

**DATE:** April 29, 2015

**OPERATIONS MEMORANDUM #15-04-04**

**SUBJECT:** Living Independence for the Elderly (LIFE) Program (also known as the Long-Term Care Capitated Assistance Program (LTCCAP))

**TO:** Executive Directors

**FROM:** Inez Titus  
Acting Director  
Bureau of Operations

**PURPOSE**

To provide policy and procedures, including program enhancements and adjustments, for determining eligibility and authorizing individuals for those counties that currently have a LIFE/LTCCAP Program.

**BACKGROUND/DISCUSSION**

The LIFE/LTCCAP Program is a managed-care program for individuals eligible for LIFE/LTCCAP services who, when provided with proper support services, can safely be maintained in their own homes. If and when these consumers can no longer receive services in the home, they can transition into a Long-Term Care (LTC) facility and remain in the LIFE/LTCCAP Program.

The national program, the Program for All-inclusive Care for the Elderly (PACE) began in 1972 as a pilot in response to the desire of individuals in need of LTC services to remain in their homes. PACE became a waiver demonstration program in the early 1980's. Due to its success, in 1996 Congress designated it a permanent program with participation in Medicare and allocated funding for PACE nationally. The Department of Human Services (formerly Department of Public Welfare) first implemented the program in 1998 in Allegheny, Beaver, and Philadelphia Counties.

LIFE/LTCCAP provider areas are assigned by zip code. While LIFE/LTCCAP is not available statewide, there are multiple LIFE/LTCCAP providers throughout the state who provide services based on zip code and not necessarily county of residence.

Under the LIFE/LTCCAP Program, providers receive either a partial capitation payment or a full capitation payment for providing services. A partial capitation payment provides a set fee for most Medical Assistance (MA) services; Medicare services are

billed as fee-for-service. Full capitation payment provides a set fee for all MA services and a set fee from Medicare for all Medicare-covered services. After gaining census and experience with the model, a LIFE/LTCCAP provider will apply to the Centers for Medicaid and Medicare Services for Medicare capitation.

Under the LIFE/LTCCAP Program, while the LIFE/LTCCAP consumer remains at home, there is only a patient pay towards the cost of care if the individual needs to be authorized for MA in a monthly NMP Spend-down category (see [Attachment Two](#)). However, when the individual must be moved to an LTC facility, a patient pay amount is always assessed. The LIFE/LTCCAP provider will be responsible for the LTC facility costs, and the County Assistance Office (CAO) will be responsible for determining the payment towards the cost of care. The CAO must determine the cost of care for LIFE/LTCCAP consumers effective the first day of the calendar month in which the 31st day of residence in the LTC facility falls.

The PROMISe system automatically generates monthly capitation payments to LIFE/LTCCAP providers. To determine the correct amount for these payments, PROMISe identifies those LIFE/LTCCAP consumers who have entered an LTC facility and therefore are making payments towards the cost of care. PROMISe calculates the LIFE/LTCCAP provider's payment by deducting the consumer's payment towards the cost of care from the monthly capitation payment. Therefore, it is important that the CAO enter the correct patient pay amount in CIS with the correct effective date (so that PROMISe can deduct it from the LIFE/LTCCAP provider's monthly capitation payment). Procedures and information are included in the following Attachments:

- [Attachment One](#) provides the CAO with procedures for determining eligibility and authorizing services for individuals under the LIFE/LTCCAP Program.
- [Attachment Two](#) provides the CAO with procedures for determining eligibility and authorizing services for individuals applying for the LIFE/LTCCAP Program when income exceeds 300 percent of the Federal Benefit Rate (FBR).
- [Attachment Three](#) contains additional details regarding eligibility and payments.
- [Attachment Four](#) matches identified LIFE/LTCCAP providers with their service regions by zip code and/or county.

Additional Information

- Special attention should be paid to Section 468.38, Home Maintenance Deduction Allowance. A LIFE/LTCCAP participant is entitled to this provision if a physician certifies that a person may return home within six months.

**Reminder:** A physician's certification of short-term care is required for an individual to receive the Home Maintenance Deduction Allowance.

- The service termination date for LIFE/LTCCAP must be the last day of a calendar month. If the termination date is not the last day of a calendar month, the CAO must call the assessing agency listed on the PA 1768 to verify the service termination date.
- If the LTC facility is located in a different county, the case is **not** transferred to that county.
- If a LIFE/LTCCAP recipient is in the LTC facility for less than one month, it is not necessary to compute payment towards the cost of care.
- The Waiver Code of 96 must remain the same to identify the consumer as a LIFE/LTCCAP consumer.
- Establish MA eligibility for LTC facility services (if and when necessary) in the same manner as if the individual was not enrolled in the LIFE/LTCCAP Program, including determination of the payment towards cost of care. The patient pay determination applies only when the person becomes an LTC facility resident.
- Individuals who participate in the LIFE/LTCCAP Program will not be enrolled in any other managed care plan.
- A Spend-down category of MA should only be utilized if the individual has income exceeding 300 percent of the FBR.
- Spousal impoverishment and fair consideration do not apply to individuals authorized in a Spend-down category. However, once the individual enters an LTC facility, the individual will be evaluated for an MNO LTC-related category such as TAN, TJN. Spousal impoverishment and fair consideration do apply once the individual is authorized in an LTC-related category of MA.

- The LIFE/LTCCAP medical expense must be deleted from the Medical Expenses screen when verification is received that the LIFE/LTCCAP consumer disenrolled from the LIFE/LTCCAP Program or when the LIFE/LTCCAP consumer enters the LTC facility.
- Once the individual enters an LTC facility and the individual is authorized in an LTC-related MNO category, a new 902Z cost-of-care TPL will be determined.

## **FINANCIAL RENEWAL**

CAO duties and responsibilities for the LIFE/LTCCAP Program are the same as those for all the LTC programs. A complete renewal is done each year, and a Cost of Living Adjustment is completed in January of every year.

## **CHANGES IN ELIGIBILITY**

The LIFE/LTCCAP provider and the recipient are responsible for reporting all changes in income, resources and circumstances. CAO responsibilities for processing changes that affect LIFE/LTCCAP Program eligibility are the same as for all other waiver programs.

## **NEXT STEPS**

1. Review this document with appropriate staff for the implementation of the LIFE/LTCCAP Program.
2. Direct questions or concerns to the Bureau of Policy at (717) 772-7809.
3. This memorandum will be in effect until further notice.

Attachments