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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 93 LCM-90

Date: July 27, 1993

Division: Economic
Security

TO: Local District Commissioners

SUBJECT: Budget Initiatives - Proposed Models for HR
Disability/Employment Screening and Centralized SSI Referrals
and Tracking

ATTACHMENTS: HR Disability/Employment Screening Models I-V -
Available on-line

Increased emphasis is being placed on the need to screen public assistance applicants and recipients (A/R's) who claim or appear to be disabled for the purpose of MA-Disability, Employability Assessment and referral to apply for and pursue Supplemental Security Income (SSI) benefits. As a condition of eligibility for public assistance, A/R's who claim or appear to be disabled have always been required to apply for and pursue SSI benefits. Several recent changes in state legislation have heightened the need for the local district to timely identify and properly categorize each disabled A/R for cash and medical assistance, especially those applying for or in receipt of Home Relief (HR):

- o Chapter 53 of the cost containment legislation of 1992 requires Social Services districts (SSD's) to have a system in place to identify, assess, refer, assist and track A/R's subject to these requirements.
- o Chapter 41 of this legislation restricted medical services available to Home Relief and MA-only clients who are not determined eligible for federal financial participation (FFP) in the Medicaid program. Eligibility for FFP can be established by meeting eligibility criteria for ADC or SSI, or through a separate MA-Disability review process.

Local Social Services Districts (SSD's) have flexibility with regard to setting up their centralized SSI process and may opt to administer and operate their entire process in-house, or to contract out for all or part(s) of the process. It is important to note that expenditures in this area are exempt from the State imposed administrative cap. Based on the Department's and selected SSD's experience in operating the Disabled Client Assistance Program (DCAP) and review of similar programs operated in other states, five models (attached) have been formulated which could be used by SSD's to meet the requirements of a Centralized SSI System as defined in Chapter 53 of the Laws of 1992.

Models I through IV which deal with contracting out some or all of the functions required under the cost containment legislation can be viewed as a continuum. Model V deals solely with internal coordination of the multi-divisional involvement between Income Maintenance, Medical Assistance, Employment and Services for A/R's being referred for potential MA-Disability and SSI eligibility review:

Model I provides for contracting with a medical provider to do the medical examination for the Medicaid Disability and Employment programs.

Model II adds to the provider, the responsibility for preparing the necessary medical forms and assisting clients in completing their MA-Disability and initial SSI application forms.

Model III adds a front end piece, the identification of potential SSI and/or MA-Disability applicants and then being responsible for conducting the complete medical assessment and providing assistance to the client in applying for these programs. (This model is intended for use in hospitals frequently used by public assistance clients.)

Model IV provides for contracting out the entire SSI screening, application and appeals process with a consultant or other agency (i.e., "privatization" of the Disabled Client Assistance Program).

Model V involves reorganization of certain functions within the local district to include MA-Disability Review, Employment Screening and Assessment and all required Centralized SSI activities into a single unit or otherwise operating in a fully coordinated process.

Experience of certain SSD's in New York State and reports of "privatization" efforts in other states strongly support the financial benefits which can be achieved through an organized and concerted effort to maximize the use of the MA-Disability program and the transfer of public assistance clients to SSI.

The attached model descriptions provide a more detailed look at each of the five models. These papers have been developed by a work group including staff from the offices of Economic Security, Health and Long Term Care, Adult Services, Quality Assurance and Audit, and Disability Determinations. This group was also supported by our Fiscal and Systems offices. Many of the ideas included in these models are based on successful Disabled Client Assistance Programs (DCAP). Others have been developed and tested in conjunction with selected providers. Still others, notably the privatization of DCAP, are based on successful programs in other states. With regard to this latter proposal, we have already been contacted by several private providers who have indicated an interest in developing a program in New York State.

Your Economic Security Field Representative will be contacting your district to discuss the use of one or more of these options or other ideas you may have for enhancing the Centralized SSI process. Additionally, if you already have a particular interest in any of the attached models or an idea which you wish assistance in developing, please feel free to alert the ES Representative or call Tom Nathan or Tony DeCrescenzo in the Bureau of Field Operations at 1-800-342-3715, extension 3-0332 to discuss your ideas.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Economic Security

HR Disability/Employment Screening Models

Model I

I. Contracting Out the Medical Examination of the MA-Disability/Employment Review to a Health Provider

1. OBJECTIVE

To contractually procure medical examinations to assist the local district Department of Social Services (LDSS) in assessing Home Relief (HR) cash assistance applicants/recipients for employment and Medicaid Disability (MA) programs.

2. TARGET POPULATION

HR cash assistance applicants and recipients who claim to be unemployable or who have some limitation on their ability to work due to health reasons.

3. GOAL

Secure medical evaluations and tests to assist in the employability and disability determination processes. Early classification of disability will additionally bring in federal participation for MA expenditures on behalf of HR recipients.

