

**AGREEMENT BETWEEN  
OHIO DEPARTMENT OF MENTAL HEALTH AND  
OHIO DEPARTMENT OF HUMAN SERVICES  
FOR PARTICIPATION IN  
THE OMNIBUS BUDGET RECONCILIATION ACT OF 1987**

The following Agreement is entered into by the Ohio Department of Mental Health (ODMH) and the Ohio Department of Human Services (ODHS) for the purpose of providing the maximum coordination in Ohio's implementation of the requirements under the Omnibus Budget Reconciliation Act of 1987 relating to Preadmission Screening and Annual Resident Review (PASARR). This Agreement covers only those Medicaid reimbursable PASARR activities conducted by ODMH.

**I. DEFINITIONS**

ODMH	Ohio Department of Mental Health
ODHS	Ohio Department of Human Services
OBRA	Omnibus Budget Reconciliation Act of 1987
PASARR	Preadmission Screening and Annual Resident Review (Also includes Initial Resident Review)

**II. ODHS RESPONSIBILITIES**

The following duties shall be performed by ODHS or its designee:

**A. Program Related**

1. Promulgate administrative rules and state plan amendments related to Ohio's implementation of the Medicaid requirements under OBRA.
2. Provide ODMH the opportunity to review and comment on any proposed changes in ODHS policies and procedures affecting PASARR, including but not limited to those affecting: nursing facility level of care, payment, waiver enrollment, data collection, and assessment instruments.
3. Provide ODMH with one copy of all correspondence from HCFA relevant to PASARR within three (3) days of receipt, including but not limited to proposed regulations, final regulations, memoranda, letters, and Medicaid Manual Transmittals.
4. Provide ODMH with a three (3) day review and comment period on all draft correspondence to nursing facilities, CDHSSs, or regional offices of the Bureau

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of Developmental Disabilities, PASSPORT sites, or Ohio Department of Health relevant to PASARR.

5. Process appeals in accordance with the Ohio Administrative Code.

B. Fiscal Related

1. Transfer federal financial participation (FFP) payments to ODMH for incurred Medicaid administrative costs for PASARR in accordance with provisions of the Agreement and under the provisions of Social Security Act, Sections 1903(a)(2)(C) and 1919(e)(7). The Federal Fund Participation for PASARR administrative costs is 75 per cent (%).
2. Decline to make payment for outstanding costs if ODMH fails to provide information or access to audit as specified in Section III. D. of this Agreement.

III. ODMH RESPONSIBILITIES

The following duties shall be performed by ODMH:

A. Program Related

1. Administer PASARR in accordance with Section 1919(e)(7) of the Social Security Act, the Medicaid State Plan, and Ohio Administrative Code.
2. Promulgate administrative rules governing PASARR when determined necessary by ODHS and ODMH.
3. Develop policies and procedures related to PASARR in accordance with the requirements specified in federal law, federal regulations, the Medicaid State Plan, and Ohio Administrative Code.
4. Provide ODHS with a three (3) days review and comment period on all draft correspondence to alcohol, drug addiction, and mental health services boards, OBRA assessment agencies, hospitals, nursing facilities, and CDHSS relevant to PASARR.
5. Process appeals of determinations in accordance with the Ohio Administrative Code.
6. Assume maintenance of PASARR documentation in accordance with federal regulations.
7. Provide ODHS with program data as required by HCFA.

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B. Fiscal Related

1. Follow the principles and standards which are established under the Office of Management and Budget Circular A-87 (OMB Circular A-87) for determining the ODMH costs for PASARR activities as Medicaid administrative costs.
2. Process requests for transfer of FFP for PASARR related allowable costs in accordance with the provisions of the OBRA and the Social Security Act, including but not limited to central office costs and the costs of face-to-face assessments conducted by mental health professionals.
3. Maintain sufficient detail to document actual costs and satisfy federal and state audit requirements.
4. Submit requests for reimbursement of face-to-face assessments within 365 days from the date of service to be considered an allowable claim. Transfer of FFP under this Agreement is not subject to the interest provisions of the Ohio Revised Code (ORC), Section 126.12.

C. Contracting

1. ODMH may contract with other public or private organizations to perform PASARR activities. The cost of these activities will be on a fee for service basis depending upon the type of administrative review (PAS, IRR, ARR). The fee for services rates under the contracts shall be developed based on OMB Circular A-87 criteria for eligible costs. Initial prospective fee for services rates will be established and will be subject to annual reconciliation based upon actual reported costs.
2. For face-to-face assessment activities conducted between October 1, 1990 and December 31, 1990, ODMH shall pay a prospective rate of \$355 that is cost-settled in accordance with procedures specified in state plan amendment transmittal 89-17.
3. Effective January 1, 1991, ODMH shall pay agencies an interim prospective unit rate multiplied times the estimated number of hours required to complete an average assessment and the types of professional staff required, travel time, and associated administrative expenses. ODMH will cost settle the period January 1, 1991 through June 30, 1991 in accordance with procedures specified in state plan amendment transmittal 89-17.

