



STATE OF NEW YORK
DEPARTMENT OF HEALTH

Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza
Albany, New York 12237

Dennis P. Whalen
Executive Deputy

Commissioner

ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 99 OMM/ADM-1

TO: Commissioners of
Social Services

DIVISION: Office of
Medicaid
Management

DATE: April 8, 1999

SUBJECT: Funding for Medicaid Implementation of Alcohol and Substance
Abuse Screening and Assessment and Automated Finger Imaging
System Requirements

SUGGESTED
DISTRIBUTION:

Medicaid Staff
Public Assistance Staff
Accounting Staff

CONTACT
PERSON:

Policy Issues:
Medicaid County Liaison at (518) 474-9130
New York City at (212) 613-4330

Claiming Issues:
Financing Unit, Office of Temporary & Disability
Assistance
--Regions I-IV: Roland Levie at 1-800-343-8859
extension 4-7549 (User ID FMS001)
--Region V: Marvin Gold at (212) 383-1733
(User ID OFM270)

ATTACHMENTS:

- A. District Allocation for Alcohol & Substance Abuse
Screening/Assessment (not available on-line)
- B. District Allocation for Finger Imaging (not
available on-line)
- C. Alcohol and Substance Abuse Screening and
Assessment Plan (available on-line)
- D. AFIS Plan of Operation Amendment (available on-line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
98 ADM-8 98OMM LCM-001 97OMM ADM-2 97 ADM-23			Chapter 54 of the Laws of 1998		

I. PURPOSE

The purpose of this directive is to advise local social services districts of available funding for administrative expenditures related to the Medicaid requirements for alcohol/substance abuse screening and assessment, and the automated finger imaging system (AFIS) under the Welfare Reform Act of 1997. This directive describes these provisions and the instructions for claiming reimbursement for expenditures related to the implementation of alcohol/substance abuse screening and assessment requirements, and AFIS for Medicaid recipients.

II. BACKGROUND

The Welfare Reform Act (WRA) of 1997, signed by the Governor in August of 1997, established requirements for alcohol/substance abuse screening, assessment and treatment for most adults who apply for public assistance and for certain adults who apply for Medicaid. Single individuals, childless couples and parents of children without a deprivation, who are not certified blind or disabled, or pregnant, must comply with certain alcohol/substance abuse screening, assessment and treatment requirements to be eligible for Medicaid. The WRA also included provisions to require that certain Medicaid applicants/recipients establish their identity through AFIS, as a condition of eligibility.

Chapter 54 of the Laws of 1998 provided funds to assist local social services districts with the additional costs incurred as a result of implementing these new requirements. A \$3 million fund was established to implement the alcohol/substance abuse screening and assessment requirements. A fund of \$800,000 was established to implement AFIS. These funds are available for reimbursement at 50 percent of the non-federal share of a district's expenses for implementing these programs. In order to receive the state funds, each local district must submit a plan to be approved by the Department of Health and the Division of the Budget.

III. PROGRAM IMPLICATIONS

A. Alcohol/Substance Abuse Screening and Assessment

One provision of the WRA is the requirement for certain applicants/recipients to comply with alcohol/substance abuse screening and assessment. Adult applicants and recipients who are single individuals, childless couples and parents of children without a deprivation, and who are not certified blind or disabled, or pregnant, must comply with screening for alcohol/substance abuse as a condition of Medicaid eligibility.

As in public assistance screening, use of a mandated screening instrument is required at the time of application and not more frequently than every six months thereafter, unless abuse or dependence is suspected. A copy of the completed screening instrument must be retained in the case file. The screening instrument and procedures are included in the Office of Temporary and Disability Assistance Directive 97 ADM-23 and in 97 OMM/ADM-2.

When two or more "yes" responses are received to the screen, or if the worker has reason to suspect alcohol or substance abuse through observation of the individual's behavior, the individual must be referred for assessment. If fewer than two "yes" responses are noted, the Medicaid determination process continues and no assessment is needed. If the individual refuses to answer the questions on the screening instrument, the individual is ineligible for Medicaid.

The assessment is performed by a professional credentialed by the Office of Alcoholism and Substance Abuse Services (OASAS). This individual may be employed by the district or the district may contract out the assessment function. The assessment must determine if the individual is abusing alcohol and/or drugs. If abuse is found, the assessment must also determine whether the individual is able to work. The appropriate level of treatment is then determined. Individuals determined unable to work who are referred for treatment and who fail to comply with treatment once that treatment is available are ineligible for Medicaid.

Expenses for Medicaid alcohol/substance abuse screening and assessment have generally been paid from each district's administrative costs. Since funding is now available to implement the alcohol/substance abuse screening and assessment provisions of WRA, districts have an additional funding source. Funding allocated to each district will not be applied to the district's administrative cap.

B. Automated Finger Imaging System (AFIS)

The WRA also requires finger imaging for certain adults and heads of households who apply for or receive Medicaid. Districts are required to finger image certain applicants as part of the application process.

