

## **GUIDELINES FOR AUTHORIZING ENVIRONMENTAL MODIFICATIONS**

These updated guidelines outline the process for authorizing Environmental Modifications (EMods) under the 1915(c) Home and Community Based Services (HCBS) Children's Waiver with the transition of modifications to the Financial Management Servicer (FMS).

Environmental Modifications are internal and external physical adaptations to the home, which are necessary to assure the health, welfare, and safety of the individual; enable the individual to function with greater independence; and prevent institutionalization. Environmental Modifications must be related to an assessed Activity of Daily Living (ADL), Instrumental Activities of Daily Living (IADL), or health-related need and be tied to a goal reflected in the individual's written person-centered Plan of Care (POC). Environmental Modifications are intended to increase or maintain an individual's independence or substitute for human assistance, to the extent that expenditures would otherwise be made for human assistance.

Environmental Modifications outlined in these guidelines are for children and youth up to the age of 21 years old, who are found HCBS eligible and enrolled in the Children's Waiver.

In an effort to streamline the review and payment process for these services, **effective March 1<sup>st</sup>, 2024**, review, approval and payment of all new Environmental Modification (EMod), Vehicle Modification (VMod), and Assistive and Adaptive Technology (AAT) requests for children/youth served under FFS Medicaid will be processed by FMS, in association with the New York State Department of Health (NYSDOH). NYSDOH may provide technical assistance and advisory support and review as requested by the FMS. The FMS will be responsible for new and transitioned projects. For projects that are already approved and funded, the Local Department of Social Services (LDSS) will continue these projects to completion under the current [ADM](#). NYSDOH reserves the right to transition any projects to the FMS on a case-by-case basis.

**Effective July 1, 2024**, the review, approval and payment of all new Environmental Modification (EMod), Vehicle Modification (VMod), and Assistive and Adaptive Technology (AAT) requests for children/youth served under Medicaid Managed Care Plans (MMCPs) will be processed by FMS. NYSDOH may provide technical assistance and advisory support and review as requested by the FMS. The FMS will be responsible for new projects. EMod, VMod, and AAT requests already in process prior to July 1, 2024, with MMCPs will be retained by the MMCPs to completion.

For more information on project transfer and program implication, please refer to the [General Information System \(GIS\)](#).

### **Examples of EMods include, but are not limited to:**

- Ramps
- Lifts that require modifications to the home
- Widened doorways- hallways may **not be widened** under the Waiver
- Roll-in showers or accessible tubs
- Accessible shelving
- Installation of handrails, grab bars
- Automatic or manual door openers and doorbells
- Water faucet controls
- Electrical and plumbing accommodations for new equipment
- Generators

### **Service Limitations**

Children/youth who are members of the Medical Indemnity Fund (MIF) must consult with a MIF care manager regarding requests for EMods.

EMods may only be provided in the individual's primary residence. Homes that are owned or leased by paid Medicaid providers are not eligible for EMods. EMods cannot cover home improvements such as central air conditioning, flooring, etc. that are unrelated to the participant's identified medical needs and indicated in their POC. General maintenance needs of the home (ex. roof repair) can't be provided as an environmental modification under the Waiver.

All materials must be construction grade. Medicaid must be verified by the HHCM/CYES as the payor of last resort.

The project cost must be entirely funded by Medicaid funding unless a member's request may be funded under public or private funding or the member's request is covered by their third party health insurance policy. No project upgrades may be added by the participant or their family/caregiver.

The performance of necessary evaluations and/or assessments to determine the types of needed modifications are included in the scope of environmental modifications. Evaluations and assessments may include, but are not limited to: pre-project evaluations, clinical justifications (as needed), architectural or engineering drawings as required for the project or to comply with local and state regulations, behavioral health reviews, land surveys, and impartial reviews of condition of previously provided EMods. These evaluations and assessments are covered in cost as part of the environmental modification where the evaluations and assessments provide information on the feasibility and appropriateness of the request to be delivered and where permission to seek evaluations or assessments has been prior approved by FMS.

State policy places certain limitations on environmental modifications requested when the home/apartment is a leased space. These modification requests require property owner sign-off on the modification and prohibit federal/state and FMS liability for the cost of removal/replacement/repair of items in public spaces or rental properties.

#### *Repair & Replacement of Modifications:*

A specific type of Environmental Modification is a one- time benefit. Environmental modifications become the responsibility of the owner to maintain and repair. Service contracts and maintenance or repair attributable to regular wear and tear of modifications are not reimbursable costs under the Children's Waiver.

