Appendix A: Waiver Administration and Operation

1. **State Line of Authority for Waiver Operation.** Specify the state line of authority for the operation of the waiver (*select one*):

   ○ **The waiver is operated by the State Medicaid agency.**

   Specify the Medicaid agency division/unit that has line authority for the operation of the waiver program *(select one)*:

   ○ **The Medical Assistance Unit.**

   Specify the unit name:

   (Do not complete item A-2)

   ○ **Another division/unit within the State Medicaid agency that is separate from the Medical Assistance Unit.**

   Specify the division/unit name. This includes administrations/divisions under the umbrella agency that has been identified as the Single State Medicaid Agency.

   (Complete item A-2-a).

   ● **The waiver is operated by a separate agency of the State that is not a division/unit of the Medicaid agency.**

   Specify the division/unit name:
   Department of Human Services (DHS), Division of Developmental Disabilities

   In accordance with 42 CFR §431.10, the Medicaid agency exercises administrative discretion in the administration and supervision of the waiver and issues policies, rules and regulations related to the waiver. The interagency agreement or memorandum of understanding that sets forth the authority and arrangements for this policy is available through the Medicaid agency to CMS upon request. *(Complete item A-2-b).*

Appendix A: Waiver Administration and Operation

2. **Oversight of Performance.**

   a. **Medicaid Director Oversight of Performance When the Waiver is Operated by another Division/Unit within the State Medicaid Agency.** When the waiver is operated by another division/administration within the umbrella agency designated as the Single State Medicaid Agency. Specify (a) the functions performed by that division/administration (i.e., the Developmental Disabilities Administration within the Single State Medicaid Agency), (b) the document utilized to outline the roles and responsibilities related to waiver operation, and (c) the methods that are employed by the designated State Medicaid Director (in some instances, the head of umbrella agency) in the oversight of these activities:
   As indicated in section 1 of this appendix, the waiver is not operated by another division/unit within the State Medicaid agency. Thus this section does not need to be completed.

   b. **Medicaid Agency Oversight of Operating Agency Performance.** When the waiver is not operated by the Medicaid agency, specify the functions that are expressly delegated through a memorandum of understanding (MOU) or other written document, and indicate the frequency of review and update for that document. Specify the methods that the Medicaid agency uses to ensure that the operating agency performs its assigned waiver operational and administrative functions in accordance with waiver requirements. Also specify the frequency of Medicaid agency assessment of operating agency performance:

The Department of Healthcare and Family Services, Illinois" Medicaid Agency (MA), conducts the following activities:

•As changes are developed, the Medicaid Agency reviews and approves all changes to Medicaid policies, rules and regulations prior to implementation.

•As appeals are requested, the Medicaid Agency conducts appeals involving waiver services and issues final administrative decisions, providing the independent hearing officer for all appeal hearings.

The MA conducts all waiver appeal hearings using trained hearing officers and does not delegate this function to the OA.

•As rate changes are proposed, the Medicaid Agency reviews and approves changes to the Operating Agency"s payment rate methodologies.

Annually, the Medicaid Agency conducts fiscal monitoring by conducting validation reviews from the Operating Agency post-payment audit report of a representative sample of participants, and by using performance measures and sampling described in Appendix A.

•Quarterly, staff from the Medicaid Agency, through their membership on the Quality Management Committee, meet with staff of the Operating Agency to review data collected for each Waiver Performance Measure. The committee is responsible for the overall coordination of quality management activities. The committee is charged with reviewing data for the waiver performance measures, tracking and analyzing the findings, and discussing and determining systematic strategies for remediation based on the evidence presented.

Annually, as part of the activities described in the previous dot point, the Medicaid Agency reviews data regarding prior authorization of waiver services by the Operating Agency, including time frames for authorizations.

The delegation of authority to the Department of Human Services, Division of Developmental Disabilities, the Operating Agency, is through an interagency agreement, which is reviewed annually by the two Departments and updated as necessary.

