



**State of Louisiana**  
Department of Health and Hospitals  
Office of the Secretary

March 10, 2011

Mr. Bill Brooks  
Associate Regional Administrator  
Division of Medicaid & Children's Health  
DHHS/Centers for Medicare and Medicaid Services  
1301 Young Street, Room #833  
Dallas, Texas 75202

Re: Louisiana Title XIX State Plan Amendments and Waiver Applications  
Louisiana Behavioral Health Coordinated System of Care (CSoC)

Dear Mr. Brooks:

The State of Louisiana is undertaking the development of a behavioral health Coordinated System of Care (CSoC). In an effort to enhance service quality, facilitate access to care, and effectively manage costs, Louisiana proposes to restructure the current service delivery mechanisms by developing and implementing a comprehensive system for behavioral health services that will be a coordinated system of care. The comprehensive system of behavioral health services is designed to provide an array of Medicaid State Plan and home and community-based waiver services to:

- all eligible children and youth in need of mental health and substance abuse care;
- adults with serious and persistent mental illness or co-occurring disorders of mental illness and substance use; and
- at-risk children and youth with significant behavioral health challenges or co-occurring disorders in or at imminent risk of out-of-home placement.

This comprehensive service delivery model is being developed in conjunction with the Louisiana Department of Children and Family Services, the Louisiana Department of Education, and the Louisiana Office of Juvenile Justice.

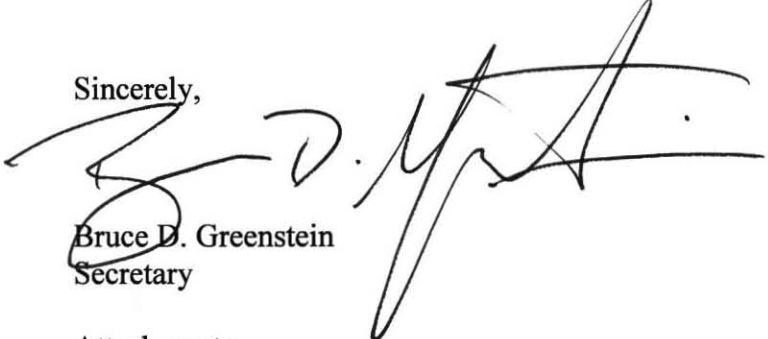
We are requesting that the following Medicaid State Plan Amendments and Medicaid Waiver Applications with a proposed effective date of January 1, 2012 be considered by CMS as a package in order to implement the coordinated system of care.

1. LA SPA TN 11-09 CSoC State Plan Compliance
2. LA SPA TN 11-10 CSoC EPSDT Other Licensed Practitioner and Rehabilitation including Substance Abuse Rehabilitation changes for adults and children

3. LA SPA TN 11-11 CSoC School Based Services
4. LA SPA TN 11-12 CSoC Psychiatric Residential Treatment Facilities
5. LA SPA TN 11-12 CSoC 1915(i) Adult Behavioral Health Services
6. LA.29.00.00 1915c waiver which will provide mental health services to severely emotionally disturbed children who meet a hospital or nursing facilities level of care. These services will also include independent living and skills building, short term respite, peer support, psycho-education, and crisis stabilization.
7. LA 28.00.00 1915b waiver which will provide for the following: Statewide Management Organization to implement the state plan amendments and waivers; substance abuse treatment for adults; physician consultations with treating mental health professionals; services as identified in the 1915c waiver for children who do not meet the criteria for that waiver, but would be institutionalized if unable to receive these services.

We appreciate the assistance of the CMS regional and central staff as we begin this process.

Sincerely,

  
Bruce D. Greenstein  
Secretary

Attachments

**Bobby Jindal**  
GOVERNOR



**Bruce D. Greenstein**  
SECRETARY

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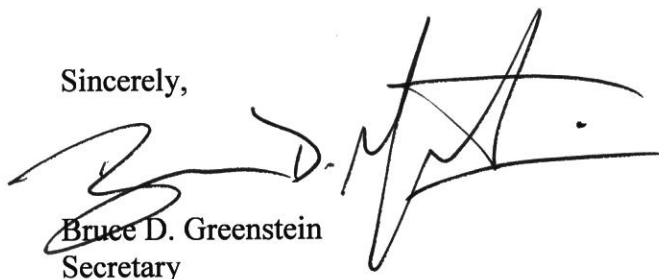
Re: Louisiana Title XIX State Plan  
Transmittal No. 11-11