4. PROJECT DESCRIPTION

LDSS staff will screen HR applicants and HR recipients being certified or recertified to identify whether they are employable. Those that may be unemployable for health reasons will be referred to the medical contractor to document their physical and mental conditions. Medical exam findings will be reviewed for both employment and MA disability criteria.

5. FISCAL IMPACT

Local districts will be able to claim normal Federal/State Medicaid reimbursement for the cost of the examination/testing.

Local districts share of MA savings are projected to be approximately \$2,500 annually for each HR recipient determined disabled for MA program purposes.

For districts that elect to integrate this process with their centralized SSI unit, additional savings should be realized for those individuals successfully transitioned from HR cash to SSI.

HR Disability/Employment Screening Models

Model II

II. Contracting out Medical examination with provider responsible for preparing medical forms and assisting client in MA-Disability and initial SSI applications.

1. OBJECTIVE

Local district to contract out medical examinations with provider responsible for assisting HR clients in completing their SSI application and submitting it with medical documentation to SSA, while also sharing all medical information with the local district for use in their determination of proper MA-Disability and Employability status.

2. TARGET POPULATION

Home Relief applicants/recipients who are identified by the LDSS as having mental and/or physical disabilities which severely limit their ability to work.

3. GOAL

To assure potentially SSI eligible HR applicants/recipients are referred to SSA with current medical documentation on a timely basis, while also assuring that the local district receive medical evaluations and test reports for use in their MA-Disability Review and employability assessment processes.

4. PROJECT DESCRIPTION

Local district staff will screen HR applicants/recipients to identify whether they are employable. Those that may be unemployable due to health reasons will be referred to the provider to obtain a medical exam and documentation of their physical and mental conditions. For those unable to work due to a disability which is expected to last for at least a year, the contractor will be responsible for sending the medical report and findings to the local district for use in their MA-Disability and Employability assessment reviews and to also assist the client with his/her SSI application. With regards to those clients to be assisted in the SSI application process, the provider should: conduct an intensive interview in which they document the client's medical/social information on forms acceptable to SSA (SSA 3368 or DSS 1151); complete all applicable additional SSA required forms including medical releases, special medical reports, short financial eligibility form signed by the client, etc.; and submit a complete SSI application package to SSA for initiating the SSI eligibility review. They will further be responsible to provide a list of clients thus referred to SSI to the local district for their use in tracking these cases and assisting clients in appeals to any SSI denial.

5. FISCAL IMPACT

Local and state savings will be derived from three sources:

1. Federal financial participation would be available for the combined disability/employability exam thus minimizing the state and local shares.
2. Assuring that the SSI application is filed and inclusion of current medical information should result in an increased SSI allowance rate. Based on statewide averages, conversion of HR recipients to SSI results in annual cost avoidance of \$7,868: \$4,450 local and \$3,418 state share, for each individual.
3. Potential increase in favorable determinations for MA-Disability Reviews, thus assuring timely claiming of federal financial participation for medicaid costs.

HR Disability/Employment -Screening Models

Model III

III. Contracting out initial screening and MA-Disability Review Function in accordance with required guidelines.

1. OBJECTIVE

Completion of the Medicaid Disability Determination (Title XIX) and an SSI application at a hospital where the necessary medical and social services professionals are available to help the client through the process and perform the necessary financial, medical and social services assessments in one place while the client is available.

2. TARGET POPULATION

HR-FNP (federal financial non-participation) for MA cost recipients, FNP MA-only clients and uninsured patients who appear to meet disability criteria.

3. GOAL

By reducing the barriers to the SSI program, we expect the acceptance rate to increase from 50% (Statewide average) to 70%. Up front MA determinations for Title XIX would increase, which will result in a major reduction of retroactive activity and reduce the hospital's burden of having to retrieve stored documentation for after the fact MA-Disability review.

4. PROJECT DESCRIPTION

Through a cooperative agreement between the state and local departments of social services and a hospital(s), all potentially eligible hospital patients will be identified and helped through the Title XIX and SSI application process. The targeted population will be assisted by hospital staff using case management techniques performed by a combination of a physician, health care planning specialist, supervising social worker, staff social worker, hospital care investigator and support staff. Initially in the project, the disability "package" can be reviewed by the district Disability Review Team (DRT) for Title XIX but, as volume increases, a hospital based DRT may be formed under contract or via memorandum of understanding, with the Social Services district(s) to have the provider do the disability determination. Case management will include filling out Title XIX and SSI application forms, collecting information and supporting documentation, and providing necessary medical and social service assessments to establish disability and submitting the completed packages to the appropriate offices.

The result will be less client traffic in district offices, a reduced MA-FNP cash caseload and, for Title XIX, quicker procurement of federal Medicaid funding since retroactive activity will be curtailed.

5. FISCAL IMPACT

Savings will depend on the volume of FNP clients (both HR and MA-only) at the hospital(s). The acceptance rate for both SSI and MA-Disability should be significantly higher than the average statewide SSI.

Hospital costs could be part of the normal Title XIX administrative federal reimbursement rate of 50% or 75% where applicable.

