IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT2025173 DECEMBER 4, 2025

IHCP updates the billing policy for HCBS assisted living providers

The Indiana Family and Social Services Administration (FSSA) Office of Medicaid Policy and Planning (OMPP), the Division of Disability, Aging and Rehabilitative Services (DDARS), and the Indiana Health Coverage Programs (IHCP) provide updated guidance regarding Assisted Living services under Home- and Community-Based Services (HCBS) waivers. This updated policy is effective for claims submitted with dates of service on or after Jan. 1, 2026.

Process for submitting claims for waiver services in an assisted living facility

Assisted living providers may only submit claims for reimbursement after the HCBS waiver services are rendered. Claims submitted for future dates of service when the service has not been rendered will be denied.

> **Example** – Assisted living resident is present for the entire month of May. The assisted living provider bills using the monthly billing code. The assisted living provider cannot submit the claim for this resident until after May 31, after all services have been rendered for the month of May.

When assisted living providers submit a professional claim (*CMS-1500* claim form, IHCP Provider Healthcare Portal or 837P electronic transaction) using the **monthly** billing code T2031 U7 UA and either U1, U2 or U3 modifier, the provider must include the dates that are applicable to the billing period.

> **Example** – Assisted living provider bills using the **monthly** billing code for the month of May. The assisted living provider is required to enter the ***from*** and ***to*** dates as 5/1/2025-5/31/2025. The assisted living provider cannot submit the claim using the monthly billing code until after the services are rendered.

Beginning for DOS on or after Jan. 1, 2026, assisted living providers are required to bill for HCBS waiver services using the **monthly** billing code T2031 U7 UA and either U1, U2 or U3 modifier, when a resident is present in the facility 28 days or more per month.

> **Example** – Assisted living resident is present for the entire month of May. The assisted living provider will submit the claim using the **monthly** billing code T2031 U7 UA and either U1, U2 or U3 modifier using the ***from*** and ***to*** dates for the month of May.

The assisted living provider is required to submit claims using the **monthly** rate in this example because the resident was present in the facility for 28 days or more. If an assisted living provider submits a claim using the **daily** rate billing code for a member who was present in the facility for more than 27 days, the managed care entity (MCE) or state's fee-for-service (FFS) contractor will deny the claim.

If a resident is present in the facility for less than 28 days, assisted living providers are required to bill using the **daily** billing code T2031 U7 with either U1, U2 or U3 for the days present in the facility.

> **Example** – Assisted living resident is absent from the facility for five days in May. The provider will submit the claim using the **daily** rate billing code T2031 U7 with either U1, U2 or U3 for dates of service.

The assisted living provider is required to submit claims using the **daily** rate in this example because the resident was present in the facility for less than 28 days. If an assisted living provider submits a claim using the **monthly** rate billing code for a member who was present for less than 28 days, the MCE or state's FFS contractor will deny the claim.

This is a change from previous guidance in policy first established by the Bureau of Better Aging (BBA). Changes in this bulletin for assisted living billing practices applies to both Medicaid FFS and Medicaid managed care claim submission and payment processes. The Office of Medicaid Policy and Planning (OMPP) with the help of OMPP's audit contractor will be conducting regular claim audits to ensure that assisted living providers are following the new billing policy until the MCE and the state's FFS contractor can complete system changes that will deny claims when not billed per this policy.

Documentation standards required for assisted living providers

Assisted living providers are required to document for support services rendered. When the assisted living provider submits claims for the monthly or daily billing, the assisted living provider is required to document for each day the member is present in the facility.

> **Example** – The assisted living provider submitted a claim using the monthly billing rate. The assisted living provider must have documentation for each day the member was present in the facility receiving waiver support for that month.

