The Centers for Medicare and Medicaid Services (CMS) published a final rule on the Medicaid Managed Care and the Child Health Insurance Program that was effective July 6, 2016. This CMS rule amended 42 CFR 438.3(e)(2) to allow managed care plans to offer enrollees cost-effective substitute services or settings that are in lieu of services or settings covered under the Medicaid State Plan. There are four elements to CMS’ rule:

1. The State determines that the alternative service or setting is a medically appropriate and cost effective substitute for the covered service or setting under the Medicaid State Plan.

2. The enrollee is not required by the health plan to use the alternative service or setting.

3. The approved in lieu of services are identified in the managed care plan contract and will be offered to enrollees at the option of the managed care plan.

4. The utilization and actual cost of services are taken into account in developing the component of the capitation rates that represents the covered Medicaid State Plan services, unless statute or regulation explicitly require otherwise. (Payment language for IMD services requires the state to price utilization at the cost of the same services paid to providers included under the Medicaid State Plan.)

The managed care plan must submit this completed ILOS Submission Form to the Agency contract manager, to request the Agency’s approval to provide enrollees either a state-identified or a state-approved ILOS. (Attachment II, Section V.A.3.) **The managed care plan may provide any service to an enrollee outside of state-identified or state-approved ILOS, but the cost of such voluntary services may not be included in the calculation of the managed care plan’s capitated rates.**

* A state-identified ILOS refers to a service the Agency identified as an ILOS in the SMMC model contract.
* A state-approved ILOS refers to a service the managed care plan received Agency approval to provide their enrollees and which has been added to the managed care plan’s specific contract.

Instructions for completing this form are in each section of this ILOS Submission Form. The following is a list of the sections of the ILOS Submission Form:

1. Proposed in lieu of service(s)
2. Procedure Code(s), Procedure Code Description(s), and Units of Service
3. Mental Health Parity
4. Group Age Limits (Minimum Age Limits and/or Maximum Age Limits)
5. Eligible Enrollees
6. Provider Type
7. Authorization Requirements
8. Exclusions
9. Cost-effectiveness
10. Encounter Data
11. ILOS for MMA and/or LTC Enrollees
12. Attach Enrollee Handbook or Handbook ILOS Insert
13. Attach Notice of Enrollee Choice of ILOS Template
14. Attestation

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Health Plan Name:** | | | | | |
| 🞏 | Initial Submission | 🞏 | Resubmission | Date: |  |
| **Period Covered:** | | | | | |
| **Health Plan Contact Person:** | | | | | |
| **Contact Information:** | | | | | |

**Section 1:** **Proposed in lieu of service(s)**

***Instructions:*** *Identify the proposed in lieu of service and its equivalent Medicaid state plan service and/or setting, and describe how the proposed in lieu of service and/or setting is comparable to the care received with the equivalent Medicaid state plan covered service and/or setting.*

* *Include a description of the rationale for providing the proposed in lieu of service.*
* *Include or attach any relevant information for the Agency to consider in reviewing this request, including references to medical and scientific evidence in support of the proposed in lieu of service and/or setting, and other operational considerations.*
* *The plan may include information about expected outcomes resulting from the provision of the proposed in lieu of service relative to the enrollee’s health status, utilization of services, cost of care, functional status and/or community integration.*
* *If your plan has provided this service in other state Medicaid managed care programs, please describe the observed outcome.*

***Plan Response:***

*Expand section as needed for the response.*

**Section 2: Procedure Code(s), Procedure Code Description(s), and the Units of Service**

***Instructions:*** *Provide the Healthcare Common Procedure Coding System (HCPCS) or CPT**Current Procedural Terminology code(s) and its description(s) for the proposed ILOS, as well as the acceptable units of service for billing each proposed ILOS procedure code.*

* *This information is required for the Agency and its actuaries to develop managed care capitated rates.*
* *A unit of service is the number of times a procedure is performed. The definition of unit varies by service and setting, specify units i.e.; 15 minute increments, 1 hour, a visit, per diem, etc., for each proposed in lieu of service procedure code.*

***Plan Response:***

*Expand section as needed for the response.*

**Section 3: Mental Health Parity**

***Instructions:*** *The managed care must assure the Agency the proposed ILOS is in compliance with the Centers for Medicare & Medicaid Services (CMS) Medicaid Parity Final Rule (Parity Rule), codified in Title 42 CFR 438 Subpart K.*

* *The Mental Health Parity and Addiction Equity Act (MHPAEA) passed in 2008, building on earlier parity legislation by adding rules for cost sharing, treatment limitations, medical management protocols, the scope of covered services and more. On March 30, 2016, the CMS issued the Medicaid Parity Final Rule (Parity Rule), codified in Title 42 CFR 438 Subpart K, to strengthen access to mental health and substance use disorder (MH/SUD) services for Medicaid beneficiaries.*
* *Resource: the Parity Compliance Toolkit and Implementation Roadmap posted on Medicaid.gov at* [*https://www.medicaid.gov/medicaid/benefits/bhs/index.html*](https://www.medicaid.gov/medicaid/benefits/bhs/index.html)*.*

