



**North Carolina Department of Health and Human Services
Division of Aging and Adult Services**

2101 Mail Service Center • Raleigh, North Carolina 27699-2101
Tel 919 733-3983 • Fax No. 919 733-0443

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Dennis W. Streets
Director

DAAS Administrative Letter No. 10-09

To: Adult Day Care/Adult Day Health Providers & Coordinators, Area Agency on Aging Directors, Adult Program Representatives, Program Compliance Representatives

From: Dennis W. Streets *Dennis W. Streets*

Subject: Unbundling of Transportation and Daily Care Rate for HCCBG Reimbursement and Addition of Two New ARMS Transportation Service Codes

Date: May 20, 2010

In 2001, the General Assembly amended G.S. 131D-6 regarding the provision of adult day care and made transportation an optional service. This amendment unbundled transportation for participants to and from the program from daily care and allowed adult day care providers the choice to provide and/or arrange for transportation to and from the program for participants. (See DOA Administrative Letter No. 03-11). The HCCBG reimbursement for daily care (adult day care and adult day health) and transportation was not unbundled in ARMS.

Currently, regardless if an adult day care provider provides and/or arranges transportation, an adult day care provider receives the current HCCBG transportation reimbursement rate (\$1.50 one way, \$3.00 round trip), the daily care rate and administrative costs as part of the calculated unit reimbursement rate.

Effective July 1, 2010, the transportation unit rate will be unbundled from the adult day care and adult day health unit rates in ARMS. The daily care rate for adult day care and adult day health will continue to be reimbursed through HCCBG using the same ARMS service codes: 030 and 155, respectively.

Participant transportation to and from the adult day program has its own ARMS service codes depending upon if the participant is an adult day care or adult day health participant. For adult day care participants, the transportation service code will be 031. For adult day health participants, the transportation service code will be 156. These two additional ARMS transportation service codes shall be used by providers who provide and/or arrange for participant transportation ONLY.

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The provider shall enter the appropriate ARMS transportation service code depending if the participant is an adult day care or adult day health participant. If a provider only provides and/or arranges participant transportation to OR from the program, the provider only shall seek reimbursement for 1 unit of transportation. If a provider provides and/or arranges participant transportation to AND from the program, the provider shall seek reimbursement for 2 units of transportation. The administrative costs may still be added in the daily rate as part of the cost of providing the service.

If a provider opts not to provide transportation or to accept the HCCBG transportation reimbursement rate, the provider SHOULD NOT enter either of the two new ARMS transportation service codes into ARMS to seek reimbursement. If a provider decides to provide transportation and to bill participants privately for transportation, this arrangement would not be billed to ARMS.

In reference to budgeting and the use of the 732a form, providers who provide and/or arrange for transportation and seek the HCCBG transportation reimbursement (\$1.50 each way, \$3.00 round trip) should include this calculation in their projected budgets.

The two new ARMS services codes added to the ARMS system that providers should use when seeking HCCBG transportation reimbursement are:

HCCBG transportation for an adult day *care* participant is: 031

HCCBG transportation for an adult day *health* participant is: 156

These new ARMS service codes and method to seek HCCBG transportation reimbursement for adult day care and adult day health clients will become effective July 1, 2010.

Please feel free to contact Heather Carter or Glenda Artis should you have any questions regarding this change via email at heather.carter@dhhs.nc.gov or glenda.artis@dhhs.nc.gov or via phone at 919-733-0440.