

Bobby Jindal  
GOVERNOR



Bruce D. Greenstein  
SECRETARY

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

February 1, 2011

The Honorable Joel T. Chaisson, II, President  
Louisiana State Senate  
P.O. Box 94183, Capitol Station  
Baton Rouge, LA 70804-9183

The Honorable Jim Tucker, Speaker  
Louisiana State House of Representatives  
P.O. Box 94062, Capitol Station  
Baton Rouge, LA 70804-9062

The Honorable Kay Katz, Chairwoman  
House Health and Welfare Committee  
Louisiana State House of Representatives  
P.O. Box 44486, Capitol Station  
Baton Rouge, LA 70804-4486

The Honorable Willie L. Mount, Chairwoman  
Senate Health and Welfare Committee  
Louisiana State Senate  
P.O. Box 94183, Capitol Station  
Baton Rouge, LA 70804-9183

The Honorable Jim Fannin, Chairman  
Joint Legislative Committee on the Budget  
P.O. Box 44486, Capitol Station  
Baton Rouge, LA 70804-4486

Dear President Chaisson, Speaker Tucker, and Honorable Chairs:

In response to House Bill No. 1185 of the 2010 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to submit quarterly reports to the House and Senate Committees on Health and Welfare and the Joint Legislative Committee on the Budget regarding costs and other pertinent data for the New Opportunities Waiver, the Elderly and Disabled Adult Waiver, and the Long-Term Personal Care Services Program. R.S. 24:772 also requires that the report be submitted to the President of the Senate and the Speaker of the House.

DHH is available to discuss the enclosed report and recommendations with you at your convenience. Please contact Kathy Kliebert, DHH deputy secretary, at (225) 342-7092 or Lou Ann Owen, Medicaid Deputy Director, at (225) 342-9767 with any questions or comments you may have.

Sincerely,

Bruce D. Greenstein  
Secretary

Enclosures

Cc: The Honorable Members of the House Health and Welfare Committee  
The Honorable Members of the Senate Health and Welfare Committee  
The Honorable Members of the Joint Legislative Committee on the Budget  
David R. Poynter Legislative Research Library



**State of Louisiana**  
Department of Health and Hospitals  
Office of Management and Finance

**House Bill 1185/Act 305 – First Report – October 2010**

Previous quarter results, as reported in HCR 142 of the 2009 R.S., are included for comparison

- a) The number of recipients served in the Long-Term Personal Care Services program, the Elderly and Disabled Adults Waiver program, and the New Opportunities Waiver program, and the average annual cost per recipient served in each program.

Reporting Measure	Program	Report Date				
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10
Number of Recipients	EDA	3,856	3,568	3,568	3,758	3,908
	LTPCS	8,792	9,464	10,061	10,878	12,021
	NOW	6,372	6,516	6,811	6,919	7,046
Average annual cost per recipient	EDA	\$37,752	\$34,801	\$32,161	\$31,169	\$30,516
	LTPCS	\$21,035	\$18,262	\$18,407	\$18,751	\$18,575
	NOW	\$70,472	\$68,528	\$67,541	\$65,844	\$64,408

- b) The number of recipients in each program whose annual cost of services exceeds the average cost for that program.

Reporting Measure	Program	Report Date				
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10
Number of recipients whose cost exceeds program average	EDA	1,799	1,753	1,733	1,782	1,962
	LTPCS	2,527	4,755	5,144	5,754	6,476
	NOW*	2,754	2,895	2,946	2,965	2,989

*\*Current reductions in the average costs of plans have statistically affected the number of plans higher than the program average. This number is expected to decrease as more participants are added to the Resource Allocation plan program.*

- c) The number of recipients in each program whose annual service cost has increased from the previous year.
- EDA: Six hundred eighty-one (681) EDA participants had a cost increase between July 1, 2009 and June 30, 2010 compared to their previous year's plan. However, the average cost of plans completed during this time under resource allocation is 19% less than the average cost from the previous plan year.
  - LT-PCS (without EDA): Three thousand, one hundred and thirteen (3,113) LT-PCS participants had an increase between July 1, 2009 and June 30, 2010 compared to their previous year's plan. However, the average cost of 5,514

plans completed during this time under resource allocation is 13% less than the average cost from the previous plan year.

- NOW: Eight hundred forty-three (843) had a cost increase during this quarter as compared to their previous year's plan. However, the average cost of 3,039 plans completed since resource allocation began is \$12,276 less than the average cost of plans from the previous fiscal year. Currently, CPOC's are 18.11% less than the average cost of plans from the previous year.

d) The number of persons on waiting lists for each program.

Reporting Measure	Program	Report Date				
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10
EDA Waiting List		11,246	11,989	12,511	17,250	18,696
NOW Waiting List		9,287	9,263	9,440	9,372	9,453

e) The number of persons on waiting lists who are currently receiving services and the type of services they are receiving.

