

# Provider Notice

Subject: Update on claims processing for Temporary Home and Community Based Services (HCBS) rate update effective July 1, 2021

***This communication is being sent on behalf of the Virginia Department of Medical Assistance Services (DMAS)***

Virginia DMAS has published [Medicaid Bulletin: Update on claims processing for Temporary Home and Community Based Services \(HCBS\) rate update effective July 1, 2021](#).

The purpose of this bulletin is to provide updated claims processing details for the select HCBS services that received a rate increase effective July 1, 2021 through June 30, 2022. For the purposes of this rate increase HCBS includes a specific set of waiver, behavioral health, home health, Early, Periodic, Screening, Diagnosis and Treatment (EPSDT), and other services in compliance with Centers for Medicare & Medicaid Services (CMS) guidance. In accordance with Item 313.SSSS of the 2021 Acts of Assembly the 12.5 percent rate increase for agency- and consumer-directed personal care, respite and companion services in the HCBS waivers and EPSDT program becomes permanent effective January 1, 2022, while the temporary increases for the other service areas will continue until June 30, 2022. For details on the specific services and billing codes subject to the rate increase, refer to the October 6, 2021 Medicaid Bulletin (available at <https://www.virginiamedicaid.dmas.virginia.gov/wps/portal/MedicaidMemostoProviders>).

DMAS implemented the changes to address prospective claims on October 8, 2021 for Fee for Service (FFS) providers while Managed Care Organizations and the Behavioral Health Service Administrator (Magellan of Virginia) implemented these changes on a prospective basis on October 22, 2021. However, since that time DMAS has not been able to secure approval from CMS to allow a mass adjustment of claims to provide the additional reimbursement to providers and there have been some inconsistent allowances from the MCO's when providers have requested to initiate claims adjustments for the period of July 1, 2021 through October 22, 2021 which has led to some confusion about how to access the additional funds available to this provider group.

This memo serves to provide current claims processing guidance for FFS, BHS and MCO providers while The Department continues working to secure authority from CMS on the methods to re-process claims for the impacted providers in the MCO and BHS delivery systems.

Please review the Medicaid bulletin in its entirety and we strongly encourage providers to visit the [Medicaid Memos and Bulletins](#) to Providers website regularly for updates.