Dear Mr. Brooks:

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material. This amendment is part of the package to implement a behavioral health Coordinated System of Care (CSoc)

I recommend this material for adoption and inclusion in the body of the State Plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce D. Greenstein".  
Bruce D. Greenstein  
Secretary

Attachments

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

**11-11**

2. STATE

**Louisiana**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

**January 1, 2012**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

**42 CFR 440.60, 440.130, 440.40(b), 441 Subpart B  
42 CFR 447 Subpart B**

7. FEDERAL BUDGET IMPACT:

a. FFY **2012**

**\$10,177.60**

b. FFY **2013**

**\$13,358.10**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 3.1-A, Item 4b, Page 9h  
Attachment 4.19-B, Item 4b, Page  
Attachment 4.19-B, Item 13d, Page 5  
Attachment 4.19-B, Item 13d, Page 6  
Attachment 4.19-B, Item 13d, Page 7**

**Remove: Attachment 4.19-B, Item 13d, Page 5a  
Attachment 4.19-B, Item 13d, Page 7a**

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If Applicable):

**None (New Page)**

**None (New Page)**

**None (New Page)**

**Same (TN 05-34)**

**None (New Page)**

**Same (TN 10-19)**

**TN 95-46**

**TN 10-60**

10. SUBJECT OF AMENDMENT: **This amendment is part of the CSoC behavioral health service package. This amendment adds behavioral health services for children and youth to school based services, including expansion of services offered by licensed mental health professionals and rehabilitative services.**

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

**The Governor does not review state plan material.**

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

**Bruce D. Greenstein**

14. TITLE:

**Secretary**

15. DATE SUBMITTED:

**March 10, 2011**

16. RETURN TO:

**Don Gregory, Medicaid Director  
Department of Health and Hospitals  
628 N. 4<sup>th</sup> Street  
PO Box 91030  
Baton Rouge, LA 70821-9030**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

LOUISIANA TITLE XIX STATE PLAN

TRANSMITTAL #: 11-11

TITLE: CSoc School Based Services

EFFECTIVE DATE: January 1, 2012

FISCAL IMPACT:

Increase

Total Increase in Cost FFY		<u>2012</u>						
January 2012 - September 2012		9 months				=	\$16,000,000	
FFP (FFY		2012	) =	\$16,000,000	X	63.61%	=	<u><u>\$10,177,600</u></u>
Total Increase in Cost FFY		<u>2013</u>						
October 2012 - September 2013		12 months				=	\$21,000,000	
FFP (FFY		2013	) =	\$21,000,000	X	63.61%	=	<u><u>\$13,358,100</u></u>

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED  
LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND  
REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

Medical and Remedial Care and Services  
Item 4.b, EPSDT services (Cont'd)

Medicaid Behavioral Health Services provided in schools are services that are medically necessary and provided in schools to Medicaid recipients in accordance with an Individualized Education Program (IEP). Covered services include the following:

School based health services include covered Behavioral Health services, treatment, and other measures to correct or ameliorate an identified mental health or substance abuse diagnosis. Services are provided by or through a Local Education Agency (LEA) to children with or suspected of having disabilities, who attend public school in Louisiana. Assessment, diagnosis, and evaluation services, including testing, are services used to determine Individuals with Disabilities Education Act (IDEA) eligibility or to obtain information on the individual for purposes of identifying or modifying the health related services on the Individualized Education Plan (IEP). These services are not covered if they are performed for educational purposes (e.g. academic testing or are provided to an individual who as the result of the assessment and evaluation is determined not to be eligible under IDEA. Services must be performed by qualified providers as set forth in this State Plan Amendment and who provide these services as part of their respective area of practice (e.g., psychologist providing a behavioral health evaluation).

Service Limitations: Services provided in a school setting will only be reimbursed for recipients who are at least three years of age and under 21 years of age who have been determined eligible for Title XIX and IDEA, Part B services with a written service plan (an IEP) which contains medically necessary services recommended by a physician or other licensed practitioner of the healing arts, within the scope of his or her practice under state law. Medicaid covers §1905(a) medical services addressed in the IEP that are medically necessary that correct or ameliorate a child's health condition. Medicaid does not reimburse for social or educational needs or habilitative services. Medicaid covered services are provided in accordance with the established service limitations. A Local Education Agency may employ these licensed and unlicensed behavioral health practitioners if requirements under the IDEA are met. Individual practitioner requirements for the Medicaid qualifications and Department of Education Bulletin 746, Louisiana Standards for State Certification of School Personnel. must be met prior to an LEA billing for any services of a clinician under Medicaid.

