



COMMISSIONER  
Jon Weizenbaum

April 1, 2014

To: Home and Community-based Services Providers  
Local Authorities

Subject: DADS Information Letter No. 14-10  
Implementation of Expanded Utilization Review Activities in the Home and  
Community-based Services Program

On March 1, 2014, the Department of Aging and Disability Services (DADS) began conducting face-to-face level of need (LON) reviews for individuals in the Home and Community-based Services (HCS) Program as part of its expansion of utilization management and review activities described in [DADS Information Letter No. 10-142](#) and [Information Letter No. 12-10](#).

The face-to-face LON reviews are conducted by DADS Waivers/Community Services UR staff and include a face-to-face interview with individuals, legally authorized representatives, provider staff members, and other persons, as appropriate, and a review of documentation submitted by the provider at DADS request. DADS conducts the face-to-face LON reviews:

- based upon a random sample of LON assignments;
- in situations where patterns or trends are identified;
- for individuals who transitioned from a state supported living center to the HCS program and who were assigned a LON 9 or a LON 6 by DADS for the first twelve months of their HCS enrollment as described in [Information Letter No. 12-77](#); and
- for other reasons as determined by DADS.

The face-to-face LON reviews are in addition to the utilization desk review processes currently conducted by DADS Program Enrollment Utilization Review (PE/UR) staff on LON determinations. A more detailed description of the face-to-face LON review process, including specific requirements for HCS program providers, is attached. Failure of a program provider to comply with these requirements may result in a determination by DADS of non-compliance with the HCS Medicaid contract.

If there are any questions about this letter, please contact Susan Peterson, Manager Waivers/Community Services UR, at (512) 438-4105 or by e-mail at [susan.peterson@dads.state.tx.us](mailto:susan.peterson@dads.state.tx.us).

Sincerely,

*[signature on file]*

Elisa J. Garza  
Assistant Commissioner  
Access and Intake

# Level of Need (LON) Face-to-Face Utilization Review-Flow Process

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## Prior to the Face-to-Face (FTF) Visit

- The utilization review (UR) reviewer faxes a request for documentation to the Home and Community-based Services (HCS) program provider and faxes a copy to the Local Authority (LA) service coordinator.
- The HCS program provider must submit the requested documentation to DADS within **five business days** after the request is received.
- The HCS provider may contact the UR reviewer and request **an additional two business days** for submission of the documentation for good cause.
- If the program provider does not submit the documentation within the required timeframe, the UR reviewer may make an on-site visit to the appropriate offices to obtain the requested documentation.
- Based on the review of the documentation, the UR reviewer may fax a request for additional information. The HCS program provider must submit the requested documentation to DADS within **five business days** after the request is received.

## FTF Visit

Upon receipt and review of the documentation, the UR reviewer contacts the individual's program provider, service coordinator and individual or legally authorized representative (LAR) to schedule the FTF visit. At the FTF visit, DADS conducts interviews with the individual, LAR, provider staff members, and other appropriate persons as needed.

## Following the FTF Visit

- Following the FTF visit, the UR reviewer reviews all information obtained and determines if additional information or clarification is needed. If needed, the UR reviewer faxes a request for the documentation to the HCS program provider .
- The HCS program provider must submit the requested documentation to DADS within **two business days** after the request is received.

## LON Review Results

The UR reviewer:

- faxes the results of the LON review and information about requesting a reconsideration of the LON assignment to the HCS program provider;
- sends the results of the LON review to the individual or LAR and service coordinator; and
- electronically enters the LON assignment as determined from DADS review.

## Reconsideration and Appeal of LON Assignment

- The program provider may request a reconsideration of a LON assignment in accordance with DADS rule at Texas Administrative Code (TAC), Title 40, §9.165.
- In accordance with 40 TAC §9.186(b), a program provider may receive an administrative hearing regarding a LON assignment only if a reconsideration was requested.