annually by Pennsylvania's External Quality Review Organization (EQRO). The EQRO will assess each plans progress on completing the PIP's and this evaluation will be based on CMS PIP evaluation standards. The evaluation process will assess each plans performance in developing and performing PIPS to improve program outcomes.

Level of Care Determinations/Redeterminations:

OLTL has contracted with an independent Assessment Entity to conduct the Clinical Eligibility Determinations/Redeterminations of participants. A contract manager, located in the Bureau of Coordinated and Integrated Services, will be assigned to this contract and will require quarterly reports on timeliness of the determinations and the agency's adherence to the contract requirements. Monthly and yearly reports on all program requirements will also be required and reviewed for compliance.

The IAE is required to request and complete all assessments electronically via the Pennsylvania Independent Assessment (PIA) system, our individualized assessment system. As assessment results are submitted, the PIA captures all corresponding information and populates various reports that the OLTL can review and monitor during regular intervals (daily, weekly, monthly, quarterly, annually). Reports include the following:

- The number of applicants who have applied for assessments along with result
- Total Requested assessments
- Total Completed assessments
- Total delayed assessments
- Total assessments completed within 10 business days
- Average days to schedule an assessment
- Average days to complete FED on time
- Average days to complete FED minus excuses

Independent Enrollment Broker:

OLTL contracts with a statewide Independent Enrollment Broker (IEB) to facilitate the waiver enrollment process. The IEB is managed in the OLTL Bureau of Coordinated and Integrated Services and assessed with bi-weekly face-to-face or conference call meetings. Performance management as part of the contract includes the following performance measures and data collection:

- Data for all open applications, detailed weekly
- Open applications by time period, weekly summary
- Number of applications at each status in the eligibility process, weekly summary
- All Unduplicated Applications in process during identified time period, detailed monthly
- Timeliness for detailed activities between major milestones, detailed monthly
  Reasons for delayed in-home visit, monthly summary
- Application timeliness, detailed monthly and quarterly

- Problem identification report, as required
- Performance measurement reports measuring timeliness and target criteria contractor must meet or exceed, monthly

In addition, OLTL has included specific Service Level Agreements (SLAs) in the IEB contract which OLTL uses to hold the vendor accountable to identified levels of performance.

Fiscal/Employer Agent (F/EA):
The Department of Human Services has held a contract with an entity to provide Fiscal/Employer Agent Services to participants utilizing the participant directed model of personal assistance services since January 1, 2013. This contract is also managed by staff in the Bureau of Fee for Service Programs. Contract Management staff will oversee and ensure that the contracted F/EA meets all requirements and tasks as outlined in their contract and agreement with the Department.

The contracted F/EA will be required to submit monthly, quarterly and yearly reports which reflect progress in meeting all contractual obligations. OLTL staff dedicated to this contract will review this information and intercede when necessary with corrective actions to ensure compliance. In addition, regular meetings will be held at least quarterly between the contracted entity and the department to discuss any issues and for the department to provide any necessary technical assistance it feels is needed.

External Quality Review Organization
The EQRO performs its activities under a Department of Human Services statewide contract. Each program office is responsible for monitoring the EQRO's performance for their respective programs. OLTL's Bureau of Quality Assurance and Program Analytics (BQAPA) is responsible for monitoring the EQROs performance for Community HealthChoices. BQAPA will ensure the EQRO follows 42 CFR Part 438, subpart E and additional state requirements outlined in the Department's contract with the EQRO. BQAPA will request the Department's contracting officer pursue corrective action plans, ensure tasks are completed in a timely manner or impose monetary penalties for failures of not meeting deliverables.

OLTL continues to operate the OLTL Provider Inquiry Line within the Bureau of Fee for Service Programs to identify and address issues that are not able to be resolved between the CHC-MCO and network providers, such as credentialing delays and claims payment issues. The bureau also operates the OLTL Participant Helpline for participants who are experiencing issues with transition, enrollment, selection of provider, and/or the CHC-MCOs. These hotlines are an early opportunity for DHS to hear about and address issues that might otherwise weaken the program and serve as a vehicle to monitor the program.

7. Distribution of Waiver Operational and Administrative Functions. In the following table, specify the entity or entities that have responsibility for conducting each of the waiver operational and administrative functions listed (*check each that applies*):

In accordance with 42 CFR §431.10, when the Medicaid agency does not directly conduct an administrative function, it supervises the performance of the function and establishes and/or approves policies that affect the function. All functions not performed directly by the Medicaid agency must be delegated in writing and monitored by the Medicaid Agency. *Note: More than one box may be checked per item. Ensure that Medicaid is checked when the Single State Medicaid Agency (1) conducts the function directly; (2) supervises the delegated function; and/or (3) establishes and/or approves policies related to the function.*

Function	Medicaid Agency	Other State Operating Agency	Contracted Entity	Local Non-State Entity
Participant waiver enrollment	✓	☐	✓	☐
Waiver enrollment managed against approved limits	✓	☐	☐	☐
Waiver expenditures managed against approved levels	✓	☐	☐	☐
Level of care evaluation	✓	☐	✓	☐
Review of Participant service plans	✓	☐	✓	☐
Prior authorization of waiver services	✓	☐	✓	☐
Utilization management	✓	☐	✓	☐
Qualified provider enrollment	✓	☐	✓	☐
Execution of Medicaid provider agreements	✓	☐	✓	☐
Establishment of a statewide rate methodology	✓	☐	☐	☐
Rules, policies, procedures and information development governing the waiver program	✓	☐	☐	☐
Quality assurance and quality improvement activities	✓	☐	✓	☐