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Appendix A: Waiver Administration and Operation

3. **Use of Contracted Entities.** Specify whether contracted entities perform waiver operational and administrative functions on behalf of the Medicaid agency and/or the operating agency (if applicable) (*select one*):

   ◉ **Yes. Contracted entities perform waiver operational and administrative functions on behalf of the Medicaid agency and/or operating agency (if applicable).**
   Specify the types of contracted entities and briefly describe the functions that they perform. *Complete Items A-5 and A-6.:*
   Under contract with the Operating Agency, private entities complete eligibility determinations and annual re-determination, as well as service coordination and monitoring functions. These functions are performed by Qualified Intellectual Disability Professionals (QIDPs).

   In addition, the Operating Agency uses contracted vendors as consultants, selected in accordance with the State's procurement policies, to consult and provide technical assistance in establishing provider qualifications standards and rate methodologies.

   ○ **No. Contracted entities do not perform waiver operational and administrative functions on behalf of the Medicaid agency and/or the operating agency (if applicable).**

Appendix A: Waiver Administration and Operation

4. **Role of Local/Regional Non-State Entities.** Indicate whether local or regional non-state entities perform waiver operational and administrative functions and, if so, specify the type of entity (*Select One*):

- ◉ **Not applicable**
- ○ **Applicable** - Local/regional non-state agencies perform waiver operational and administrative functions. Check each that applies:
  - ☐ **Local/Regional non-state public agencies** perform waiver operational and administrative functions at the local or regional level. There is an **interagency agreement or memorandum of understanding** between the State and these agencies that sets forth responsibilities and performance requirements for these agencies that is available through the Medicaid agency.

    Specify the nature of these agencies and complete items A-5 and A-6:

  - ☐ **Local/Regional non-governmental non-state entities** conduct waiver operational and administrative functions at the local or regional level. There is a contract between the Medicaid agency and/or the operating agency (when authorized by the Medicaid agency) and each local/regional non-state entity that sets forth the responsibilities and performance requirements of the local/regional entity. The **contract(s)** under which private entities conduct waiver operational functions are available to CMS upon request through the Medicaid agency or the operating agency (if applicable).

    Specify the nature of these entities and complete items A-5 and A-6:

Appendix A: Waiver Administration and Operation

5. **Responsibility for Assessment of Performance of Contracted and/or Local/Regional Non-State Entities.** Specify the state agency or agencies responsible for assessing the performance of contracted and/or local/regional non-state entities in conducting waiver operational and administrative functions:
   The Department of Human Services, the Operating Agency, assesses the performance of the local contracted entities. Results are shared with the Medicaid Agency on a quarterly basis as part of the Waiver Quality Management Committee.

Appendix A: Waiver Administration and Operation

6. **Assessment Methods and Frequency.** Describe the methods that are used to assess the performance of contracted and/or local/regional non-state entities to ensure that they perform assigned waiver operational and administrative functions in accordance with waiver requirements. Also specify how frequently the performance of contracted and/or local/regional non-state entities is assessed:
   The Operating Agency reviews and approves contracted entities on an annual basis to ensure they are conforming to established standards. Operating Agency staff conduct annual on-site surveys that focus on compliance with the requirements of the Agency's screening manual and ISSA Guidelines, as well as contractual requirements. The survey protocol includes staff qualifications and training, 24-hour accessibility for emergencies, a review of the pre-admission screening process (documentation of required assessments, eligibility determinations, informed choice and selection of services, and conflict of interest), and review of the Individual Service and Support Advocacy process (documentation of required visits, participation in support plan development and approval, and annual re-determinations of eligibility).

   Agencies are notified in writing of any deficiencies and are required to submit a plan of correction, including timeframes, if the agency scores less than 90% on their overall performance. Operating Agency staff review the plan of correction and, if acceptable, approve it.

   Summary reports of the reviews are shared with and discussed by the state's Quality Management Committee, which includes both Medicaid and the Operating Agency staff, during its quarterly meetings.

Appendix A: Waiver Administration and Operation

7. **Distribution of Waiver Operational and Administrative Functions.** In the following table, specify the entity or entities that have responsibility for conducting each of the waiver operational and administrative functions listed (*check each that applies*):
In accordance with 42 CFR §431.10, when the Medicaid agency does not directly conduct a function, it supervises the performance of the function and establishes and/or approves policies that affect the function. All functions not performed directly by the Medicaid agency must be delegated in writing and monitored by the Medicaid Agency.
Note: More than one box may be checked per item. Ensure that Medicaid is checked when the Single State Medicaid Agency (1) conducts the function directly; (2) supervises the delegated function; and/or (3) establishes and/or approves policies related to the function.

