

# MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Aimee Khaled

**Phone Number:**

Initial

Public Comment

Final

**Brief description of policy:**

This policy includes updates to LOCD policy for verification review, passive redetermination and electronic LOCD tool. This policy will increase the number of days providers have to submit supporting documentation for records selected for verification review. Passive redetermination process will no longer be able to create LOCD Door 5 records. The electronic LOCD tool is adding a field for Door 5. The field is not new and is included in the "paper" LOCD and field definition guidelines.

**Reason for policy (problem being addressed):**

Technology and assessment updates require modification of existing LOCD policy.

**Budget implication:**

- budget neutral
- will cost MDHHS \$ \_\_\_\_\_ , and (select one) budgeted in current appropriation
- will save MDHHS \$ \_\_\_\_\_

**Is this policy change mandated per federal requirements?**

No.

**Does policy have operational implications on other parts of MDHHS?**

Yes - Community Health Automated Medicaid Processing System (CHAMPS).

**Does policy have operational implications on other departments?**

No.

**Summary of input:**

- controversial (Explain)
- acceptable to most/all groups
- limited public interest/comment

**Supporting Documentation:**

State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please provide status:	If yes, Submission Date:
<input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied	
Date:                      Approval                      Date:	

<b>DRAFT FOR PUBLIC COMMENT</b>  <b>Michigan Department of Health and Human Services</b>		
	<b>Project Number:</b> 2447-LTC	<b>Date:</b> November 19, 2024

**Comments Due:** December 26, 2024

**Proposed Effective Date:** As Indicated

**Direct Comments To:** Aimee Khaled

**Address:**

**E-Mail Address:** [Khaleda@michigan.gov](mailto:Khaleda@michigan.gov)

**Phone:**

**Fax:**

<p><b>Policy Subject:</b> Updates to Level of Care Determination (LOCD) Policy</p> <p><b>Affected Programs:</b> Medicaid, MI Choice Waiver Program, Program of All-Inclusive Care for the Elderly (PACE), MI Health Link Home and Community Based Services (HCBS) Waiver</p> <p><b>Distribution:</b> Nursing Facilities, PACE Providers, Integrated Care Organizations (ICO), MI Choice Waiver Agencies</p> <p><b>Summary:</b> This bulletin updates LOCD policy for verification review, passive redetermination and the electronic LOCD tool. This policy will increase the number of days providers have to submit supporting documentation for records selected for verification review. The passive redetermination process will no longer be able to create LOCD Door 5 records. The electronic LOCD tool is adding a field for Door 5. The field is not new and is included in the "paper" LOCD and field definition guidelines.</p> <p><b>Purpose:</b> To update LOCD policy to align with systems updates.</p> <p><b>Cost Implications:</b> Budget neutral</p> <p><b>Potential Hearings &amp; Appeal Issues:</b> None</p>
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<b>State Plan Amendment Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>If yes, date submitted:</b>	<b>Public Notice Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Submitted date:</b>
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<b>Tribal Notification:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> - <b>Date:</b>
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<b>THIS SECTION COMPLETED BY RECEIVER</b>
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<input type="checkbox"/> <b>Approved</b>	<input type="checkbox"/> <b>No Comments</b>
<input type="checkbox"/> <b>Disapproved</b>	<input type="checkbox"/> <b>See Comments Below</b>
	<input type="checkbox"/> <b>See Comments in Text</b>

<b>Signature:</b>	<b>Phone Number</b>
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**Signature Printed:**

**Bureau/Administration** *(please print)*

**Date**

**Comment001**

**Revised 6/16**

**Bulletin Number:** MMP 24-53

**Distribution:** Nursing Facilities, Program of All-Inclusive Care for the Elderly (PACE) Providers, Integrated Care Organizations, MI Choice Waiver Agencies

**Issued:** November 19, 2024

**Subject:** Updates to Level of Care Determination (LOCD) Policy

**Effective:** As Indicated

**Programs Affected:** Medicaid, MI Choice Waiver Program, PACE, MI Health Link Home and Community Based Services (HCBS) Waiver

The Michigan Department of Health and Human Services (MDHHS) is required to assess all individuals seeking Medicaid-funded long-term services and supports (LTSS) that require level of care eligibility to determine their functional need for those services. MDHHS assesses eligibility for LTSS through the Nursing Facility Level of Care Determination (LOCD). The determination is an essential component of eligibility for services provided in nursing facilities, the MI Choice Waiver Program, the Program of All-Inclusive Care for the Elderly (PACE), and the MI Health Link Home and Community Based Services (HCBS) Waiver Program.

Effective December 14, 2024, the following changes will be made to LOCD policy that are required due to updates to the Community Health Automated Medicaid Processing System (CHAMPS).

### **LOCD Doors Addressed by Passive Assessment**

The passive redetermination process will no longer confirm Door 5: Skilled Rehabilitation Therapies for all assessment types. Passive determination will not create Door 5 for any provider type. Current eligible Door 5 records will be treated the same as Door 4 in the passive process. If the beneficiary is currently eligible under Door 5 and the passive process cannot confirm eligibility, there will be no change to the existing LOCD or end date. The provider will need to complete an in-person LOCD assessment with the beneficiary to determine LOCD eligibility before the end date of Door 5.

### **Updates to Electronic LOCD Tool**

The electronic LOCD tool in CHAMPS will add a field for Door 5: Skilled Rehabilitation Therapies. The field will require the provider to indicate whether the beneficiary continues to require skilled rehabilitation therapies. This is not a new field to the LOCD tool and is included on the “paper” LOCD tool and field definition guidelines.

Effective January 1, 2025, the following changes will be made:

### **Updates to Verification Review**

When an LOCD record is selected for verification review, the provider will have four calendar days to submit supporting documentation. This is an increase from the one business day allowed in current policy.

### **Public Comment**

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments to Aimee Khaled at [KhaledA@michigan.gov](mailto:KhaledA@michigan.gov).

Please include "Updates to LOCD Policy" in the subject line.

Comments received will be considered for revisions to the change implemented by this bulletin.

### **Manual Maintenance**

Retain this bulletin until the information is incorporated into the MDHHS Medicaid Provider Manual.

### **Questions**

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 800-292-2550. Atypical Providers may phone toll-free 800-979-4662.

An electronic copy of this document is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Policy, Letters & Forms.

### **Approved**



Meghan E. Groen, Director  
Behavioral and Physical Health and Aging Services Administration