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**LONG-TERM – PERSONAL CARE SERVICES (LT-PCS)
REIMBURSEMENT**

Providers must utilize the Health Insurance Portability and Accountability Act (HIPAA) compliant billing procedure code and modifier. (Refer to Appendix C in this manual chapter for information about procedure code, unit of service and current reimbursement rate).

Reimbursement must not be made for services provided prior to approval of the plan of care (POC) and release of prior authorization (PA) for these services.

Medicaid is the payer of last resort in accordance with federal regulation 42 CFR-433.139. Failure by the provider to exhaust all third party payer sources may subject the enrolled provider to recoupment of funds previously paid by Medicaid. Third parties include, but are not limited to, the following:

1. Private health insurance;
2. Casualty insurance;
3. Worker's compensation;
4. Estates;
5. Trusts;
6. Tort proceeds; and
7. Medicare.

The claim submission date cannot precede the date the service was rendered.

Long Term – Personal Care Services (LT-PCS) providers are reimbursed at a per quarter-hour (15 minutes) rate for services under a prospective payment system (PPS) that recognizes and reflects the cost of direct care services provided.

NOTE: Reimbursement for transportation during the delivery of LT-PCS services is not available. As a result, if a LT-PCS provider decides to provide transportation to the LT-PCS participants, they will not be reimbursed for transportation expenses.

Release of PA for LT-PCS is contingent on post authorization. Post authorization occurs through the Electronic Visit Verification (EVV) system. EVV is mandatory for LT-PCS. The EVV system

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requires use of the Louisiana Services Reporting System (LaSRS®) or another EVV system approved by the Bureau of Health Services Financing (BHSF) and the Office of Aging and Adult Services (OAAS). The system is to be used to electronically “check in” and “check out” when the LT-PCS worker begins and when they end service delivery to a participant.

While there may be some circumstances that require manual edits by the provider’s designee, these should only be occasional. In the event that there is a billing overlap, the provider that uses the EVV system correctly (i.e. data has not been manually added or edited) will have priority for payment.

Providers who are approved to provide services to more than one beneficiary under shared LT-PCS (through the Adult Day Health Care (ADHC) Waiver), must bill separately for each beneficiary based on their POC. Each beneficiary must be present to receive the shared service in order for the provider to bill for the service.

Span Date Billing

Claims cannot be span-dated for a specified time-period. Each line on the claim form must represent billing for a single date of service.

See Section 30.5 – *Service Authorization Process* of this manual chapter for details about when claims for LT-PCS may be filed.

Rate Methodology

A rate validation process will occur every 2 years, at a minimum, to determine the sufficiency of reimbursement rates. The rate validation process will involve the comparison of current provider reimbursement rates to reimbursement rates established using the Department’s reimbursement methodology.

1. The Department’s reimbursement methodology will establish an estimated reimbursement through the summation of the following 2 rate component totals:
 - a. Adjusted staff cost rate component; and
 - b. Other operational cost rate component.
2. The adjusted staff cost rate component will be determined in the following manner:

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- a. Direct service worker (DSW) wage expense, contract labor expense, and hours worked for reimbursable assistance services will be collected from the provider cost reports;
 - i. Collected wage and contract labor expense will be divided by collected hours worked, on an individual cost report basis, to determine a per hour labor rate for DSWs; and
 - ii. Individual cost report hourly labor rates will be aggregated for all applicable filed cost reports, outliers will be removed, and a simple average statewide labor rate will be determined.
- b. A blended DSW labor rate will be calculated by comparing the simple average statewide labor rate to the most recently available, as of the calculation of the Department's rate validation process, average personal care aide wage rate from the Louisiana Occupational Employment and Wages report for all Louisiana parishes published by the Louisiana Workforce Commission (or its successor);
 - i. If the simple average statewide labor rate is less than the wage rate from the Louisiana Occupational Employment and Wages report, a blended wage rate will be calculated using 50% of both wage rates; and
 - ii. If the simple average statewide labor rate is equal to or greater than the wage rate from the Louisiana Occupational Employment and Wages report, the simple average statewide labor rate will be utilized.
- c. An employee benefit factor will be added to the blended DSW wage rate to determine the unadjusted hourly staff cost;
 - i. Employee benefit expense allocated to reimbursable assistance services will be collected from provider cost reports;
 - ii. Employee benefit expense, on an individual cost report basis, will be divided by the cost report direct service wage and contract labor expense for reimbursable assistance services to calculate employee benefits as a percentage of labor costs;
 - iii. Individual cost report employee benefit percentages will be aggregated for all applicable filed cost reports, outliers will be

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removed, and a simple average statewide employee benefit percentage will be determined; and

- iv. The simple average statewide employee benefit percentage will be multiplied by the blended DSW labor rate to calculate the employee benefit factor.
 - d. The Department will be solely responsible for determining if adjustments to the unadjusted hourly staff cost are considered appropriate. Adjustments may be considered for items that are underrepresented or not represented in provider cost reports;
 - e. The unadjusted hourly staff cost will be multiplied by a productive hours adjustment to calculate the hourly adjusted staff cost rate component total. The productive hours adjustment allows the reimbursement rate to reflect the cost associated with DSW time spent performing required non-billable activities. The productive hours adjustment will be calculated as follows:
 - i. The Department will determine estimates for the amount of time a DSW spends performing required non-billable activities during an 8 hour period. Examples of non-billable time include, but are not limited to: meetings, substitute staff, training, wait-time, supervising, etc.;
 - ii. Total time associated with DSW non-billable activities will be subtracted from the 8 hours to determine DSW total billable time; and
 - iii. 8 hours will be divided by the DSW total billable time to calculate the productive hours' adjustment.
- 3. The other operational cost rate component will be calculated in the following manner:
 - a. Capital expense, transportation expense, other direct non-labor expense, and other overhead expense allocated to reimbursable assistance services will be collected from provider cost reports;
 - b. Capital expense, transportation expense, supplies and other direct non-labor expense, and other overhead expense, on an individual cost report basis, will be divided by the cost report direct service wage and contract

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labor expense for reimbursable assistance services to calculate other operational costs as a percentage of labor costs;

- c. Individual cost report other operational cost percentages will be aggregated for all applicable filed cost reports, outliers will be removed, and a simple average statewide other operational cost percentage will be determined; and
- d. Simple average other operational cost percentage will be multiplied by the blended DSW labor rate to calculate the other operational cost rate component.
- 4. The calculated department reimbursement rates will be adjusted to a one quarter hour unit of service by dividing the hourly adjusted staff cost rate component and the hourly other operational cost rate component totals by 4; and
- 5. The Department will be solely responsible for determining the sufficiency of the current reimbursement rates during the rate validation process. Any reimbursement rate change deemed necessary due to the rate validation process will be subject to legislative budgetary appropriation restrictions prior to implementation.