However, in reasonable and medically necessary circumstances determined and approved by the FMS, a second modification may be considered for funding as follows: if a person moves to another home and requires modification that continues to be medically necessary; if the current modifications are in need of repair, worn-out or unsafe; or if a participant wishes to visit with a non-cohabitating parent in their home and such modifications are required to ensure participant's health and safety during visits.

Removing modifications or returning property to its original state is not the responsibility of the FMS. Additional items beyond those deemed medically necessary by the FMS are the responsibility of the participant and family.

Environmental modification projects may not exceed \$25,000 per calendar year, the annual soft cap for EMods, without prior approval from the FMS and NYSDOH. NYSDOH may consider exceptions when medically necessary, including but not limited to a significant change in the child's needs or capabilities.

In all cases, service limits are soft limits that may be exceeded due to medical necessity. The FMS must contact NYSDOH to obtain this approval to exceed the annual soft cap for any EMod, request due to medical necessity.

**Note: This service may not duplicate other services available through the New York Medicaid State Plan. All services require prior authorization by the FMS in conjunction with NYSDOH if exceeding established limits.**

### **Services and Supports Not Included Under Environmental Modifications**

The Children's Waiver will not fund services/items/devices that are not for an assessed medical need including, but not limited to, the following:

- Adaptations or improvements to the home that are of general utility and are not of direct medical or remedial benefit to the individual
- Adaptations that exceed the necessity of the service (e.g. roll-in showers or accessible tubs will not be provided if a shower chair will meet the need)
- Adaptations that add to the total square footage of the home
- Adaptations for pools, hot tubs, and associated modifications for entering or exiting the pool or hot tub

For further examples of limitations and exclusions please review the Care Manager Authorization Policy CW-00012 Appendix B Exclusion and Limitations List.

### **Evaluators of Environmental Modifications**

HHCM/CYES must use FMS contracted pre-project evaluators to ensure that projects are completed safely and effectively. In the event where a pre-project evaluation is NOT provided and additional project modifications, repairs, or upgrades required for the safe intended use of a medically necessary EMod, the cost of projects additional modifications, repairs, or upgrades without an approved pre-project evaluation and scope will be at risk of non-payment.

EMod evaluators must provide a pre-project evaluation which serves as the approved project scope and includes scale drawings and specifications including, but not limited to: task list and/or project narrative with specific measurements and brands/models or equivalent provided. Architectural barrier consultations alone will not generally qualify as a pre-project evaluation unless a specific project design and scope with task list and/or project narrative and scale drawings are provided.

EMod evaluators will provide notice with their pre-project evaluation of whether architectural or engineering drawings are necessary for the project scope, as a pre-requisite to obtaining permitting and/or compliance with state or local regulations and code enforcement. Unless the EMod evaluator is also a licensed architect, the evaluator may not provide architectural drawings for pre-project evaluations.

When required, architectural or engineering drawings require prior approval by the FMS. Once prior approval is received to obtain architectural or engineering drawings, the pre-project evaluation payment request process is used to request payment from FMS.

EMod evaluators may be requested to provide impartial reviews of previously provided EMods when a request for repair or replacement of EMods is requested. Impartial reviews must receive prior approval from FMS. Once prior approval is received to obtain impartial review, the pre-project evaluation payment request process is used to request payment from FMS.

For EMods requiring a behavioral health review (including but not limited to requests for fences, alarms and monitoring systems, durable materials, etc.), the behavioral health review should be paid using the pre-  
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project evaluation payment request process to request payment from FMS.

All EMod evaluators must have a contract or an agreement with the FMS.

Some evaluators may choose to offer project management as a part of their services, with or without additional fees. Project management fees are part of the estimated total project cost if the FMS and the evaluator agree to add this service to the project contract.

**The FMS secures an evaluator qualified to complete the required evaluation. Activities include and are not limited to determining the need for the service, the safety of the proposed modification, its expected benefit to the child, and the most cost-effective approach to fulfill the child's need.**

### **Providers/Contractors of Environmental Modifications**

All EMod providers must have a contract with the FMS. Providers of EMods must also adhere to any State and local safety standards pursuant to Article 18 of the New York State Uniform Fire Prevention and Building Code Act, as well as local building codes. FMS is encouraged to identify providers in advance of service requests to ensure adequate capacity.