Since finger imaging is used to verify identity as a condition of eligibility, applicants who decline to be finger imaged will be denied, and recipients who decline to be finger imaged will lose their eligibility for Medicaid. Finger imaging will prevent recipients from establishing more than one case within their home district or statewide, and will establish positive identity for each client.

Medicaid applicants/recipients who must comply with finger imaging are those who must have a photo Common Benefit Identification Card (CBIC). Individuals who are exempt from photo CBIC requirements are described in 98 OMM LCM-001, "Photo ID Requirements for Medicaid Applicants/Recipients". Those groups that are exempt from the finger image requirements for Medicaid purposes are listed below:

- Persons residing in health care facilities;
- Persons residing in developmental centers operated by the Office of Mental Retardation and Developmental Disabilities (OMRDD);
- Persons residing in psychiatric centers operated by the Office of Mental Health (OMH);
- Persons residing in residential treatment facilities certified by the OMH;
- All SSI cash recipients;
- All children under 21 living with a responsible relative (including guardians), as well as foster care children;
NOTE: Pursuant to 98 OMM LCM-001, at local option, districts may require photo identification of persons between the ages of 18 and 21, who are not living with a responsible relative. Districts may also opt to require such individuals to be finger imaged.
- All persons applying at sites other than local social services offices until next client contact or recertification;
- Homebound persons including those receiving personal care, home health care or long term care;
- Persons residing in living arrangements operated by OMH, or residing in living arrangements certified or operated by the OMRDD;
- Persons enrolled in the OMRDD Home and Community Based Services Waiver (HCBS).

An Administrative Directive containing the Medicaid-only finger imaging requirements is forthcoming from this Department and the Office of Temporary and Disability Assistance.

IV. REQUIRED ACTION

A total of \$3 million is allocated among local districts to implement the alcohol/substance abuse screening and assessment requirements. The total allotment of \$3 million is allocated to districts as indicated on Attachment A. This funding may be applied to alcohol/substance abuse screening and assessment procedures that occurred after the implementation date of November 1, 1997.

For the purpose of implementing finger imaging requirements, local districts are allocated \$800,000. The allotment for AFIS may be applied to costs required to implement this program for Medicaid applicants/recipients. Districts' allocations are specified in Attachment B.

Unclaimed funds may be redistributed to districts at a later date. In order to receive reimbursement for alcohol/substance screening and assessment, and for AFIS, local districts must submit plans to the Office of Medicaid Management.

A. Plan Requirements

1. Alcohol/Substance Abuse Screening Plan

Each local district plan must include the start date, its population count, the size and description of the eligibility group subject to the requirements and costs incurred since implementation and projected through March 31, 1999. Plans should describe the operational process for implementing alcohol/substance abuse screening and assessment by an OASAS credentialed professional. A sample plan format is included as Attachment C.

Alcohol/Substance Screening and Assessment plans must be submitted to:

**Betty Rice, Director
Division of Consumer & Local District Relations
Office of Medicaid Management
NYS Department of Health
One Commerce Plaza, P.O. Box 118
Albany, NY 12260-0118**

2. AFIS Plan

Each local district plan must include a description of finger imaging procedures for enrolling those individuals who are required to comply with AFIS. Plans must specify the target populations, those individuals or specific populations exempt from requirements, and projected costs.

AFIS plans must be submitted to the Office of Temporary and Disability Assistance (OTDA), Bureau of Program Integrity as specified in AFIS Update #79. A plan format was included with the AFIS Update and is included in this directive as Attachment D. The Office of Medicaid Management will review plan information that is submitted through OTDA.

B. Plan Approval Process

Upon submission of an alcohol/substance screening and assessment plan and/or an AFIS plan, the Department of Health (DOH) and the Division of the Budget will review each district's plan and approve the plan in whole or in part. DOH will then notify the local district of the outcome of the review of the plan. Districts may submit claims as soon as their plans are approved.

V. FISCAL IMPLICATIONS

Local districts are expected to incur direct costs associated with screening and assessing applicants and recipients for alcohol/substance abuse, and for finger imaging. To date, costs to implement alcohol/substance abuse screening and assessment for Medicaid applicants/recipients have been included within the district's capped administrative expenses. The allocations described in this directive are exempt from the district's administrative cap.

Allowable expenditures for implementing alcohol/substance abuse screening and assessment include the hiring of additional staff to coordinate screening and assessment activities, such as scheduling, follow-up reviews and hiring or contracting with credentialed substance abuse and alcohol counselors to perform the required assessments. Allowable expenditures for implementing AFIS include the hiring of additional staff to complete AFIS, training staff regarding the population to whom AFIS will apply, and the purchasing of necessary equipment.

A. Allocation Methodology

i. Alcohol and Substance Abuse Screening and Assessment

State funding is available to local districts to implement alcohol/substance abuse screening and assessment. The appropriations were divided according to factors that are relevant to Medicaid applicants/recipients affected by the alcohol substance/abuse provisions.

Allocation amounts were determined by considering the number of single individuals/childless couples and parents in families with no deprivation in each county.