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4. Effective July 1, 1991, assessment agencies will begin to track actual costs and the number of units (hour) related to OBRA assessment activity (PAS, IRR, ARR). Annually, ODMH will reconcile the interim unit rate paid out against each agency's actual unit costs based on the total reported costs divided by the number of units required. ODMH shall establish a rate ceiling based on the 95th percentile of the hourly unit costs reported to ODMH. Retrospective cost settlement will be based on the lesser of actual costs or the rate ceiling. ODMH shall report the reconciliation findings to ODHS with adjustment to the amount transferred to ODMH addressed in a future transfer of funds.

D. Responsibility for Audit Exceptions

1. ODHS shall be responsible for receiving, replying to, and arranging compliance with any federal audit exception directly related to the provisions of this agreement. ODMH shall provide any information which is necessary to respond to any audit exception.
2. Responsibility for payment of any liability connected with PASARR shall be determined at the time adverse audit findings are issued. If ODMH is determined to be at fault, ODMH shall pay ODHS. If ODHS is at fault, ODHS shall be responsible. If both are responsible, proportionate share shall be determined.
3. ODHS will notify ODMH timely of receipt of any notification from the federal government regarding any deferral or disallowance claim. ODHS shall coordinate the ODHS response with ODMH regarding any such notification within the time limits prescribed by the notice.
4. Upon receipt of any notice of disallowance or deferral including any fiscal penalties for actions performed or not performed pursuant to this contract, ODHS will reduce, by an amount equal to the amount disallowed or deferred, payments made to ODMH until such time as the full amount is recovered.

If ODMH's position is upheld on appeal, funds withheld, deferred or disallowed shall be restored to ODMH upon the availability of FFP.

IV. **CONFIDENTIALITY**

The confidentiality of all records and client identifying information shall be maintained in accordance with federal and state laws, and federal regulations and rules of each department.

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V. MISCELLANEOUS

A. Entirety of Agreement

The foregoing constitutes the final written expression of agreement between the parties. Prior inconsistent oral agreements are hereby superseded.

B. Effective Date

The effective date of this agreement shall be October 1, 1990.

C. Extension

The agreement shall continue in full force until terminated in accordance with mutually agreeable conditions.

D. Partial Invalidity

A judicial or administrative finding, order, or decision that any part of the agreement is illegal or invalid shall not invalidate the remainder of the Agreement.

E. Amendments

This Agreement may be modified or amended, said amendment to be in writing, signed by the parties hereto or their designated representatives.

F. Resolution of Disputes

In the event of any disagreement by or between the parties concerning the intent, construction, or implementation of the Agreement, the parties agree to resolve their differences at the administrative level. However, in the event that mutual resolution is not possible, final disposition rests with the Office of the Governor.

G. Termination

ODHS or ODMH may terminate this agreement at any time upon 60 days written notice to the other.

H. Civil Rights

The shall be no discrimination in/ the performance of the

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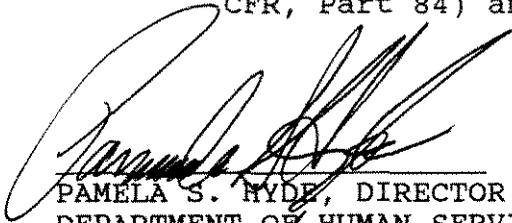
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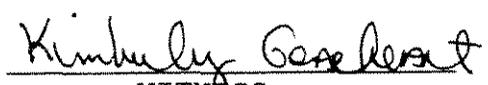
agreement by either party hereto against any client, consumer, or employee because of race, color, sex, religion, national origin, or any other factor as specified in state or federal law.

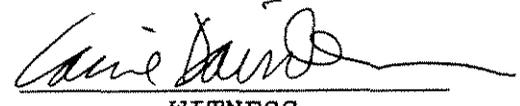
I. Compliance with Section 504 of the Rehabilitation Act of 1973

ODMH agrees to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794), all requirements imposed by the applicable regulation (45 CFR, Part 84) and all guidelines issued pursuant thereto.

  
PAMELA S. HYDE, DIRECTOR  
DEPARTMENT OF HUMAN SERVICES  
12/28/90  
DATE

  
MARTHA B. KNISLEY, DIRECTOR  
DEPARTMENT OF MENTAL HEALTH  
12-27-90  
DATE

  
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HCFA's Plan says  
3/18/91 approved  
APPROVAL DATE <sup>3</sup> 4/14/91  
EFFECTIVE DATE 10/1/90

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