Function	Medicaid Agency	Other State Operating Agency	Contracted Entity
Participant waiver enrollment	✓	✓	✓
Waiver enrollment managed against approved limits	✓	✓	
Waiver expenditures managed against approved levels	✓	✓	
Level of care evaluation	✓	✓	✓
Review of Participant service plans	✓	✓	✓
Prior authorization of waiver services	✓	✓	✓
Utilization management	✓	✓	
Qualified provider enrollment	✓	✓	
Execution of Medicaid provider agreements	✓	✓	
Establishment of a statewide rate methodology	✓	✓	
Rules, policies, procedures and information development governing the waiver program	✓	✓	
Quality assurance and quality improvement activities	✓	✓	✓

Appendix A: Waiver Administration and Operation

Quality Improvement: Administrative Authority of the Single State Medicaid Agency

As a distinct component of the State's quality improvement strategy, provide information in the following fields to detail the State's methods for discovery and remediation.

a. **Methods for Discovery: Administrative Authority**
The Medicaid Agency retains ultimate administrative authority and responsibility for the operation of the waiver program by exercising oversight of the performance of waiver functions by other state and local/regional non-state agencies (if appropriate) and contracted entities.

i. **Performance Measures**

For each performance measure the State will use to assess compliance with the statutory assurance, complete the following. Performance measures for administrative authority should not duplicate measures found in other appendices of the waiver application. *As necessary and applicable, performance measures should focus on:*

- Uniformity of development/execution of provider agreements throughout all geographic areas covered by the waiver
- Equitable distribution of waiver openings in all geographic areas covered by the waiver
- Compliance with HCB settings requirements and other new regulatory components (for waiver actions submitted on or after March 17, 2014)

Where possible, include numerator/denominator.

For each performance measure, provide information on the aggregated data that will enable the State to analyze and assess progress toward the performance measure. In this section provide information on the

method by which each source of data is analyzed statistically/deductively or inductively, how themes are identified or conclusions drawn, and how recommendations are formulated, where appropriate.

Performance Measure:
A1 Number and percent of rate methodology changes approved by the MA and submitted for Public Notice prior to implementation by the OA. Numerator: Number of rate methodology changes approved by the MA prior to implementation by the OA. Denominator: Total number of rate methodology changes adopted.

Data Source (Select one):
Reports to State Medicaid Agency on delegated
If 'Other' is selected, specify:

Responsible Party for data collection/generation *(check each that applies):*	**Frequency of data collection/generation** *(check each that applies):*	**Sampling Approach***(check each that applies):*
☑ **State Medicaid Agency**	☐ **Weekly**	☑ **100% Review**
☑ **Operating Agency**	☐ **Monthly**	☐ **Less than 100% Review**
☐ **Sub-State Entity**	☐ **Quarterly**	☐ **Representative Sample** Confidence Interval =
☐ **Other** Specify:	☑ **Annually**	☐ **Stratified** Describe Group:
	☑ **Continuously and Ongoing**	☐ **Other** Specify:
	☐ **Other** Specify:	

Data Aggregation and Analysis:

Responsible Party for data aggregation and analysis *(check each that applies):*	**Frequency of data aggregation and analysis***(check each that applies):*
☑ **State Medicaid Agency**	☐ **Weekly**
☑ **Operating Agency**	☐ **Monthly**
☐ **Sub-State Entity**	☐ **Quarterly**
☐ **Other** Specify:	☑ **Annually**

Responsible Party for data aggregation and analysis *(check each that applies):*	**Frequency of data aggregation and analysis***(check each that applies):*
	☐ **Continuously and Ongoing**
	☐ **Other** Specify:

Performance Measure:
A2 Number & percent of waiver program policies approved by the MA prior to OA dissemination and implementation. Numerator: Number of waiver program policies approved by the MA prior to OA dissemination and implementation. Denominator: Total number of waiver program policy changes implemented.