**The FMS or Governmental Entity is the provider of record for Environmental Modifications for billing purposes. The work is done by a contractor who is selected by the FMS or Governmental Entity through a standard bid process, following the rules established by the Office of the State Comptroller. Standard provisions of the NYS Finance Law and procurement policies must be followed to ensure that contractors are qualified, and that State required bidding procedures have been followed.**

**Note: This service may not duplicate other services available through the New York Medicaid State Plan. All services require prior authorization by the FMS or Governmental Entity in conjunction with NYSDOH if exceeding established limits.**

### **Authorizing Environmental Modifications**

If a child/youth receives HCBS as part of the Children's Waiver, the child is able to request an EMod that addresses an identified need and goal on their person-centered Plan of Care (POC) by following the *Procedure for Authorizing Environmental Modifications*.

### **Procedure for Authorizing Environmental Modifications**

1. During a POC meeting through the person-centered planning process, the Health Home Care Manager (HHCM)/C-YES, individual, and anyone involved in the development of the POC will determine any medical needs for support, to assist and enhance the individual's independence in performing ADLs, IADLs, and/or health related tasks and/or will substitute for human assistance (to the extent that expenditures would otherwise be made for human assistance). The family should receive a copy of the Parent Information Sheet for Environmental Modifications. The HHCM/CYES will update the current Plan of Care (POC) with the environmental modification goal. The HHCM/C-YES will explain the information and answer any questions the family has for the process.

The HHCM/CYES will notify FMS of the EMod request within seven (7) business days of adding/updating the POC. The HHCM/C- YES will submit this request to the FMS Portal at CHHUNY - FMS Waiver.

### **2. FMS Request Submission Information**

The HHCM/CYES will provide the following information to FMS regarding a request:

- Child/youth's name
- Child/youth's CIN #
- Type of request: AAT, EMod, or VMod
- Brief summary of the request – what is needed and why the support is needed
- HHCM agency name or C-YES and HHCM/C-YES contact information
- Letter of medical necessity for modification
- Evidence of Medicaid as Payor of Last Resort using FMS Due Diligence template and submitting third party health insurance letter of denial of contract coverage if the participant is covered under a third party health insurance policy

This FMS portal submission by the Care Manager starts the EMod request process by generating an individualized link for the request. All communication regarding the request will be conducted through the portal link. The HHCM/CYES should keep the link provided to submit documentation and receive updates on the request status.

Any time there is an addition or change to the portal information, the HHCM/CYES will receive notification as to the status and next steps for the request via the autogenerated link.

If a submission request is not allowable under the Waiver, the FMS will contact the HHCM/CYES within 5 business days of initial submission to inform them that the request is closed for noncompliance with the Waiver.

### 3. Letter of Medical Necessity

Letter of Medical Necessity (LoMN) is provided by a Medical Doctor (MD) or Doctor of Osteopathy (DO) who is currently treating the Waiver participant. Other allied health professionals such as physician's assistants, nurse practitioners, and other therapists and clinicians can't provide a LoMN for EMod, VMod, and AAT requests.

The LoMN should contain the diagnoses directly linked to the medical need for support, an order by the doctor for the submitted request, and why the request is medically necessary for the Waiver participant. The LoMN must be signed and dated by the Medical Doctor (MD) or Doctor of Osteopathy (DO). The POC must be consistent with the details of the physician's order.

4. Identify the address of the individual's residence where the EMod is being requested. Residential information must include the name of the homeowner or landlord and their written permission for the modifications. Only an individual's primary residence will be eligible for an EMod.
5. When necessary, HHCM/CYES will seek a clinical justification from the appropriate clinician (e.g. Occupational Therapist, Speech Language Pathologist, clinician from Article 16 or 28 clinic, Physical Therapist, or other licensed professional) and/or service specialist to assess the individual's specific medical need for the requested EMod, if appropriate. EMods rarely require a clinical justification. Please check with FMS if there is a question regarding the need for clinical justification on an EMod project.
6. The HHCM/C-YES and the individual/family will explore potential payment sources for the identified EMod including private insurance, community resources, and other Local/State/Federal programs before a request for payment under the Children's Waiver will be considered. Medicaid should only be used as the payor of last resort.

Only those services not reimbursable under the Community First Choice Option (CFCO) State Medicaid

Plan, Medicaid State Plan under 1905(a) of the Social Security Act or other federal/state funding streams will be reimbursable under the HCBS Waiver.