Reporting Measure	Receiving other HCBS	Report Date				
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10
The number of persons on the <b>EDA</b> waiting List who are currently receiving services and the type of services they are receiving	LTPCS	3,389	3,716	3,605	5,363	5,565
	ADHC	351	341	330	376	406
	NOW	47	47	41	47	86
	Supports	73	76	75	128	133
The number of persons on the <b>NOW</b> waiting List who are currently receiving services and the type of services they are receiving	LTPCS	272	210	212	208	196
	ADHC	28	22	23	15	16
	EDA	143	145	146	135	120
	Supports	1,191	1,208	1,265	1,184	1,157

f) The number of persons moved from an existing service to the New Opportunities Waiver and the additional cost or savings for each person.

TRANSFER PROGRAM TYPE	TOTAL TRANSFERS SFY 2008-2009	TRANSFERS THRU 1ST QTR SFY 2009-2010	TRANSFERS THRU 2ND QTR SFY 2009-2010	TRANSFERS THRU 3RD QTR SFY 2009-2010	TRANSFERS THRU 4TH QTR SFY 2009-2010	ESTIMATED ANNUAL SAVINGS/INCREASE
PRIVATE ICF/MR	89	9	30	46	67	-\$278,732
CHILDREN'S CHOICE	72	19	39	57	71	\$3,423,407
SUPPORTS WAIVER	179	69	169	217	254	\$13,027,660
NURSING HOME	14	2	2	3	5	\$107,885
SUPPORTS AND SERVICES CENTERS	25	4	10	13	42	-\$6,270,969
EDA & LT-PCS	27	10	21	31	39	\$1,147,575
ADHC & LT-PCS	2	0	1	1	1	\$39,357
<b>TOTAL</b>		113	272	368	479	\$11,196,183

#### CHART NOTES

1. As of June 30, 2010 851 persons have been certified into the New Opportunities Waiver (NOW) during state fiscal year 2009-2010.

2. 479 of these participants were previous recipients of the Medicaid programs listed above during the 2009-2010 state fiscal year.
  3. The savings/increase estimated is based on the average cost per recipient of each program as compared to the average cumulative 4<sup>th</sup> quarter average cost of the NOW.
  4. Average cost information in this comparison does not include acute care.
  5. The estimated increase in cost of \$11,196,183 above the previous program cost will be adjusted each quarter to reflect updated expenditures and plan information.
- g) The average cost of persons receiving services from both the Long Term Personal Care Services program and the Elderly and Disabled Adults Waiver program.
- Effective July 1, 2010 persons enrolled in Elderly and Disabled Adults Waiver receive personal assistant services under the waiver and no longer utilize Long Term Personal Care Services.
- h) The average cost for persons receiving services in privately operated nursing facilities and privately operated intermediate care facilities for persons with developmental disabilities.

Reporting Measure	Program	Report Date				
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10
Average annual cost of Institutional Services	NF	\$31,782	\$33,915	\$33,915	\$33,915	\$37,480
	ICFDD	\$62,305	\$64,476	\$64,130	\$64,468	\$64,302

*\*\* Changed the NF reporting in Oct'11 – using annualized monthly per capita expenditures\ a better comparison to CPOC cost*

- i) The number of waiver recipients whose cost of care exceeds the average cost of the services being waived.

Reporting Measure	Program	Report Date				
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10
The number of waiver recipients whose cost of care exceeds the average cost of the services being waived*	EDA	n/a	n/a	n/a	n/a	1,502
The number of waiver recipients whose cost of care exceeds the average cost of the services being waived***	NOW					2,948

*\* defined as the number of EDA\NOW recipients whose approved waiver costs exceed the Institutional average cost*

*\*\* as compared only to the cost of privately operated intermediate care facilities for persons with developmental disabilities*

**ACT No. 305**

Regular Session, 2010

HOUSE BILL NO. 1185

BY REPRESENTATIVE NOWLIN

AN ACT

To enact Part LXIX of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 40:1300.321 through 1300.323, relative to long-term care; to provide for legislative findings and purpose; to provide for definitions; to provide for certain reimbursements and procedures in the Medicaid state plan as it relates to long-term care services for the elderly, the disabled, and persons with developmental disabilities; to provide for promulgation of rules by the Department of Health and Hospitals; to provide for a date for promulgation of the rules by the Department of Health and Hospitals; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part LXIX of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, comprised of R.S. 40:1300.321 through 1300.323, is hereby enacted as follows:

PART LXIX. THE HOME-AND COMMUNITY-BASED

LONG-TERM CARE ACT

§1300.321. Legislative findings; purpose

A. The Legislature of Louisiana hereby finds that Medicaid currently spends in excess of seven hundred eighteen million dollars annually on a variety of home- and community-based programs to address the long-term care needs of our citizens who are elderly or have severely disabling conditions. These expenditures constitute in excess of sixteen percent of all Medicaid costs for health care services delivered by private providers.