***Plan Response:***

|  |  |
| --- | --- |
|  | The proposed ILOS complies with the Centers for Medicare & Medicaid Services (CMS) Medicaid Parity Final Rule (Parity Rule), codified in Title 42 CFR 438 Subpart K. |

*Expand section as needed for the response.*

***STOP AND READ THESE ADDITIONAL INSTRUCTIONS***

***If the managed care plan is requesting approval from the Agency for one of the MMA state-identified ILOS listed below, and the managed care plan completes sections 1, 2, 3, and 14 of this form, the managed care plan may submit this form to the Agency contract manager without completing sections 4 through 13.*** *The Agency does not require the submission of any additional information if the managed care plan completes sections 1, 2, 3, and 14**of this form and if the managed care plan is requesting the Agency approve one of the following MMA state-identified ILOS in the following list:*

1. **nursing facility** services in lieu of inpatient hospital services;
2. **crisis stabilization units** (CSU) and Class III and Class IV freestanding **psychiatric specialty hospitals** in lieu of inpatient psychiatric hospital care; or
3. **detoxification or addictions receiving facilities** licensed under s. 397, F.S. in lieu of inpatient detoxification care in a hospital.

**Section 4: Group Age Limits Minimum Age Limits and/or Maximum Age Limits**

***Instructions:*** *Describe the minimum and/or maximum age required for the proposed ILOS, if applicable.*

* *If age limitations are not applicable to the proposed ILOS, include an explanation.*
* *If multiple age limitations are applicable for this proposed ILOS, list the procedure codes for each age limitation.*
* *This information is required for the Agency and its actuaries to develop managed care capitated rates.*
* *As required by federal law, Florida Medicaid provides services to eligible recipients (including SMMC enrollees) under the age of 21 years, if such services are medically necessary to correct or ameliorate a defect, a condition, or a physical or mental illness. Included are diagnostic services, treatment, equipment, supplies, and other measures described in section 1905(a) of the Social Security Act, codified in Title 42 of the United States Code 1396d (a).*

***Plan Response:***

*Expand section as needed for the response.*

**Section 5: Eligible Enrollees**

***Instructions:*** *Describe which enrollees would be eligible to receive the proposed in lieu of service.*

* *This information is required for the Agency and its actuaries to develop managed care capitated rates.*

***Plan Response:***

*Expand section as needed for the response.*

**Section 6: Provider Type (who can provide service)**

***Instructions:*** *Describe provider qualifications for the proposed in lieu of service. Provide the enrollment provider type eligible to render the proposed in lieu of service.*

* *This information is required for the Agency and its actuaries to develop managed care capitated rates.*
* *If this will be a new provider type for the plan, specify staffing Qualifications, credentialing process, levels of supervision, administrative, and clinical required.*

***Plan Response:***

*Expand section as needed for the response.*

**Section 7: Authorization Requirements**

***Instructions:*** *Describe the criteria that the managed care plan will use to determine the medical necessity for the proposed ILOS.*

* *Indicate whether authorizations are provider-specific or enrollee-specific.*

***Plan Response:***

*Expand section as needed for the response.*

**Section 8:** **Exclusions**

***Instructions*:** *Describe any exclusionary criteria that may be applied to the service.*

* *In no instance may the limitations or exclusions imposed by the Managed Care Plan be more stringent than those imposed by the Medicaid program.*

***Plan Response:***

*Expand section as needed for the response.*

**Section 9: Cost-effectiveness**

***Instructions:*** *Provide additional information regarding cost-effectiveness for the population intended to receive the in lieu of service.*

* *Explain how the in lieu of service will be more cost-effective that the Medicaid State Plan service(s) available, consistent with the provisions of 42 CFR 438.3(e)(2).*
* *This information is required for the Agency and its actuaries to develop managed care capitated rates.*

***Plan Response:***

*Expand section as needed for the response.*

**Section 10: Encounter Data Reporting**

***Instructions:*** *Provide additional information regarding how the plan will submit valid and complete encounter data applicable to the proposed in lieu of service.*

* *Include descriptions of record or claim type(s), provider codes/taxonomies, and other data elements that the Agency and its actuaries can use to locate and analyze encounter data for the proposed in lieu of service.*
* *This information is required for the Agency and its actuaries to develop managed care capitated rates.*

***Plan Response:***

*Expand section as needed for the response.*

**Section 11: ILOS for MMA and/or LTC Enrollees**

***Instructions:*** *Identify whether the proposed ILOS will be accessible to enrollees in the SMMC MMA and/or LTC program.*

***Plan Response:***

**Section 12: Enrollee Handbook or Handbook Insert**

***Instructions:*** *Attach a copy of the enrollee handbook or handbook insert the plan will use to inform enrollee’s about the availability of the proposed ILOS.*

***Plan Response:***

**Section 13: Notice of Enrollee Choice of ILOS** **Template**

***Instructions:*** *Attach a copy of the managed care plan’s notice template for enrollee’s choice of receiving the proposed ILOS.*

***Plan Response:***

**Section 14: Attestation**

***Instructions:*** *The managed care plan must include an attestation with the submission of this form. The managed care plan must complete and submit the attestation as described in Chapter 2 of the Statewide Medicaid Managed Care Managed Care Plan Report Guide that is in effect at the time of submission of this form.*

***Plan Response:***