7. The HHCM/C-YES will obtain a scope of project and/or pre-project evaluation. Prior to engaging a pre-project evaluator, the HHCM/C-YES must receive permission from the FMS. Prior to granting permission for a pre-project evaluation, the FMS may request additional documentation/information from the HHCM/C-YES. This documentation may include the child/youth's POC or further information on the request.
8. If a scope of project or pre-project evaluation is completed, the HHCM/C-YES will submit a **Pre-Project Evaluation Payment Request Form** to the FMS within five (5) business days of evaluation completion. The submission should also include a copy of the pre-project evaluation or evaluation invoice. Additional information on the **Pre-Project Payment Request Form** can be found [here](#).
  - a. Some EMod projects may require architectural drawings, as part of the pre-project evaluation process. The HHCM/C-YES must receive prior approval from the FMS, in conjunction with NYSDOH prior to engaging an architect in an EMod project. Architectural or engineering drawing fees can be requested by submitting a *Pre-Project Evaluation Payment Request Form*. Additional information on use of architectural or engineering drawings in EMod projects can be found [here](#):
  - b. The cost of a pre-project evaluation is covered by the Waiver through eMedNY claiming. Pre-project evaluations will be paid regardless of project feasibility or completion if evaluations were prior approved by FMS.
9. The HHCM/C-YES should obtain the requested number of bids (at least one bid for EMods less than \$1,000, at least three bids for EMods of \$1,000 or more) and submit them to the FMS. Reasonable efforts must be made to obtain three bids. If it is not possible to obtain the three required bids in a timely fashion, the HHCM/C-YES may proceed with fewer than three bids with sufficient justification documented in the case file and a written statement of efforts submitted to the FMS.
  - a. The FMS is responsible for evaluating bids and selecting the vendor to provide the EMod based on the bid that is the most fiscally responsible and meets the assessed need. Submission of bids by HHCM/CYES that fail to align with or provide the complete project per the approved scope may result in rejection of provided bid and delay in review by FMS.
  - b. Payment for an assessment completed by the EMod evaluator for helping select a specific modification, or for training in the use of any equipment, must be included in the cost of the EMod if the expertise needed for assessing, selecting and training is NOT available as part of a Medicaid State Plan service, or through other sources that are already involved with the individual. The cost of a pre-project evaluation is covered by eMedNY claiming, regardless of project completion.
10. HHCM/CYES will coordinate Case Meetings with FMS, participant/family, and other parties as needed. FMS Case Meetings are held:1) after the pre-project evaluation is completed to review the project scope and determine if there are any changes needed and 2) after the complete Service Request Packet is submitted and reviewed to review the selected bid and collaborate on the project initiation needs.

FMS may waive case meetings if they determine a project is not complex and the projected cost is within the annual soft cap for the service. The parent will sign the Parent Agreement with a copy for the Waiver participant and family/caregiver and a copy to be retained in the Waiver participant's record.

11. The HHCM/C-YES must submit a complete **Service Request Packet** to the FMS to initiate the project authorization process. The documentation submitted by the HHCM/C-YES must detail the need and intended purpose of the EMod to support the request. The HHCM/C-YES will put the **Service Request Packet** together to submit everything at the same time – individual items and documents should not be submitted separately to the FMS to initiate the authorization process. The HHCM/C-YES will submit supporting documentation, including:
- a. A completed **Description and Cost Projection Form**, signed by all necessary parties, including documentation of Medicaid as the payor of last resort and history of any previous EMod/VMod/AT service requests
  - b. **Letter of Medical Necessity** for the request
  - c. **Clinical justification** for the request, if applicable
  - d. The child/youth's most recent **Plan of Care (POC)**
  - e. Evidence of **Medicaid as Payor of Last Resort**, including Letter of Denial of Contract Coverage for participants with third party health insurance coverage
  - f. **Any necessary evaluations** for the project review, including but not limited to: pre-project evaluation, architectural or engineering drawings, behavioral health review, impartial review, etc.,\*
  - g. **Three bids** for the project/equipment or a written and signed justification as to why three bids could not be obtained

The total cost of the project includes any pre- and post-project evaluations and clinical justifications as well as project bids. Cost for post-evaluations are requested in the funding in the **Service Request Packet**.

All documents must be dated and/or signed within the last **twelve (12) months** to be considered valid for review.