On the average, an upstate district saves \$2,300/year in PA for every FNP cash case shifted to SSI. Typical Medicaid savings to a district would be at least, or greater than, that amount.

NOTE: Impact on Disproportionate Share Funding. Presently, a portion of the federally non-participating costs may be reimbursed under the federal disproportionate share claiming methodology. However, since this claiming methodology has a fixed appropriation ceiling, any hospital related service costs that can be charged to federally participating (Title XIX) and moved out of the ceiling allows the shifting of additional federally non-participating inpatient hospital costs under the claiming cap of disproportionate share and enhances the flow of federal revenue.

HR Disability/Employment Screening Models

Model IV

IV. Privatization of SSI screening, application and appeals process through a contract with a consultant.

1. OBJECTIVE

To provide for selected local districts to contract with a private organization for assisting clients through the SSI application and appeals process.

2. TARGET POPULATION

Home Relief applicants/recipients who are identified by the LDSS as having mental and/or physical disabilities which severely limit their ability to work. Special emphasis should be placed on referring clients which LDSS workers further believe would have difficulty pursuing these benefits on their own.

3. GOAL

To convert all disabled HR applicants/recipients who potentially qualify for SSI to the federally supported SSI program on as timely a basis as possible. Experiences with this type of intensive effort indicates that the SSI allowance rate which is currently 50% statewide should increase to a range of 75 to 80%. Additionally, conversion to SSI guarantees individuals will receive full medicaid coverage while minimizing local and state costs based on federal financial participation being available for SSI individuals.

4. PROJECT DESCRIPTION

The local district will contract with a private organization or consultant to accept referral of unemployable HR applicants/recipients for the purpose of assisting these clients with the completion and filing of an SSI application and providing assistance in any necessary appeal of denials. The contractor will work directly with the HR client in all SSI related efforts starting with an initial intensive interview, which could be an in-home visit or an on-site interview at either the LDSS or an office maintained by the contractor. Additional services to be provided should include, but not be limited to: assisting clients in the completion of their SSI application; obtaining protective filing dates; completing medical/social histories; obtaining necessary medical and non-medical documentation; maintaining contact with clients to assure SSA requests (additional information, consultative exam, ALJ hearings) are satisfied; arranging for transportation needed to meet SSA's requests; assisting the client in any appeal action; conducting home visits and providing statements of observations as necessary.

5. FISCAL IMPACT

Based on statewide statistics, conversion of an HR recipient to SSI provides annual costs avoidance of \$7,868. These savings are derived from elimination of the state/local funded HR grant [\$3,400] and reduction in state/local medicaid share [\$5,500]. While the medicaid savings are split equally between state and local districts, the HR savings on the state side are offset to some extent by state supported SSI supplementary payments. The total cost avoidance are thus \$4,450 local share and \$3,418 state share. [For every 100 referrals, an increase in the SSI allowance rate from 50% to 78% would result in average cost avoidance amounting to \$134,600 local share and \$105,704 state share].

HR Disability/Employment Screening Models

Model V

- V. Reorganize Local District to include MA-Disability Review, employment screening and all Centralized SSI activities into a single unit or a fully coordinated process.

1. OBJECTIVE

To coordinate MA-Disability Review, Employment physicals and centralized SSI activities within the LDSS to avoid duplicate costs for services and to maximize federal financial participation in all programs.

2. TARGET POPULATION

HR applicants/recipients who claim or appear to be unemployable, or who have some limitations with regard to their ability to work or participate in training programs and/or other JOBS activities.

3. GOAL

To ensure that local social services districts take a holistic view of HR applicants/recipients rather than limited program by program view (i.e. employability, employment activities, MA-Disability, SSI, PA category). To further ensure that federal financial participation is maximized by establishing correct program category on the front end of the eligibility process.

4. PROJECT DESCRIPTION

Local social services districts would establish a central unit responsible for coordinating all MA-Disability Review, Centralized SSI and Employability Assessment activities for clients who claim disability or appear to be disabled. Medical information obtained will be coordinated under the MA-disability review to include information needed to assess employability status and job training or placement status. Coordination of these functions would enable the district to avoid duplication of services and costs. Proper up front categorization would also ensure that clients are eligible to receive the medicaid benefits to which they are entitled. This centralized unit would be responsible for coordinating the SSI application process and tracking individuals through the various appeal levels as necessary. Furthermore, the central unit would be responsible for advising the appropriate units within the department (i.e. PA, MA, employment) of the clients limitations and current program status.

5. FISCAL IMPACT

Districts will benefit from being able to obtain state and federal participation at a 75% reimbursement rate for the cost of all medical exams done as part of the MA disability reviews. The state would also benefit from receiving federal reimbursement for the cost of these medical exams. This increased federal financial participation would continue for all persons found eligible for the MA-Disability program. Furthermore, for those cases transitioned to SSI, there would be additional state and local savings as the federal government picks up a much larger portion of the funding for assistance paid under the SSI program.