

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

July 24, 2014

Our Reference: SPA LA 13-38

Ms. Ruth Kennedy, State Medicaid Director
Department of Health and Hospitals
Bienville Building
628 North 4th Street
Post Office Box 91030
Baton Rouge, LA 70821-9030

Attn: Darlene Budgewater
Jodie Hebert

Dear Ms. Kennedy:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 13-38. This State Plan Amendment (SPA) amends the provisions governing the reimbursement methodology for physician services covered under the Louisiana Behavioral Health Partnership (LBHP) to exclude certain procedure codes from the January 2013 Medicare rate changes due to federal sequestration.


Transmittal Number 13-38 is approved with an effective date of September 1, 2013 as requested. A copy of the HCFA-179, Transmittal No. 13-38 dated September 26, 2013 is enclosed along with the approved plan pages.

If you have any questions, please contact Ford Blunt III at ford.blunt@cms.hhs.gov or by phone at (214) 767-6381.

Sincerely,

Bill Brooks
Associate Regional Administrator

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: <div style="text-align: center;">13-38</div>	2. STATE <div style="text-align: center;">Louisiana</div>
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
		4. PROPOSED EFFECTIVE DATE <div style="text-align: center;">September 1, 2013</div>	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447, Subpart F		7. FEDERAL BUDGET IMPACT: a. FFY <u>2013</u> <u>\$0</u> b. FFY <u>2014</u> <u>\$0</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 4b, Page 3a Attachment 4.19-B, Item 13d, Page 4 Attachment 3.1-G, Page 43a Attachment 3.1-G, Page 44 Attachment 4.19-B, Item 13.d, Page 2 Attachment 3.1-G, Page 43		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Supersedes (TN 13-19) Supersedes (TN 13-19) Supersedes (TN 13-19) Pending (TN 13-16) Supersedes (TN 13-19) Supersedes (TN 13-19)	
10. SUBJECT OF AMENDMENT: The SPA proposes to amend the provisions governing the reimbursement methodology for physician services covered under the Louisiana Behavioral Health Partnership (LBHP) to exclude certain procedure codes from the January 2013 Medicare rate changes. due to federal sequestration.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review state plan material. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: J. Ruth Kennedy, Medicaid Director State of Louisiana Department of Health and Hospitals 628 N. 4th Street PO Box 91030 Baton Rouge, LA 70821-9030	
13. TYPED NAME: Kathy H. Kliebert		17. DATE RECEIVED: September 26, 2013 18. DATE APPROVED: July 24, 2014 <div style="text-align: center;">PLAN APPROVED – ONE COPY ATTACHED</div>	
14. TITLE: Secretary			
15. DATE SUBMITTED: September 26, 2013			
19. EFFECTIVE DATE OF APPROVED MATERIAL: September 1, 2013		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health	
23. REMARKS: The State request a pen and ink change to box 8 and box 9. Please see additional language added to Box 10 as per e-mail dated 7/9/14.			

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:

EPSDT Rehabilitation and Other Licensed Practitioner's Behavioral Health Services

Methods and Standards for Establishing Payment Rates

Reimbursements for services are based upon a Medicaid fee schedule established by the State of Louisiana.

The reimbursement rates for physician services rendered under the Louisiana Behavioral Health Partnership (LBHP) shall be a flat fee for each covered service as specified on the established Medicaid fee schedule. The reimbursement rates shall be based on a percentage of the Louisiana Medicare Region 99 allowable for a specified year.

Effective for dates of service on or after April 20, 2013, the reimbursement for behavioral health services rendered by a physician under the LBHP shall be 75 percent of the 2009 Louisiana Medicare Region 99 allowable for services rendered to Medicaid recipients.

Effective for dates of service on or after September 1, 2013, the reimbursement for procedure codes 90791, 90792, 90832, 90834, and 90837 shall be excluded from the January 2013 Medicare rate changes and shall remain at the Medicaid fee schedule on file as of December 31, 2012.

If a Medicare fee exists for a defined covered procedure code, then Louisiana will pay Psychologists and ARNPs at 80% of the LBHP physician rates. If a Medicare fee exists for a defined covered procedure code, then Louisiana will pay LCSWs, LPCs, LMFTs, and LAC's as well as qualified unlicensed practitioners delivering Community Psychiatric Support and Treatment at 70% of the LBHP physician rates.