**\*Pre-project evaluations should be accompanied by a Pre-Project Evaluation Payment Request Form and submitted prior to submission of the Service Request Packet.**

12. On the day of receipt, the FMS portal will electronically date stamp the Service Request Packet. From the receipt of the EMod Service Request Packet, the FMS will have five (5) business days to review the submitted packet for completeness. A request may be deemed incomplete if it is missing any of the following items:
- a. A completed **Description and Cost Projection form**, signed by all necessary parties
  - b. Documentation of **Medicaid as the payor of last resort**
  - c. **Letter of Medical Necessity** for the request
  - d. **Clinical justification** for the request, if applicable
  - e. The child/youth's most recent **Plan of Care (POC)**

- f. **Any necessary evaluations** for the project/equipment as above
  - g. **Three bids** for the project/equipment that is \$1,000 or more, or at least one bid for a project/equipment that is less than \$10,000, or a written and dated statement by the HHCM/C-YES justifying as to why the required number of bids could not be obtained
13. If the above items are missing or incomplete, then the FMS **MUST** successfully contact the submitting entity no later than five (5) business days after receiving the **Service Request Packet** to indicate that the submitted request is incomplete and to explain what is needed. The FMS is responsible for evaluating bids and selecting the vendor to provide the EMod based on the lowest reasonable bid that meets the assessed need.
- a. If all the required documents within the **Service Request Packet** are turned in, then the FMS has ten (10) business days from receipt to completely review the request materials. If the **Service Request Packet** is deemed incomplete or if additional information is needed, the FMS will communicate this information to the HHCM/C-YES within the first five (5) business days of the ten (10) total business days that the FMS is given to complete their review. If complete, the FMS will make a determination if the request will be:
    - Authorized by FMS approved **OR**
    - Authorized and submitted by FMS to NYSDOH for further review of the selected bid for annual soft cap override; **OR**
    - Denied. If denied, a Notice of Decision (NOD) will be sent within three (3) business days to the HHCM/C-YES, member/family, and provider (if applicable).
14. If the request exceeds the annual soft cap of \$25,000 for the service, the completed, FMS approved **Service Request Packet** will be submitted to NYSDOH for review via EModVModAT@health.ny.gov. Within seven (7) business days from receipt of the **Service Request Packet**, NYSDOH will issue a letter to the FMS supporting the project/product or a letter of non-compliance with Waiver regulations. The State may also request additional information from the FMS within seven (7) business days of request receipt.
- If the project is approved by the FMS and does not exceed the annual soft cap for the service, the project does not require additional review by NYSDOH.
15. The FMS will notify the HHCM/C-YES, the individual and family, and the selected EMod provider of its determination by issuing a Notice of Decision (NOD) within three (3) business days of receipt of decision from NYSDOH if project is approved or not to exceed the annual soft cap of \$25,000, or within ten (10) business days of receipt of the complete Service request packet, if project does not exceed annual soft cap. The FMS will issue a NOD to the participant/family and HHCM/C-YES when they authorize or deny a request for Environmental Modification(s).
16. The EMod provider/contractor will be responsible for coordination of the project, including the following tasks:
- provide a detailed description of the project including estimated material and labor costs
  - secure and maintain necessary permits
  - provide detailed expenditures/receipts
  - ensure compliance with all state and local construction and building codes and ADA requirements
  - ensure compliance with safety issues in Article 18 of the NY State Uniform Fire Prevention and



Building Code

- complete necessary inspections
- maintain sufficient insurance and bond requirements
- secure licensed personnel, where applicable, to complete the required work
- determine the beginning and end dates of the project in collaboration with participant and family
- ensure the satisfactory completion of the project in accordance with bid specifications
- obtain approval of any changes before proceeding if determined that changes/additional work are necessary that will result in a cost difference from the original projected cost; if approval is not received from FMS before proceeding, the EMod provider may risk non-payment for such changes

For approved FMS requests, the FMS will request any required funding through eMedNY necessary to initiate the project and pay any pre-project evaluations or assessments. The FMS has 30 business days upon receipt of funding from eMedNY to provide initial start-up funding to the contractor or provider and provide any evaluation payments yet unpaid.

17. Within seven (7) business days of EMod project completion, the HHCM/C-YES must submit a **Final Cost Form** to the FMS that includes a description of the final project cost and all invoices. A post-project evaluation must be completed. A copy of the post evaluation is submitted to the FMS as part of the **Final Cost Form** submission.

18. The FMS will electronically date stamp the **Final Cost Form** upon receipt. The FMS will review the **Final Cost Form** *within five (5) business days of receipt*.

The FMS must maintain the completed **Final Cost Form and all supporting documentation on file for audit purposes**. Once the Final Cost Form has been received and approved by the FMS, the FMS can submit their final cost claims for any remaining project costs due to evaluators, providers, or contractors.

19. Payment to the EMod contractor and evaluator will be made by the FMS within fifteen (15) business days of receipt of claims from NYS Medicaid.

20. FMS reconciles all project payments, submits for the FMS administrative fee, and closes out the project.