Data Source (Select one):
Reports to State Medicaid Agency on delegated
If 'Other' is selected, specify:

Responsible Party for data collection/generation *(check each that applies):*	**Frequency of data collection/generation** *(check each that applies):*	**Sampling Approach***(check each that applies):*
☑ **State Medicaid Agency**	☐ **Weekly**	☑ **100% Review**
☑ **Operating Agency**	☐ **Monthly**	☐ **Less than 100% Review**
☐ **Sub-State Entity**	☐ **Quarterly**	☐ **Representative Sample** Confidence Interval =
☐ **Other** Specify:	☑ **Annually**	☐ **Stratified** Describe Group:
	☑ **Continuously and Ongoing**	☐ **Other** Specify:
	☐ **Other** Specify:	

Data Aggregation and Analysis:

Responsible Party for data aggregation and analysis *(check each that applies):*	Frequency of data aggregation and analysis*(check each that applies):*
☑ State Medicaid Agency	☐ Weekly
☑ Operating Agency	☐ Monthly
☐ Sub-State Entity	☐ Quarterly
☐ Other Specify:	☑ Annually
	☐ Continuously and Ongoing
	☐ Other Specify:

Performance Measure:
A3 Number and percent of participant reviews conducted by the OA according to sampling methodology specified in the approved waiver. Numerator: Number of participant reviews conducted by the OA according to sampling methodology in the approved waiver. Denominator: Total number of participant reviews required according to the approved sampling methodology.

Data Source (Select one):
Program logs
If 'Other' is selected, specify:

Responsible Party for data collection/generation *(check each that applies):*	Frequency of data collection/generation *(check each that applies):*	Sampling Approach*(check each that applies):*
☐ State Medicaid Agency	☐ Weekly	☑ 100% Review
☑ Operating Agency	☐ Monthly	☐ Less than 100% Review
☐ Sub-State Entity	☐ Quarterly	☐ Representative Sample Confidence Interval =
☐ Other Specify:	☑ Annually	☐ Stratified Describe Group:
	☑ Continuously and Ongoing	☐ Other Specify:
	☐ Other Specify:	

Data Aggregation and Analysis:

Responsible Party for data aggregation and analysis *(check each that applies):*	**Frequency of data aggregation and analysis***(check each that applies):*
☑ **State Medicaid Agency**	☐ **Weekly**
☑ **Operating Agency**	☐ **Monthly**
☐ **Sub-State Entity**	☐ **Quarterly**
☐ **Other** Specify:	☑ **Annually**
	☐ **Continuously and Ongoing**
	☐ **Other** Specify:

Performance Measure:
A4 Number and percent of findings of noncompliance in the area of requests for services subject to prior authorization with evidence of remediation within 90 days of discovery. N: Number of findings of noncompliance in the area of services subject to prior approval with evidence of remediation within 90 days of discovery. D: Total number of findings in the area of prior authorization of services.

Data Source (Select one):
Reports to State Medicaid Agency on delegated
If 'Other' is selected, specify:
OA database

Responsible Party for data collection/generation *(check each that applies):*	**Frequency of data collection/generation** *(check each that applies):*	**Sampling Approach***(check each that applies):*
☐ **State Medicaid Agency**	☐ **Weekly**	☑ **100% Review**
☑ **Operating Agency**	☐ **Monthly**	☐ **Less than 100% Review**
☐ **Sub-State Entity**	☐ **Quarterly**	☐ **Representative Sample** Confidence Interval =
☐ **Other** Specify:	☑ **Annually**	☐ **Stratified** Describe Group:

	☑ Continuously and Ongoing	☐ Other Specify:
	☐ Other Specify:	

Data Aggregation and Analysis:

Responsible Party for data aggregation and analysis *(check each that applies):*	Frequency of data aggregation and analysis*(check each that applies):*
☑ State Medicaid Agency	☐ Weekly
☑ Operating Agency	☐ Monthly
☐ Sub-State Entity	☐ Quarterly
☐ Other Specify:	☑ Annually
	☐ Continuously and Ongoing
	☐ Other Specify:

Performance Measure:
A5 Number and percent of findings of noncompliance in the area of Waiver provider agreements on file at the MA with evidence of remediation within 90 days of discovery. N: Number of findings of noncompliance in the area of Waiver provider agreements on file at the MA with evidence of remediation within 90 days of discovery. D: Total number of findings in the area of Waiver provider agreements.

