



May 23, 2016

**Agency Advisement to Funded Providers Regarding Funding Available to Convert to Part 820 Residential Services**

The Office of Alcoholism and Substance Abuse Services (OASAS) announces the availability of funding to assist providers in the conversion to the new Part 820 Residential Services. There is \$5 million in Medicaid funding under the Vital Access Program (VAP) available for start-up costs associated with the conversion for each program being converted.

The following OASAS-certified programs are eligible to request funding for conversion costs: Part 819 including Intensive Residential and Community Residences, Part 818 Inpatient Residential, Part 817 Residential Rehabilitation Services for Youth, Part 816 including Medically Supervised Inpatient Withdrawal, Medically Supervised Outpatient Withdrawal and Medically Monitored Withdrawal.

This funding is intended to assist programs in the transition to the stabilization and rehabilitation elements under Part 820. Programs that do not currently have the clinical, medical or peer staff required under the new regulations may request a one-time payment to support the costs of the additional staff. Medicaid funding available through the managed care implementation will then support the on-going costs of the medical, clinical and peer staff.

OASAS will fund via VAP a one-time payment of up to \$205,000, per program conversion. This payment is predicated on three months funding to hire the following:

Physician recruiting and 3 month salary	\$40,000
RN staff 3.5 and relief (15%)	70,000
Clinical staff (LCSW, LMFT, NP, additional CASACs)	80,000
Peer/Milieu Staff	15,000
Total	\$205,000

If a program already has some or all of the necessary staff, the funding can be used for any allowable program purpose as outlined in the Consolidated Fiscal Reporting Manual. This funding is available immediately for New York City programs and available July 1, 2016 for programs in the Rest of the State.

This funding will be made available after the OASAS Practice Innovation and Care Management (PICM) Bureau has approved a site-specific Part 820 Conversion Plan. At that time PICM will notify OASAS' Division of Fiscal Administration to process a payment request to the Department of Health (DOH) Division of Health Care Financing (HCF). HCF will obtain approval to the Division of the Budget and upon approval process a payment via the Medicaid Management Information System (MMIS). In order for MMIS to process payment, the provider will need to have a MMIS number.

While current Residential programs do not receive Medicaid, if the provider operates any OASAS program that receives Medicaid the MMIS number of the Medicaid-eligible program can be used to for the payment. The provider must then adjust their General Ledger to reflect the payment being made for the new Part 820 program. If a provider receives no Medicaid funding in any program, the payment request will be processed after the new Part 820 program receives its MMIS number.

Any questions should be directed the PICM mailbox at [PICM@oasas.ny.gov](mailto:PICM@oasas.ny.gov).

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