



JEB BUSH
GOVERNOR

TERRY F. WHITE
SECRETARY

4040 ESPLANADE WAY
TALLAHASSEE
FLORIDA, 32399-7000

phone 850.414.2000
fax 850.414.2004
TDD 850.414.2001

MEMORANDUM

TO: All AAA Directors **NOTICE #:** 010603-1-PC-SWCBS

FROM: Terry White
Secretary

DATE: December 30, 2002

SUBJECT: Notice of Policy Clarification: Medicaid Waiver Spending Authority

The purpose of this Notice of Instruction is to clarify Policy Clearance Memo Number 26-96, Medicaid Wavier Spending Authority dated June 14, 1996. The policy clearance (#26-96) provided guidance regarding Medicaid Waiver spending and budget management to maximize resources. This Notice also includes additional information to assist area agencies on aging in developing Medicaid Waiver Surplus/Deficit Management Plans as requested in the November 27, 2002, Notice of Instruction (1202022-I-SWCBS).

Policy Clearance Memo Number 26-96 states: "Providers may not transfer Medicaid Waiver clients to general revenue funded programs including CCE, ADI, or LSP unless the client is no longer eligible under Medicaid Waiver." This is still the department's policy. No clients are to be transferred from Medicaid Waiver to general revenue programs for any reason other than loss of Medicaid Waiver eligibility. CCE, HCE, or ADI funds may be transferred into the Medicaid Waiver program as deemed necessary by area agencies and lead agencies. The transfers will not be permanent.

It continues to be the department's policy that Medicaid Waiver services will not be reduced or terminated based solely on the agency's need to remain within its spending authority. While it remains acceptable to reduce or discontinue services based on changes in the client's condition or need for services, it must be properly documented on the plan of care and in the case narrative.

Medicaid Waiver Surplus/Deficit Management Plans recently submitted to the department have been reviewed and the following information must be utilized by all area agencies in preparing revised plans:

- All plans must be submitted in the standard format provided as an attachment to this Notice of Instruction. Clients who have received a level of care and have been determined to be eligible by DCF must be put

into the waiver. Clients determined eligible cannot be placed on a waiting list. The new DCF form 2515 allows the agency to determine waiver funding availability before beginning the eligibility process. Clients may be placed on the waiting list until funding is available to give them.

- Care Plan reviews cannot be conducted solely for the purpose of reducing cost. Care Plan reviews should be conducted at scheduled intervals or when changes in the client's condition require a review of current service needs.
- The department's model letter for Notice of Termination, Suspension or Reduction must be utilized to advise clients of any adverse action affecting their service package. The model letter will be provided in a separate DOEA Notice of Instruction.
- If transfers are a part of the plan, the area agency must list the program (CCE, HCE, ADI, etc.), the amount to be transferred, and the program the funds are being transferred to.
- The anticipated year-end (June 30, 2003) surplus or deficit currently projected for both waivers without a plan being implemented must be indicated for both waivers. Also, the anticipated year-end (June 30, 2003) surplus or deficit projected after implementing the Surplus/Deficit Management Plan must be indicated for both waivers.

The department and the area agencies' ability to successfully utilize the Surplus/Deficit Management Plans will depend upon the level of detail included and the accuracy of the projections made. Area agencies are encouraged to ensure that all plans are well written and focused on improved budget management. Please contact your OMC Manager should you have any questions.

Attachment