

**SECTION  
SERVICES**

**SUBJECT  
Residential Habilitation**

*REFERENCES: ARM: 37.40.1435*

**DEFINITION**

Residential Habilitation is provided in an Adult Foster Home (AFH), Assisted Living Facility (ALF) or Residential Hospice. Case management teams may have a fixed number of slots for this service.

**COVERED SERVICES**

Residential Habilitation is a bundled service which includes personal care, homemaker services, nutritional meals and snacks, medication oversight (to the extent permitted under state law), social and recreational activities and 24-hour onsite response to ensure the care, well being, health and safety needs of the residents are met at all times.

**REQUIREMENTS**

The Department of Public Health and Human Services must license adult foster homes, residential hospice and assisted living facilities. Individuals in these facilities cannot have needs which are beyond the scope of the provider's license. CMT records must include the signed resident agreement for individuals in Assisted Living Facilities.

**ADULT FOSTER HOMES**

According to the rules governing these facilities, residents should require only light personal care and cannot have more than 30 consecutive days of skilled nursing visits, not to exceed two hours a day. The latter does not include setting up medications even if a nurse performs this task. It may be acceptable for an individual to receive nursing services in excess of the limit if they are not consecutive **and** if the resident's condition, which requires nursing, is not chronic. If an individual cannot self-administer medications, they should not be in an adult foster home.

**ASSISTED LIVING FACILITIES A BED**

An individual in an A bed is limited to skilled nursing care or other skilled services related to temporary, short-term acute illness, which may not exceed 30 consecutive days for one episode or more that 120 days total in one year. This means that if the resident or the resident's family contracts for the nursing, the latter is not included in the limit, i.e., third party providers not contracting with the facility can provide nursing for longer than **30** consecutive days.

**ASSISTED LIVING FACILITIES B BED**

A resident of a B bed can receive any skilled services that would be available in a nursing home as long as the facility meets all the conditions outlined in the licensure rule.

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**ASSISTED LIVING FACILITIES C BED**

A category "C" facility refers to an assisted living that has a secure distinct part or locked unit that is designated for the exclusive use of residents with severe cognitive impairment. Severe cognitive impairment means the loss of intellectual functions, such as thinking, remembering and reasoning, of sufficient severity to interfere with a person's daily functioning. Such a person is incapable of recognizing danger, self-evacuating, summoning assistance, expressing need and/or making basic care decisions. Individuals in the waiver will not qualify for this level of care.

**LIMITATIONS**

Medicaid reimbursement for room and board is prohibited. The provider may not bill Medicaid for services on days the individual is absent from the facility unless retainer days have been approved by the CMT (Refer to SDMI HCBS 410). The provider may bill on date of admission and discharge from a hospital or nursing facility. If the individual is transferring from one Residential Habilitation setting to another, billing is not allowed by both facilities on the day of transfer. The admitting facility bills for this day. Individuals in Residential Habilitation may not receive the following services under the HCBS program:

1. Personal Assistance (with the exception of social PCA that is beyond what is required to be provided by the facility);
2. Homemaking;
3. Environmental Modifications;
4. Respite; or
5. Meals.

Personal Emergency Response Systems (PERS) is a required component of an ALF, and should not be routinely reimburse by waiver funds. However, if the CMT feels that the individual's circumstances warrant the authorization of a PERS, they must document the specific reasons prior to initiation of the service.

These restrictions apply only when HCBS payment is being made for the adult residential service.

If an individual chooses to leave a Residential Habilitation setting without giving the required 30 days notice to the facility, HCBS reimbursement cannot be used to pay the daily rate for the remaining days. The individual is responsible to pay for the days not reimbursed by HCBS.

**REIMBURSEMENT**

Reimbursement for Residential Habilitation is calculated using the AMDD -132. (Refer to 899-9 for Adult Residential Care Calculation Instructions.) State supplement for assisted living facilities equals \$94.00 per month and for adult foster homes equals \$52.75 per month. Use these totals on the AMDD-132 even if the individual is receiving less than the \$94.00 or \$52.75. Their state supplement amount is determined by Social Security taking into account their current income and it will equal the

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SSI amount plus \$94.00 (in an assisted living facility) or \$52.75 (in an adult foster home). Individuals in B or C category beds are not entitled to state supplement. (Refer to AMDD 899-26 for more information on state supplement.) Reimbursement for Residential Habilitation is limited to a maximum of current fiscal year fee schedule.

Reimbursement for room and board is set by the Department as the current Medically Needy Income Level (\$645) minus \$100. This room and board allowance is for a standard room/apartment in the facility. Reimbursement for services covers only those services indicated on page 1 and those indicated on the rate calculation sheet. Items not reimbursable by Medicaid are the responsibility of the individual and or the individual's family (i.e., beautician/ barber services).

Aid & Attendance payments through the Veteran's Administration are not considered income for purposes of eligibility determination. However, the payments must be used to help meet the individual's cost of care in an assisted living facility or adult foster home. Therefore, the income is used in the calculation of income applicable to cost of care. Enter this amount on the AMDD -132 in the state supplement line. The individual will be responsible for paying this amount to the assisted living facility or adult foster home.

**ASSISTED LIVING RETAINER DAYS**

Providers of this service may be eligible for a retainer payment if authorized by the case management team. Retainers are days on which the individual is either in the hospital, nursing facility, or on vacation and the team has authorized the provider to be reimbursed for services in order to keep their placement in the residential setting. If a provider rate includes vacancy savings, retainer days are a duplication of services and may not be paid in addition. Payment for retainer days may not exceed 30 days or 720 hours per Person-Centered Plan year (Refer to SDMI HCBS 410).