For the Indiana PathWays for Aging (PathWays), Health and Wellness (H&W) and Traumatic Brain Injury (TBI) waivers, the provider must follow these documentation standards:

- Complete and accurate documentation to support daily services rendered by the assisted living provider to address needs must be identified in the person-centered service plan:
  - ⇒ Participant's status, including health, mental health, medication, diet, sleep patterns and social activity
  - ⇒ Updates, including health, mental health, medication, diet, sleep patterns and social activity
  - ⇒ Participation in consumer-focused activities
  - ⇒ Medication management records, if applicable
  - ⇒ Quarterly updated service plans
  - ⇒ Notification to the participant's care manager/service coordinator, within 48 hours, of any changes in participant's care plan
- Maintenance of participant's personal records ~~to~~must include:
  - ⇒ Social Security number
  - ⇒ Medical insurance number
  - ⇒ Birth date
  - ⇒ Emergency contacts
  - ⇒ Available medical information, including known current prescription and nonprescription drug medication
  - ⇒ Hospital preference
  - ⇒ Primary care physician
  - ⇒ Mortuary (if known)

- Participant's personal records must include copies of the following documents, if available, which the assisted living provider will also submit to the participant's care manager/service coordinator on an ongoing basis if there are changes to these documents:
  - ⇒ Advance directive
  - ⇒ Living will
  - ⇒ Power of attorney
  - ⇒ Health care representative
  - ⇒ Do not resuscitate (DNR) order
  - ⇒ Letters of guardianship
  - ⇒ Fully executed lease agreement with the assisted living service

The assisted living service per diem or monthly reimbursement rate is designed to cover the activities noted above.

Activities included under per diem and monthly reimbursement

The following activities are included in the per diem and monthly reimbursement for Assisted Living services:

- Attendant care – Services delivered by attendant care aides who are trained on the specific needs of the individual being supported. Attendant care aides may be certified nursing assistants (CNAs) or any individual who successfully completes all training requirements to provide attendant care services. Attendant care services provide direct, hands-on care to participants for the functional needs with activities of daily living (ADLs). Attendant care includes all nonskilled ADL care as identified in the person-centered service plan. Activities include the following:
  - ⇒ Assistance with personal care – Bathing, shaving, oral hygiene, hand and foot care, skin care, dressing, application of cosmetics, hair care, and so on
  - ⇒ Assistance with mobility – Transfers, proper body mechanics, ambulation, use of assistive devices, and so on
  - ⇒ Assistance with toileting – Bedpan, bedside commode, toilet, incontinence, management of a stoma or catheter, and so on
  - ⇒ Assistance with safety – Identification and elimination of safety hazards, medication reminders, identifying changes in condition, emergency response, and so on
- Home and community assistance – Services that provide instrumental activities of daily living (IADLs) to participants who are unable to perform these needs. Activities include the following:
  - ⇒ Cleaning or chores – Dusting, sweeping, vacuuming, cleaning kitchen and appliances, cleaning bathroom, cleaning bedroom, laundry, linens, trash removal, and so on
  - ⇒ Completing essential errands such as shopping or pharmacy
  - ⇒ Assistance with bill paying
  - ⇒ Minor pet care
  - ⇒ Assistance with outdoor tasks such as lawn and gardening
- Skilled nursing – Medication administration and medication oversight, residential nursing needs, needs identified in the nursing assessment, and any other requirements as stated in *Indiana Administrative Code 410 IAC 16.2-5*
- Nonemergency nonmedical transportation – Trips for the purposes of community integration and socialization; includes trips to activities in the community, shopping, visits with friends and family, and so on

- Therapeutic social and recreational programming – Includes planned activities in the facility and activities that fall under Adult Day Services

Activities not allowed

The following activities are not allowed under Assisted Living services:

- Services provided to medically unstable or medically complex participant
- Room and board not covered under per-diem or monthly rate
- Separate payment not allowed for the following services, as these services are integral to and inherent in the provision of the Assisted Living service:
  - ⇒ Adult Day Services
  - ⇒ Adult Family Care
  - ⇒ Attendant Care
  - ⇒ Home Modifications
  - ⇒ Home-Delivered Meals
  - ⇒ Home and Community Assistance
  - ⇒ Personal Emergency Response System
  - ⇒ Pest Control
  - ⇒ Respite Care Services
  - ⇒ Structured Family
  - ⇒ Transportation

For more information

For questions about Assisted Living services provided through the PathWays Waiver, contact INPathWays@fssa.in.gov. For questions about Assisted Living services provided through the H&W or TBI waiver, contact BDS.Help@fssa.in.gov.

Providers can also find more information about the PathWays Waiver in the *OMPP HCBS Waiver: Indiana PathWays for Aging* provider reference module. For the H&W or TBI waiver, see the *DDRS HCBS Waivers* provider reference module.

QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at 800-457-4584.

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