Licensed Mental Health Practitioner (LMHP) 42 CFR 440.60 - Other Licensed Practitioners:

The following providers may provide behavioral health services in schools under IEPs under the EPSDT - Other Licensed Practitioners in Attachment 3.1-A, Item 4.b.

A licensed mental health practitioner (LMHP) is an individual who is licensed in the State of Louisiana to diagnose and treat mental illness or substance abuse acting within the scope of all applicable state laws and their professional license. A LMHP includes individuals licensed to practice independently:

- Medical Psychologists
- Licensed Psychologists
- Licensed Clinical Social Workers
- Licensed Professional Counselors
- Licensed Marriage and Family Therapists
- Licensed Addiction Counselors
- Advanced Practice Registered Nurses (must be a nurse practitioner specialist in Adult Psychiatric & Mental Health, and Family Psychiatric & Mental Health or a Certified Nurse Specialists in Psychosocial, Gerontological Psychiatric Mental Health, Adult Psychiatric and Mental Health, and Child-Adolescent Mental Health and may practice to the extent that services are within the APRN's scope of practice)

Rehabilitation Services 42 CFR 440.130(d):

Louisiana Certified School Psychologists and Counselors in a School Setting meeting the provider qualifications and providing services consistent with Community Psychiatric Support and Treatment (CPST) as outlined in rehabilitation services in EPSDT Rehabilitation in Attachment 3.1-A, Item 4.b, and Addiction Services in the rehabilitation in Attachment 3.1-A, Item 13.d.

STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

**Behavioral Health Services Provided by Local Education Agencies**

- (a) Medicaid Services Provided in Schools are services that are medically necessary and provided in schools to Medicaid recipients in accordance with an Individualized Education Program, (IEP). Covered services include the following as described in Attachment 3.1-A, Item 4b:
1. Other Licensed Practitioner Behavioral Health Services
  2. Rehabilitation Behavioral Health Services
- And Addiction Services in the rehabilitation section in Attachment 3.1-A, Item 13.d.

The interim payment to the Local Education Agencies for services listed above are based on the behavioral health fee schedule methodology as outlined in the Louisiana Medicaid Fee Schedule.

Summary of Payment Methodology

Final payment to each LEA is the lesser of: 1) number of units billed multiplied by \$100 (To be adjusted by DHH periodically per the Agency's fee schedule rate set as of January 1, 2012 and effective for services provided on or after that date. All rates are published on the agency's website at [www.lamedicaid.com](http://www.lamedicaid.com)) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (LEA) provider.

Each LEA shall determine cost annually by using DHH's Cost Report for Direct Service Cost (the Direct Service Cost Report) form as approved by CMS November 2005. Direct cost is limited to the amount of total compensation (salaries and fringe benefits) of current direct service providers as allocated to direct services for Medicaid special education recipients. The basis of allocation for direct compensation cost is DHH's Direct Services Time Study Methodology approved by CMS November 2005. This time study incorporates the CMS-approved Medicaid Administrative Claiming (MAC) methodology for direct service personnel and is used to determine the percentage of time direct service personnel spend on direct IDEA/IEP services and General and Administrative (G&A) time. There are no additional direct costs included in the rate. Indirect cost is derived by multiplying the cognizant agency indirect cost unrestricted rate assigned by the Department of Education to each LEA. There are no additional indirect costs included. The Direct Service Cost Report initially provides the total cost of all school based services provided regardless of payer. To determine the amount of direct services cost that may be attributed to Medicaid, the ratio of Medicaid covered students with IEPs to all students with IEPs is multiplied by total direct cost. Cost data is subject to certification by each parish. This serves as the basis for obtaining Federal Medicaid funding.

For each of the IDEA related school based services other than specialized transportation services, the participating LEAs' actual cost of providing the services will be claimed for Medicaid FFP based on the methodology described in the steps below. The State will gather actual expenditure information for each LEA through its Payroll/Benefits and Accounts Payable System. These costs are also reflected in the Annual Financial Report (AFR) that all LEAs are required to certify and submit to the Department of Education. All costs included in the amount of cost to be certified and used subsequently to determine reconciliation and final settlement amounts as well as interim rates are identified on the CMS approved Direct Services Cost Report and are allowed in OMB Circular A-87. The State also will use other LEA specific information including the general fund budget and FTE counts.

STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED

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Step 1: Develop Direct Cost-The Payroll Cost Base

Total annual salaries and benefits paid as well as contracted (vendor) payments are obtained initially from each LEA's Payroll/Benefits and Accounts Payable system. This data will be reported on DHH's Direct Services Cost Report form for all direct service personnel (i.e. all personnel providing LEA direct treatment services covered under the state plan).

Step 2: Adjust the Payroll Cost Base

The payroll cost base is reduced for amounts reimbursed by other funding sources (e.g. Federal grants). The payroll cost base does not include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. The application of Step 2 results in total adjusted salary cost.

Step 3: Determine the Percentage of Time to Provide All Direct Services

A time study which incorporates the CMS-approved Medicaid Administrative Claiming (MAC) methodology for direct service personnel is used to determine the percentage of time direct service personnel spend on direct IDEA/IEP services and General and Administrative (G&A) time. This time study will assure that there is no duplicate claiming. The G&A percentage is reallocated in a manner consistent with the CMS approved Medicaid Administrative Claiming methodology. Total G&A time is allocated to all other activity codes based on the percentage of time spent on each respective activity.

To reallocate G&A time to direct IDEA/IEP services, the percentage of time spent on direct IDEA/IEP services is divided by 100 percent minus the percentage of time spent on G&A. This will result in a percentage that represents the IDEA/IEP services with appropriate allocation of G&A. This percentage is multiplied by total adjusted salary cost as determined in Step 2 to allocate cost to school based services. The product represents total direct cost. A sufficient number of direct service personnel will be sampled to ensure results that will have a confidence level of at least 95 percent with a precision of plus or minus five percent overall.

Step 4: Determine Indirect Cost

Indirect cost is determined by multiplying each LEA's indirect unrestricted rate assigned by the cognizant agency (the Department of Education) by total adjusted direct cost as determined under Step 3. No additional indirect cost is recognized outside of the cognizant agency indirect rate. The sum of direct cost and indirect cost is total direct service costs for all students with an IEP.



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Step 5: Allocate Direct Service Cost to Medicaid.

To determine the amount of cost that may be attributed to Medicaid, total cost as determined under Step 4 is multiplied by the ratio of Medicaid recipients with an IEP to all students with an IEP. This results in total cost that may be certified as Medicaid's portion of school based services cost.

Step 6: Compare the amount of behavioral health services authorized and billed through the interim process to the cost of the services

Final payment to each LEA is the lesser of: 1) number of units billed multiplied by \$100 (To be adjusted by DHH periodically per the Agency's fee schedule rate set as of January 1, 2012 and effective for services provided on or after that date. All rates are published on the agency's website at [www.lamedicaid.com](http://www.lamedicaid.com)) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (LEA) provider.

If a provider's interim payments exceed the actual, certified costs for behavioral health Medicaid services provided in schools to Medicaid clients, the provider will remit the federal share of the overpayment at the time the cost report is submitted. BHSF will submit the federal share of the overpayment to CMS within 60 days of identification. If the actual, certified costs of a LEA provider exceed the interim payments, BHSF will pay the federal share of the difference of the lesser of 1) number of units billed multiplied by \$100 (To be adjusted by DHH periodically per the Agency's fee schedule rate set as of January 1, 2012 and effective for services provided on or after that date. All rates are published on the agency's website at [www.lamedicaid.com](http://www.lamedicaid.com)) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (LEA) provider, to the provider in accordance with the final actual certification agreement and submit claims to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

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For each of the IDEA related school based services other than specialized transportation services, the participating LEAs' actual cost of providing the services will be claimed for Medicaid FFP based on the methodology described in the steps below. The State will gather actual expenditure information for each LEA through its Payroll/Benefits and Accounts Payable System. These costs are also reflected in the Annual Financial Report (AFR) that all LEAs are required to certify and submit to the Department of Education. All costs included in the amount of cost to be certified and used subsequently to determine reconciliation and final settlement amounts as well as interim rates are identified on the CMS approved Direct Services Cost Report and are allowed in OMB Circular A-87. The State also will use other LEA specific information including the general fund budget and FTE counts.

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