



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

March 27, 2013

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

Dear Mr. Brooks:

RE: Louisiana Title XIX State Plan
Transmittal No. 13-16

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material.

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

Sincerely,


Bruce D. Greenstein
Secretary

Attachments

LOUISIANA TITLE XIX STATE PLAN

TRANSMITTAL #: 13-16
 TITLE: Behavioral Health Services-Supplemental Payments
 EFFECTIVE DATE: January 20, 2013

FISCAL IMPACT:
Increase

	year		*# mos	range of mos.	state fiscal year years
1st SFY	2013		5.4	January 20 2013-June 2013	\$924,161
2nd SFY	2014		12	July 2013 - June 2014	\$2,115,302
3rd SFY	2015		12	July 2014 - June 2015	\$2,178,761

*#mos-Months remaining in fiscal year

Total Increase in Cost FFY 2013

State Fiscal Year 2013 \$924,161 for 5.4 months January 20 2013-June 2013 \$924,161
 Federal Fiscal Year

State Fiscal Year 2014 \$2,115,302 for 12 months July 2013 - June 2014
 Federal Fiscal Year \$2,115,302 / 12 X 3 July 2013 - September 2013 = \$528,826
\$1,452,987

FFP (FFY 2013)= \$1,452,987 X 65.51% = \$951,852

Total Increase in Cost FFY 2014

State Fiscal Year 2014 \$2,115,302 for 12 months July 2013 - June 2014
 Federal Fiscal Year \$2,115,302 / 12 X 9 October 2013 - June 2014 = \$1,586,477

State Fiscal Year 2015 \$2,178,761 for 12 months July 2014 - June 2015
 Federal Fiscal Year \$2,178,761 / 12 X 3 July 2014 - September 2014 = \$544,690
\$2,131,167

FFP (FFY 2014)= \$2,131,167 X 62.11% = \$1,323,668

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:

EPSDT Rehabilitation and Other Licensed Practitioner’s Behavioral Health Services

Methods and Standards for Establishing Payment Rates (cont)

New Therapeutic Group Homes and Change of Ownership of Existing Facilities

- A. Changes of ownership (CHOW) exist if the beds of a new owner have previously been certified to participate in the Medicaid program under the previous owner’s provider agreement. The acceptance of a CHOW will be determined solely by DHH. Reimbursement will continue to be based on the Medicaid reimbursement rate. The rate adjustment process will be determined using the previous owners cost report information for the applicable time periods.
- B. New providers are those entities whose beds have not previously been certified to participate in the Medicaid program. New providers will be reimbursed, depending on provider type, in accordance with the Therapeutic Group Home Unit of Service section of the State Plan.

Therapeutic Group Home Providers with Disclaimed Cost Reports or Non-Filer Status

- A. Providers with disclaimed cost reports are those providers that receive a disclaimer of opinion from the DHH audit contractor after conclusion of the audit process.
- B. Providers with non-filer status are those providers that fail to file a complete cost report in accordance with the Therapeutic Group Home (TGH) Cost Reporting Requirements section of the State Plan.
- C. Providers with disclaimed cost reports, or providers with non-filer status will not receive any additional reimbursement through the rate adjustment process. These providers will however be subject to the recoupment of Medicaid payments equal to the provider with the greatest recoupment of Medicaid payments in the State of Louisiana for the applicable fiscal year.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for the following behavioral health services provided to children/adolescents shall be reduced by 1.44 percent of the rates in effect on June 30, 2012:

- 1. Therapeutic services;
- 2. Rehabilitation services; and
- 3. Crisis intervention services.

Effective for dates of service on or after January 20, 2013, supplemental Medicaid payments for state-owned and operated behavioral health providers shall be made in accordance with the payment methodology as described under **Attachment 4.19-B, Item 13d, page 8.**

TN# _____
Supersedes
TN# _____

Approval Date _____

Effective Date _____

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:

SUPPLEMENTAL PAYMENTS:

A. Qualifying Criteria:

Effective for dates of service on or after January 20, 2013, providers of behavioral health services may qualify for supplemental payments for services rendered to Medicaid recipients. To qualify for the supplemental payment, the behavioral health provider must be:

- 1) licensed as necessary by the state of Louisiana;
- 2) enrolled as a Medicaid provider; and,
- 3) a government-owned and operated entity or a quasi-governmental entity.

