

## In Lieu of Services (ILS) Webinar Questions and Answers

### 1. Please explain the term "medical loss".

Medical loss refers to the Medical Loss Ratio (MLR) that applies to Medicaid Managed Care Organization (MMCO) expenditures. It requires MMCOs to expend a certain percentage of their premiums to pay for benefits, including ILS, if they are approved by the State. For more information, reference section 3.22 of the Medicaid Managed Care Model Contract:

[https://www.health.ny.gov/health\\_care/managed\\_care/docs/medicaid\\_managed\\_care\\_fhp\\_hiv-snp\\_model\\_contract.pdf](https://www.health.ny.gov/health_care/managed_care/docs/medicaid_managed_care_fhp_hiv-snp_model_contract.pdf)

### 2. Can you provide a few simple examples of an In Lieu of Service?

There are simple examples of ILS in the webinar slides. We encourage MMCOs and providers to work together to identify and meet the needs of Medicaid Managed Care members using ILS. As ILS are approved, they will be posted to state agency websites.

### 3. Can you give an example of a pre-approved ILS service the state is considering?

Options are being explored for State Approved ILS. They will be posted to the state agency websites when finalized.

### 4. Can providers propose an existing BH Home and Community Based Services (HCBS) as the cost-effective alternative service for a State Plan service?

HARP members determined eligible for BH HCBS may utilize those services. A MMCO could propose a BH HCBS-like service for a target population in-lieu of a State Plan service or setting if it is medically appropriate and cost-effective. A target population would be a HARP individual not eligible for the BH HCBS or a specific subpopulation within Mainstream Medicaid.

### 5. What do MMCOs call ILS to their members? Is it like Health and Recovery Plans (HARPs) which the MMCOs couldn't identify as HARP?

ILS are alternative services or settings not included in the State Plan, but are medically appropriate, cost-effective substitutes for covered services or settings that MMCOs can voluntarily agree to provide, with State approval, to a targeted population that meets defined criteria. Once approved by the State, the proposed ILS is covered as a plan benefit for enrollees in the target population that meet the service criteria.

A HARP (Health and Recovery Plan) is a Medicaid Managed Care product that provides specialized behavioral health services for plan enrollees.

As part of the ILS application process, the MMCO will identify the name of the proposed service. The proposed ILS should be named in a way that describes what service is being offered to its targeted population.

For example, if an MMCO submitted an ILS proposal to provide peer linkages to outpatient services after a hospitalization, the ILS could be called “Peer Bridger to Outpatient Behavioral Health Services”. The approved ILS will be added to the MMCO’s model contract as an optional benefit. The MMCO will be required to include the coverage of ILS as a benefit in its member handbook and on its website. DOH will also post the ILS as being offered by the MMCO on the Department’s website.

**6. Can an HCBS Waiver Service Coordinator be the contact person through MMCO for ILS?**

There are no State-issued staffing requirements regarding an HCBS Waiver Service Coordinator. An MMCO should determine their ILS point of contact based on what makes sense for their organization.

**7. Could ILS be approved from something that is already funded through State Aid, to expand the number of individuals served?**

An ILS must be a cost-effective alternative to a Medicaid State Plan service or setting. If a non-State Plan service is being funded through State Aid, a MMCO could submit a proposal to offer it as an ILS as a way to include it as a Medicaid benefit to a targeted population.

If Medicaid funds are used to support an existing State Aid funded program or service, it would need to be reflected on an organization’s annual Consolidated Fiscal Report (CFR).

An MMCO could propose a similar State Aid funded program as an ILS as long as the application clearly identifies to which State Plan service or setting it would be offered as a cost-effective alternative.