



*Commonwealth of Massachusetts  
Executive Office of Health and Human Services  
Department of Transitional Assistance*

DEVAL L. PATRICK  
Governor

JOHN W. POLANOWICZ  
Secretary

TIMOTHY P. MURRAY  
Lieutenant Governor

STACEY MONAHAN  
Commissioner

**Operations Memo 2013-46  
August 16, 2013**

**To:** Department of Transitional Assistance Staff

**From:** *LC* Lydia Conley, Deputy Assistant Commissioner for Policy, Program and External Relations

**Re:** EAEDC: Rest Home Rate Changes and Automated Recalculation of Benefits

---

**Overview**

The Executive Office of Health and Human Services (EOHHS), working with the Center for Health Information and Analysis (CHIA) approved new public per diem rates for Massachusetts rest homes, effective July 1, 2013. Additionally, rest homes were approved for a separate rate, effective June 1, 2013 through June 30, 2013, as a result of funds earmarked for rate increases for residential care facilities in the 2013 fiscal year budget.

CHIA is an independent state agency that collects health care costs and quality information for analysis, and assists EOHHS in the formulation of health care policy, including the determination of public per diem rates for residential care facilities. CHIA replaced the Division of Health Care Finance and Policy (DHCFP).

---

**Purpose of Memo**

This Operations Memo:

- describes the process for adding the rest home rate changes in BEACON public per diem rate effective June 1, 2013 through June 30, 2013, and rates effective for July 1, 2013 going forward;
-

**Purpose of Memo (continued)**

- informs staff about the automated recalculation of clients' EAEDC benefits, using the updated rates;
- informs staff about the issuance of retroactive payments owed to clients for each rate period; and
- advises staff about the centralization and automation of all future rest home rate changes.

**This Operations Memo is informational. No case manager action is necessary.**

---

**Rest Homes and EAEDC Cases Affected by the Rate Changes**

Effective with the issuance of this memo, when rest homes are approved for a rate change, designated Central Office staff will be responsible for facilitating the rest home rate change process for all EAEDC Living Arrangement E: Rest Homes cases.

Central Office received from CHIA a list of Massachusetts rest homes with new certified public per diem rates effective June 1, 2013 through June 30, 2013, and rates effective July 1, 2013 through June 30, 2014 for each rest home.

Upon receipt of the list, a BEACON query was run to identify EAEDC clients who were active as of June 1, 2013 and receiving benefits in Living Arrangement E: Rest Homes, and to identify the rest homes where each client lives.

---

**EAEDC Benefit Adjustments for June 2013**

For each rest home on the list, MIS updated the Residential Facility tab on the Resource page in BEACON, with the rate effective June 1, 2013 through June 30, 2013.

BEACON then selected all EAEDC clients active from 6/1/2013 to 6/30/2013 who are living in the specified rest home. A recalculation of each client's benefits was performed using the new June per diem rate and a comparison made to the actual monthly amount the client received in June.

If the new benefit amount was greater than the actual benefit the client received in June 2013, BEACON subtracted the lesser amount from the greater amount and issued a Related Benefit supplemental payment for the differential.

BEACON generated a Related Benefit Notice to the client. The notice appears on the Tools tab in the Document History folder.

---

**EAEDC Benefit  
Adjustments  
Effective July 1,  
2013**

For each rest home on the list, after the calculations were completed for June, MIS updated the Residential Facility tab on the Resource page in BEACON, with the rate effective July 1, 2013. This rate will be used by BEACON going forward to calculate benefits for clients living in a specified rest home, until a new rate for the rest home is approved by CHIA.

BEACON selected all EAEDC clients currently active and living in the specified rest homes. A recalculation of each client's benefits was performed using the July 1, 2013 per diem rate and a comparison made to the actual benefit amount the client received in July.

If the calculated benefit amount was greater than the client's current benefit BEACON created an eligibility request retroactive to the client's first July cyclical date, or the benefit start date, whichever is later, and issued a benefit payment retroactively to the client.

**Note:** The following annotation was added to the Narrative tab: "Rest Home per diem rates were updated for June and July, 2013. Benefits were recalculated based on the new rates."

BEACON generated an EBC notice to the client. The notice appears on the Tools tab in the Document History folder.

---

**EAEDC Rest  
Home Cases  
Requiring  
Manual  
Calculation**

Some EAEDC rest home cases did not meet the criteria for this automated process.

The following may require a manual recalculation of benefits based on the June 1, 2013 – June 30, 2013 rate, and/or manual calculation of benefits based on the July 1, 2013 rate:

- Clients who have a start date for EAEDC with budget code = E after 6/1/13. This group will need to be calculated manually because they are due only a partial retroactive benefit for June.
  - Clients who were closed anytime between 6/1/13 and 6/30/13. This group will need to be calculated manually because they are due only a partial benefit for June.
  - Clients who were active in July, 2013 but currently have an AU status of "Closed". This group will need to be calculated manually because they are due a retroactive benefit for July. Once the amount is determined, the retroactive benefit payment will be completed by the Finance Unit.
-

**Cases Requiring Manual Calculation (continued)**

- Clients who moved from one rest home to another since 6/1/13, will need to be manually adjusted due to per diem rate differences.
- Clients who have a June recalculation which results in a benefit decrease due to other variables will need to be reviewed to determine if a retroactive benefit is due for any time during the month of June, 2013.
- Clients who have a July recalculation which results in a benefit decrease due to other variables will need to be reviewed to determine if a retroactive benefit is due for any time in July.

**Important:** Designated Central Office staff are responsible for manually recalculating benefits when required. **No case manager action is necessary.**

---

**Central Office Management of Rest Home Rate Changes**

Effective with the issuance of this memo, when rest homes are approved for a rate change, designated Central Office staff are responsible for facilitating the rest home rate change automation process.

Staff will request a BEACON query to identify clients receiving EAEDC benefits in Living Arrangement E. Once the results of the query are received, MIS will be provided with the information for the rest home(s) that are due a per diem rate change and a list of clients living in the rest home(s).

MIS will add the new rate(s) to the Residential Facility tab and recalculate EAEDC benefits individually for each client living in the rest home(s). BEACON will generate a Related Benefit Notice to the client. The notice will appear on the Tools tab in the Document History folder.

**Important:** TAO Resource Coordinators **must not** change rates in BEACON and case managers **must not** recalculate benefits due to a rate change reported directly by a rest home.

**Note:** If contacted by a rest home with a request to adjust clients' EAEDC benefits, the TAO director or designee **must** contact the Centralized Eligibility Processing (CEP) unit by calling 617-728-6805 or their respective Regional Director. The Regional Director will speak with appropriate Central Office staff responsible for facilitating the rest home rate change automation process.

---

**Obsolete Memo**

This Operations Memo obsoletes Field Operations Memo 2009-50.

---

**Questions**

If you have any questions, please have your Hotline designee call the Policy Hotline.

---