B. Providers of the following services shall be eligible to receive supplemental payments:

- 1) providers furnishing services thru a Statewide Management Organization (SMO);
- 2) children's mental health services;
- 3) behavioral health services;
- 4) home and community-based waiver services;
- 5) psychiatric residential treatment facility services;
- 6) therapeutic group home services;
- 7) substance abuse services; and
- 8) local government juvenile justice programs.

C. Payment Methodology: The supplemental payment shall be calculated in a manner that will bring payments for these services up to the community rate level, as follows:

- 1) For purposes of these provisions, the community rate shall be defined as the rates paid by commercial payers for the same service.
- 2) The behavioral health provider shall periodically furnish satisfactory data for calculating the community rate as requested by the department.
- 3) The supplemental payment amount shall be determined by establishing a Medicare to community rate conversion factor for the behavioral health provider. At the end of each quarter, for each Medicaid claim paid during the quarter, a Medicare payment amount will be calculated and the Medicare to community rate conversion factor will be applied to the result. Medicaid payments made for the claims paid during the quarter will then be subtracted from this amount to establish the supplemental payment amount for that quarter.
- 4) The Medicare to community rate conversion factor shall be recalculated at least every three years.
- 5) The supplemental payments shall be made on a quarterly basis.

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STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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:

Supplemental Payments for Public-Private Partnerships

Effective for dates of service on or after November 1, 2012, the Department shall make supplemental Medicaid payments for inpatient psychiatric hospital services rendered by non-state privately or publicly owned hospitals that meet the following conditions.

1. Qualifying Criteria

The hospital must be a non-state privately or publicly owned and operated hospital that enters into a cooperative endeavor agreement with the Department of Health and Hospitals to increase its provision of inpatient Medicaid and uninsured psychiatric hospital services by:

- a. assuming the management and operation of services at a facility where such services were previously provided by a state owned and operated facility; or
- b. providing services that were previously delivered and terminated or reduced by a state owned and operated facility.

2. Reimbursement Methodology

Payments to qualifying hospitals shall be made on a quarterly basis in accordance with 42 CFR 447.272.

Supplemental Payments for State-Owned and Operated Behavioral Health Providers:

Effective for dates of service on or after January 20, 2013, supplemental Medicaid payments for state-owned and operated behavioral health providers shall be made in accordance with the payment methodology as described under **Attachment 4.19-B, Item 13d, page 8.**

TN# _____

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	<p>Section 1902(a)(3) of the Social Security Act 42 CFR 447.200, regarding payments and consistent with economy, efficiency and quality of care. Provider enrollment and retention will be reviewed periodically to ensure that access to care and adequacy of payments are maintained. The Medicaid fee schedule will be equal to or less than the maximum allowable under the same Medicare rate, where there is a comparable Medicare rate. Room and board costs are not included in the Medicaid fee schedule. Except as otherwise noted in the Plan, the State-developed fee schedule is the same for both governmental and private individual providers and the fee schedule and any annual/periodic adjustments to the fee schedule are published in (specify where published including website location). The Agency’s fee schedule rate was set as of March 1, 2012 and is effective for services provided on or after that date. All rates are published on the agency’s website at www.lamedicaid.com .</p> <p>The fee development methodology will primarily be composed of provider cost modeling, though Louisiana provider compensation studies, cost data and fees from similar State Medicaid programs may be considered, as well. The following list outlines the major components of the cost model to be used in fee development.</p> <ul style="list-style-type: none"> • Staffing Assumptions and Staff Wages • Employee-Related Expenses – Benefits, Employer Taxes (e.g., FICA, unemployment, and workers compensation) • Program-Related Expenses (e.g., supplies) • Provider Overhead Expenses • Program Billable Units <p>The fee schedule rates will be developed as the ratio of total annual modeled provider costs to the estimated annual billable units.</p> <p>Effective for dates of service on or after January 20, 2013, supplemental Medicaid payments for state-owned and operated behavioral health providers shall be made in accordance with the payment methodology as described under Attachment 4.19-B, Item 13d, page 8.</p> <p>B. Standards for Payment</p> <ol style="list-style-type: none"> 1. Providers must meet provider participation requirements including certification and licensure of agencies and clinic, 2. All services must be prior authorized and provided in accordance with the approved Plan of Care. 3. Providers must comply with all state and federal regulations regarding subcontracts.
<input type="checkbox"/>	<p>HCBS Clinic Services (whether or not furnished in a facility for CMI)</p>