Data Source (Select one):
Other
If 'Other' is selected, specify:
MA MMIS

Responsible Party for data collection/generation *(check each that applies):*	Frequency of data collection/generation *(check each that applies):*	Sampling Approach*(check each that applies):*
☑ State Medicaid Agency	☐ Weekly	☑ 100% Review
☐ Operating Agency	☐ Monthly	☐ Less than 100% Review
☐ Sub-State Entity	☐ Quarterly	☐ Representative Sample Confidence Interval =

☐ **Other** Specify:	☑ **Annually**	☐ **Stratified** Describe Group:
	☑ **Continuously and Ongoing**	☐ **Other** Specify:
	☐ **Other** Specify:	

Data Aggregation and Analysis:

Responsible Party for data aggregation and analysis *(check each that applies):*	**Frequency of data aggregation and analysis***(check each that applies):*
☑ **State Medicaid Agency**	☐ **Weekly**
☑ **Operating Agency**	☐ **Monthly**
☐ **Sub-State Entity**	☐ **Quarterly**
☐ **Other** Specify:	☑ **Annually**
	☐ **Continuously and Ongoing**
	☐ **Other** Specify:

ii. If applicable, in the textbox below provide any necessary additional information on the strategies employed by the State to discover/identify problems/issues within the waiver program, including frequency and parties responsible.
The OA conducts unannounced site visits based on a representative sample of participants in the waiver. A planned schedule of all on-site reviews is provided to the MA at the beginning of each waiver quarter. Joint reviews may be conducted by the MA and OA. The MA participates in select reviews, as possible.

b. Methods for Remediation/Fixing Individual Problems

i. Describe the State's method for addressing individual problems as they are discovered. Include information regarding responsible parties and GENERAL methods for problem correction. In addition, provide information on the methods used by the State to document these items.
The OA is responsible for timely remediation of findings identified during their monitoring. This includes assuring that individual issues are resolved. The OA requires corrective action plans from providers/ISSAs for all identified issues within 10 working days of discovery. These plans must document resolution or plans for resolution, including responsible parties, actions to be taken, and time frames. The OA accepts or requests modifications to the plan within 30 days from receipt.

Types of remediation for individual issues may include, but are not limited to, service plan modification, re-education of workers, enhanced monitoring of the participant's services, change of providers, reassessment of need, consultation, counseling for family, change in service schedule, etc.

Additional remediation actions may be taken with providers. These actions may include, but are not limited to, enhanced monitoring of the provider, recoupment of payments, prohibition of accepting new participants, and termination of the Medicaid Provider Agreement.

All data collected, including the timeliness of remediation activities, is summarized quarterly and shared with the Waiver Quality Management Committee which meets quarterly. The data is analyzed and evaluated for trends on a quarterly and annual basis. As trends are identified, systemic remediation actions are identified and implemented.

The MA monitors the OA compliance with remediation procedures and established timelines related to individual problems. If there are issues found, the MA works with the OA to rectify identified issues.

Remediation timelines are monitored during Waiver Quality Management Committee meetings on a quarterly basis. Evidentiary reports summarize remediation timelines as follows: within 30 days, between 31-60 days, more than 60 days and those outstanding.

ii. **Remediation Data Aggregation**

Remediation-related Data Aggregation and Analysis (including trend identification)

Responsible Party*(check each that applies):*	**Frequency of data aggregation and analysis***(check each that applies):*
☑ **State Medicaid Agency**	☐ **Weekly**
☑ **Operating Agency**	☐ **Monthly**
☐ **Sub-State Entity**	☐ **Quarterly**
☐ **Other** Specify:	☑ **Annually**
	☑ **Continuously and Ongoing**
	☐ **Other** Specify:

c. **Timelines**

When the State does not have all elements of the Quality Improvement Strategy in place, provide timelines to design methods for discovery and remediation related to the assurance of Administrative Authority that are currently non-operational.

- ◉ **No**
- ○ **Yes**

Please provide a detailed strategy for assuring Administrative Authority, the specific timeline for implementing identified strategies, and the parties responsible for its operation.