



Date: October 25, 2022

To: Home and Community-based Services (HCS) Program Providers
Local Intellectual Developmental Disability Authorities (LIDDAs)
Texas Home Living (TxHmL) Program Providers
Deaf Blind Multiple Disability (DBMD) Program Providers
Intermediate Care Facilities for Individuals with Intellectual and
Developmental Disabilities (ICF/IID)

Subject: Information Letter No. 2022-53 Requirements for Providers Seeking
to Deliver New Individualized Skills and Socialization Services

HHSC is preparing to implement a new service, individualized skills and socialization, in the HCS, TxHmL, and DBMD Programs. Individualized skills and socialization will replace day habilitation in these programs.

Starting in early 2023, HHSC will begin to phase out the current day habilitation service in the HCS, TxHmL, and DBMD Programs and replace it with the new individualized skills and socialization service. Day habilitation will no longer be a Medicaid-billable service in the HCS, TxHmL and DBMD Programs for dates of services beginning March 1, 2023, and ongoing.

On-site and off-site individualized skills and socialization must be provided by an individualized skills and socialization provider that is licensed as a day activity and health services facility with a special designation for individualized skills and socialization.

Currently, most day habilitation providers serve both individuals receiving ICF/IID services and individuals in the HCS, TxHmL, and/or DBMD Programs. If current day habilitation providers want to provide the new individualized skills and socialization services to individuals in the HCS, TxHmL and DBMD Programs, they must obtain an individualized skills and socialization license. If current day habilitation providers do not plan to serve individuals in the HCS, TxHmL and DBMD Programs beyond February 28, 2023 (e.g., providers who plan to serve only ICF/IID or private pay clients), they will not need to apply for an individualized skills and socialization license.

Staff Training Requirements for ICF/IID Providers that will provide Individualized Skills and Socialization

Licensed or Public Certified ICF/IID providers and private ICF/IID providers who plan to serve both ICF/IID clients and individuals in the HCS, TxHmL, or DBMD Programs beyond February 28, 2023, must be licensed as a day activity and health services facility with a special designation for individualized skills and socialization. They must ensure any staff member who provides individualized skills and socialization services receives appropriate training on the service provider requirements as outlined in the forthcoming rules governing the individualized skills and socialization licensure requirements. These providers may be required to submit written operating policies, procedures or other documents outlining staff training requirements (e.g., training manuals, presentations, etc.) for individualized skills and socialization to HHSC upon request.

Heightened Scrutiny Process for Location of On-Site Individualized Skills and Socialization

There are additional requirements for individualized skills and socialization providers if the on-site service will be provided in the same building as, on the grounds of, or immediately adjacent to an institutional setting. As described below, the setting may be subject to heightened scrutiny, a review process in which the federal Centers for Medicare and Medicaid Services (CMS) determines whether the setting has the qualities of a home and community-based setting. The heightened scrutiny review process includes an on-site visit from HHSC to gather evidence and documentation from the prospective provider in order to demonstrate the service setting does not isolate individuals from the larger community and that it does not have characteristics of an institutional setting.

The heightened scrutiny process will be required if a setting in which on-site individualized skills and socialization is provided:

- (1) is located in a building in which a state supported living center or a certified intermediate care facility for individuals with an intellectual disability or related conditions (ICF/IID) operated by a LIDDA is located but is distinct from the state supported living center or the certified ICF/IID operated by a LIDDA;
- (2) is located in a building that is on the grounds of or immediately adjacent to a state supported living center or a certified ICF/IID operated by a LIDDA;

- (3) is located in a building in which a licensed private ICF/IID, a hospital, a nursing facility, or other institution is located but is distinct from the ICF/IID, hospital, nursing facility, or other institution;
- (4) is located in a building that is on the grounds of or immediately adjacent to a hospital, a nursing facility, or other institution except for a licensed private ICF/IID; or
- (5) has the effect of isolating individuals from the broader community of persons not receiving Medicaid HCBS.

Instructions for Completing the Heightened Scrutiny Review Process

If heightened scrutiny is required, a provider must complete the heightened scrutiny process and receive written approval from HHSC before submitting an application to become licensed as a day activity and health services facility with a special designation for individualized skills and socialization.

To initiate the heightened scrutiny process, a provider must contact HHSC at [MCS Heightened Scrutiny Review@hhs.texas.gov](mailto:MCS_Heightened_Scrutiny_Review@hhs.texas.gov) and provide information about the setting where on-site Individualized Skills and Socialization will be provided.

Medicaid and CHIP Services Contract Administration and Provider Monitoring (CAPM) will be conducting heightened scrutiny for settings where it is required. Heightened scrutiny approval requires approval from HHSC and CMS.

The individualized skills and socialization license application will include the following "Yes/No" questions regarding the setting in which on-site individualized skills and socialization will be provided:

"Is the building where on-site Individualized Skills and Socialization will be provided located within the same building, on the grounds of, or physically adjacent to a public Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) (one operated by a local IDD authority or SSLC), a hospital, a nursing facility or another institution (does not include privately owned ICF/IID)?"

"Is the building where on-site Individualized Skills and Socialization will be provided located within the same building/residence as a private Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID)?"

If the applicant answers “Yes” to either question above, the applicant will be required to upload a heightened scrutiny letter of approval from HHSC before the license is issued.

For applicants required to go through heightened scrutiny, payment for individualized skills and socialization cannot be requested until HHSC has notified the provider that the provider has met Home and Community-Based Settings (HCBS) criteria through the heightened scrutiny process and the provider has become licensed as a day activity and health services facility with a special designation for individualized skills and socialization.

For questions, please contact LTSS_Policy@hhs.texas.gov.

Sincerely,

[signature on file]

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