

# Medicaid Managed Care

## In Lieu Of Services and Settings (ILOS)

August 15, 2024



# Topics

- ▶ In Lieu Of Services and Settings (ILOS) Defined
- ▶ Purpose of ILOS
- ▶ Requirements of ILOS
- ▶ Iowa's ILOS
  - 15-day IMD Stay
  - HCBS while on HCBS waiver waitlists
- ▶ Effective date, assessments billing.

# In Lieu of Services (ILOS)

- Provided by the MCOs in lieu of a service or setting (ILOS) covered under the Medicaid State Plan
- Used, at the option of the managed care plan and the enrollee
- Used as an immediate or longer-term substitutes for state plan-covered services or settings
- Used when the ILOSs can be expected to reduce or obviate the future need to utilize state plan-covered services or settings





# ILOS

Help	Help address many of the unmet physical, behavioral, developmental, long-term care needs
Improve	Improve health outcomes
Facilitate	Facilitate greater access to care for home and community-based services
Prevent or delay	Prevent or delay enrollees' need for acute or institutional care

# Six Principles of ILOS

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Must advance the objectives of the Medicaid program;

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Must be cost effective;

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Must be medically appropriate;

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Must be provided in a manner that preserves enrollee rights and protections;

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Must be subject to appropriate monitoring and oversight; and

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Must be subject to retrospective evaluation, when applicable

# ILOS

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States must determine that the ILOS is a medically appropriate and cost-effective substitute for covered services or settings under the state plan

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Enrollees cannot be required to use the ILOS

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ILOS must be authorized and identified in the managed care plan contract and must be offered to enrollees at the option of the managed care plan;

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The utilization and actual cost of the ILOS is considered in developing the component of the capitation rates that represents the covered state plan services

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CMS must approve the rate certification including the projected ILOS cost percentage

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The projected and final ILOS cost percentage may not exceed five percent

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State will perform ongoing and robust monitoring and oversight activities

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FFP is not available for any medical assistance under Title XIX for services provided to an individual, aged 21 to 64, who is a patient in an Institution for Mental Disease (IMD) facility

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ILOS allows short-term inpatient mental health or substance use disorder treatment in an IMD

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## Iowa Medicaid ILOS

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Limited to 15 days per capitation period

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## 15-day IMD Stay

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Medically appropriate, cost effective, and at the option of the enrollee and managed care plan

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2016 Medicaid and CHIP final rule (see 81 FR 27555-27563).

42 CFR §§ 438.3(e)(2), 438.6(e), and 438.66

Iowa  
Medicaid  
ILOS

HCBS  
while on  
waitlists

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Services while waiting for HCBS  
waiver funding slot

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Available to MCO enrollees on the  
HCBS waiver waitlists

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Referred by MCO care managers or  
self-referral

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Standardized assessment tool to  
identify need for services

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Medically necessary to avoid acute  
care or imminent institutionalization



# Iowa Medicaid ILOS

# HCBS while on waitlists

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Housing Supports Services

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Home Modifications

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Vehicle modifications

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Case management

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Respite care services

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Personal care services

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Medically Tailored Meals (MTM)

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Intermittent Supported Community Living Services (SCL)

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Supported Employment Services (SE)

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Adult Day Care

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Non-Medical Transportation including to conduct personal business essential to the health and welfare of the member

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Personal Emergency Response System

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Specialized Medical Equipment

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**ILOS effective date**

July 2024

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**ILOS billing**

ILOS billing will use HCBS waiver service procedure codes with the **SC** modifier.

There will **NOT be client participation** withheld from the payment of ILOS services

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**ILOS excluded**

Medicaid members receiving services through a limited benefit group, such as the Iowa Health and Wellness Plan (IHAWP) or Hawki, are not eligible for ILOS.

**populations.**

# ILOS assessment and eligibility

- ▶ ILOS require the completion of an In Lieu of Services Needs Assessment (ILOSNA) tool, administer by the MCO case manager.
- ▶ ILOS are used when the services are expected to reduce or avoid the future need to utilize state plan covered services or settings.
- ▶ Needed services are obtained by enrolled Medicaid providers.
- ▶ ILOS are not available through the Consumer Choices Option (CCO) program.
- ▶ ILOS services are not available, in whole or part, to a member in the time frame for which they are actively on any HCBS waiver.
  - For example, medically tailored meals via the ILOS benefit could not be used to supplement a member who is currently on an HCBS waiver that does not support home delivered meals

# Point of Contact for more details:

## ► Iowa Total Care:

- Phone: 1-833-404-1061
- Email: [providerrelations@iowatotalcare.com](mailto:providerrelations@iowatotalcare.com)
- Website: <https://www.iowatotalcare.com>

## ► Molina Healthcare of Iowa:

- Phone: 1-844-236-1464
- Email: [iaproviderrelations@molinahealthcare.com](mailto:iaproviderrelations@molinahealthcare.com)
- Website: <https://www.molinahealthcare.com/providers/ia/medicaid/home.aspx>

## ► Wellpoint Iowa, Inc. (formerly Amerigroup Iowa, Inc.):

- Phone: 1-833-731-2143
- Email: [ProviderSolutionsIA@wellpoint.com](mailto:ProviderSolutionsIA@wellpoint.com)
- Website: <https://www.provider.wellpoint.com/iowa-provider/home>

# Questions

LeAnn Moskowitz

LTSS Policy Program  
Manager

[Imoskow@dhs.state.ia.us](mailto:Imoskow@dhs.state.ia.us)



Health and  
Human Services