B. Expenditures for Medicaid home- and community-based long-term care supports and services accounts for fifteen percent of the total growth of Medicaid spending in the past five years.

1           C. Despite the substantial financial commitment that the legislature has made  
2           to provide home- and community-based long-term care services, many Louisiana  
3           residents are still required to wait for years to receive the services they need.

4           §1300.322. Definitions

5           As used in this Part:

6           (1) "Adult with disability" means an individual who is twenty-one to sixty-  
7           four years of age and disabled according to Medicaid standards or the Social Security  
8           Administration's disability criteria.

9           (2) "Department" means the Department of Health and Hospitals or its  
10           successor in the role of designated state agency under Title XIX of the Social  
11           Security Act or any successor Act providing funding for medical care for the poor.

12           (3) "Elderly" means an individual who is sixty-five years of age or older.

13           (4) "Long-term care services" means the following services provided  
14           pursuant to Louisiana's approved Medicaid state plan for medical assistance:

15           (a) Long-term personal care services.

16           (b) Adult day health care waiver services.

17           (c) Children's Choice Waiver services.

18           (d) Elderly and Disabled Adult Waiver services.

19           (e) New Opportunities Waiver service.

20           (f) Supports waiver services.

21           (5) "Person with developmental disability" means an individual of any age  
22           who has a developmental disability as defined in R.S. 28:451.2(12).

23           (6) "State plan for medical assistance" means the plan promulgated by the  
24           department in accordance with its role as designated state agency under Title XIX  
25           of the Social Security Act or any successor Act providing funding for medical care  
26           for the poor.

27           §1300.323. Medical assistance programs

28           A. The department shall adopt rules and regulations in accordance with the  
29           Administrative Procedure Act with regards to the following:

1           (1) Taking actions necessary to complete implementation of the resource  
2           allocation models for the New Opportunities Waiver, the Elderly and Disabled  
3           Adults Waiver, and the Long-Term Personal Care Services program by July 1, 2012.

4           (2) Developing an objective formula to determine the staff needed to  
5           appropriately regulate and monitor the various home- and community-based  
6           programs to control fraud and abuse, to ensure program regulations are adhered to  
7           and services are delivered in a quality manner, and to report the department's  
8           findings.

9           (3) Changing the policy on the allocation of waiver slots so that the office  
10          for citizens with developmental disabilities and the office of aging and adult services  
11          may allocate all Centers for Medicare and Medicaid Services-approved waivers, such  
12          as Children's Choice, Supports, Residential Options and Adult Day Health Care,  
13          based upon individual need and cost-effectiveness, as long as individual needs are  
14          met with the alternative waivers.

15          (4) Developing and implementing a budget neutral pilot program in selected  
16          areas of the state for an integrated, coordinated, prepaid delivery model for long-term  
17          care services for the elderly and people with adult-onset disabilities.

18          (5) Submitting quarterly reports, the first report being submitted no later than  
19          October 1, 2010, to the House and Senate committees on health and welfare and the  
20          Joint Legislative Committee on the Budget. Each report shall include:

21               (a) The number of recipients served in the Long-Term Personal Care  
22               Services program, the Elderly and Disabled Adults Waiver program, and the New  
23               Opportunities Waiver program, and the average annual cost per recipient served in  
24               each program.

25               (b) The number of recipients in each program whose annual cost of services  
26               exceeds the average cost for that program.

27               (c) The number of recipients in each program whose annual service cost has  
28               increased from the previous year.

29               (d) The number of persons on waiting lists for each program.

- 1           (e) The number of persons on waiting lists who are currently receiving  
2           services and the type of services they are receiving.
- 3           (f) The number of persons moved from an existing service to the New  
4           Opportunities Waiver and the additional cost or savings for each person.
- 5           (g) The average cost of persons receiving services from both the Long-Term  
6           Personal Care Services program and the Elderly and Disabled Adults Waiver  
7           program.
- 8           (h) The average cost for persons receiving services in privately operated  
9           nursing facilities and privately operated intermediate care facilities for persons with  
10           developmental disabilities.
- 11           (i) The number of waiver recipients whose cost of care exceeds the average  
12           cost of the services being waived.
- 13           (j) Other pertinent data as requested by the committees.
- 14           B. The rules and regulations shall be promulgated no later than October 1,  
15           2010. The department shall also submit to the secretary of the United States  
16           Department of Health and Human Services the necessary revisions to the state plan  
17           for medical assistance and the various approved waivers that are necessary to  
18           conform those documents with the provisions of this Part.

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES

---

PRESIDENT OF THE SENATE

---

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_