District totals were converted to a percentage of the statewide totals. Funding was allocated to each district in accordance with these percentages. A minimum allocation amount (floor) of \$3,000 is included in the calculation. The greater of the FFY 95 or FFY 96 eligibles was used in order to address fluctuations in caseloads over time.

The allocation methodology ensures that all counties secure proper funds needed to implement alcohol/substance abuse screening and assessment requirements.

ii. Automated Finger Imaging System (AFIS)

The methodology for determining allocation amounts for finger imaging is similar to the one used for alcohol/substance abuse requirements. The methodology

used to determine the allocation amounts considers the number of Medicaid eligibles, excluding SSI cash recipients and children under age 18. Individuals receiving SSI cash benefits and children under 18 are not subject to finger imaging requirements. Medicaid exempts a number of special groups from finger imaging, such as the homebound and individuals residing in residential health care facilities. Districts have the option to exempt 18-21 year olds who are not living with a legally responsible relative. Because systematic identification of the Medicaid exceptions from finger imaging requirements is not feasible, an equal distribution of the exceptions across districts was assumed.

District totals were converted to a percentage of the statewide totals. Funding was allocated to each district generally in accordance with these percentages. A minimum allocation amount (floor) of \$1,000 is also included in the calculation.

VI. CLAIMING INSTRUCTIONS

A. Alcohol/Substance Abuse Screening and Assessment

The administrative costs associated with providing alcohol/substance abuse screening and assessment to Medicaid-Only clients should be reported as F17 function code expenditures and claimed on Schedule D-17 "Distribution of Allocated Costs to Other Reimbursable Programs" (DSS-3274). The costs from the Schedule D-17 are to be brought forward to a DSS-3922 form entitled "Financial Summary for Special Projects" labelled as "MA-Only Drug/Alcohol Services" and reported on the appropriate lines. The costs will be reported in the Total Column and claimed at the level of 50% State share since it is unclear whether Federal reimbursement might be available for this activity. Since Medicaid-Only expenditures are State funded, the associated A-87 costs are non-reimbursable and should be reported as 100% local share. Reimbursement is available up to the limit of the allocation with these costs being exempt from the local district administrative cost cap.

B. Automated Finger Imaging System (AFIS)

AFIS costs incurred for Medicaid-Only applicants/recipients should be reported as Fraud and Abuse F10 function code costs and claimed for reimbursement on the Schedule D-10 "Claiming of Fraud and Abuse Administrative Costs" (DSS-2347F). Medicaid-Only AFIS case counts should be included in the Medical Assistance category. These costs will be reported on Line 2, Identified Costs of the Schedule D-10. Expenditures for Medicaid-Only applicants/recipients will be reimbursed at the level of 50% Federal, 25% State and 25% local shares. Fraud and Abuse administrative costs are eligible for consideration

for exemption from the administrative cost cap. Such costs can be included in the annual submission for exclusion to the cap.

Claims should be submitted to:

**NYS Office of Temporary and Disability Assistance
Finance Unit
40 North Pearl Street - 13D
Albany, New York 12243**

Questions of a fiscal nature can be directed to the Finance Unit in the Office of Temporary and Disability Assistance as indicated on the front page of this directive.

VII. EFFECTIVE DATE

District plans for Alcohol and Substance Abuse Screening and Assessment must be submitted by May 7, 1999.

District plans for AFIS operation must be submitted by June 1, 1999.

The effective date for enrolling Medicaid-only applicants and recipients in AFIS will be provided in a forthcoming Administrative Directive.

Reimbursement for district expenditures related to alcohol and substance abuse and AFIS for Medicaid-only applicants and recipients is available for expenses incurred retroactive to November 1, 1997.

Ann Clemency Kohler
Deputy Commissioner

Attachment C
Alcohol/Substance Abuse Screening and Assessment Plan

District: _____
Contact Person: _____
Phone: _____
Date of Plan or Change Submittal: _____
Period of Expenditures: _____

Section I: Assurances

_____ County assures the following:

- A. All adult applicants or recipients between the ages of 21 and 65 who are not certified blind, certified disabled or pregnant, and who are single persons, childless couples and parents of children without a deprivation will be tested to determine if habitual and unlawful use of drugs is a material cause of dependency or a barrier to employment.
- B. A screening will be required once per specified adult with additional screening at the local social services district option.
- C. Referral for assessment by an OASAS credentialed professional will occur when two or more positive responses are received on the screening instrument.
- D. If the individual fails to comply with screening, and/or assessment, he/she will be determined ineligible for Medicaid.

Section II: Operational Procedures

- A. Describe your process for screening and assessing adult applicants or recipients who are not certified blind, disabled or pregnant and who are single persons, childless couples and parents without a deprivation.
- B. Describe the frequency and procedures under which you will screen and assess the Medicaid recipients specified above.
- C. Describe costs incurred since implementation on or after November 1, 1997. Estimate the projected costs incurred to implement alcohol/substance abuse screening and assessment requirements for the appropriate Medicaid eligibility groups. Include estimates of administrative staffing, contractor costs, special arrangements for obtaining assessments, and other.

Note any comments or additional information that will assist in understanding the alcohol/ substance abuse screening and assessment plan.