Where Medicare fees do not exist for a covered code, the fee development methodology will build fees considering each component of provider costs as outlined below. These reimbursement methodologies will produce rates sufficient to enlist enough providers so that services under the Plan are available to individuals at least to the extent that these services are available to the general population, as required by 42 CFR 447.204. These rates comply with the requirements of 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 the *Louisiana Register*. 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.

TN# 13-38 Approval Date 07-24-14 Effective Date 09-01-13
Supersedes
TN# 13-19

State: Louisiana
Date Received: 09-26-13
Date Approved: 07-24-14
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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:

Substance Abuse Rehabilitation Health Services

Reimbursements for services are based upon a Medicaid fee schedule established by the State of Louisiana. The reimbursement rates for physician services rendered under the Louisiana Behavioral Health Partnership (LBHP) shall be a flat fee for each covered service as specified on the established Medicaid fee schedule. The reimbursement rates shall be based on a percentage of the Louisiana Medicare Region 99 allowable for a specified year.

Effective for dates of service on or after April 20, 2013, the reimbursement for behavioral health services rendered by a physician under the LBHP shall be 75 percent of the 2009 Louisiana Medicare Region 99 allowable for services rendered to Medicaid recipients.

Effective for dates of service on or after September 1, 2013, the reimbursement for procedure codes 90791, 90792, 90832, 90834, and 90837 shall be excluded from the January 2013 Medicare rate changes and shall remain at the Medicaid fee schedule on file as of December 31, 2012.

If a Medicare fee exists for a defined covered procedure code, then Louisiana will pay Psychologists and APRNs at 80% of the LBHP physician rates. If a Medicare fee exists for a defined covered procedure code, then Louisiana will pay LCSWs, LPCs, LMFTs, and LAC's as well as qualified unlicensed practitioners delivering substance abuse services at 70% of the LBHP physician rates.

Where Medicare fees do not exist for a covered code, the fee development methodology will build fees considering each component of provider costs as outlined below. These reimbursement methodologies will produce rates sufficient to enlist enough providers so that services under the Plan are available to individuals at least to the extent that these services are available to the general population, as required by 42 CFR 447.204. These rates comply with the requirements of 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 the Louisiana Register.

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Methods and Standards for Establishing Payment Rates

- 1. Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates):*

<input type="checkbox"/>	HCBS Case Management
<input type="checkbox"/>	HCBS Homemaker
<input type="checkbox"/>	HCBS Home Health Aide
<input type="checkbox"/>	HCBS Personal Care
<input type="checkbox"/>	HCBS Adult Day Health
<input type="checkbox"/>	HCBS Habilitation
<input type="checkbox"/>	HCBS Respite Care
	Other
	As described in Attachment 4.19 B, item 5. Reimbursement for Psychiatrists under Physician.
For Individuals with Chronic Mental Illness, the following services:	
<input type="checkbox"/>	HCBS Day Treatment or Other Partial Hospitalization Services
<input checked="" type="checkbox"/>	HCBS Psychosocial Rehabilitation
<p>The 1915(i) is being implemented concurrent with a 1915(b) waiver. Concurrent §1915(b)/§1915(i) authorities will utilize a capitated payment arrangement. The capitation will be described in the State's 1915(b) waiver and approved contract consistent with 42 CFR 438.6(c). The description below is the State Plan FFS reimbursement methodology on which capitation payments are based.</p> <p style="text-align: center;">A. State Plan Reimbursement Methodology</p> <p>Reimbursements for services are based upon a Medicaid fee schedule established by the State of Louisiana. The reimbursement rates for physician services rendered under the Louisiana Behavioral Health Partnership (LBHP) shall be a flat fee for each covered service as specified on the established Medicaid fee schedule. The reimbursement rates shall be based on a percentage of the Louisiana Medicare Region 99 allowable for a specified year.</p> <p>Effective for dates of service on or after April 20, 2013, the reimbursement for behavioral health services rendered by a physician under the LBHP shall be 75 percent of the 2009 Louisiana Medicare Region 99 allowable for services rendered to Medicaid recipients.</p>	

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If a Medicare fee exists for a defined covered procedure code, then Louisiana will pay Psychologists and ARNP at 80% of the LBHP physician rates. If a Medicare fee exists for a defined covered procedure code, then Louisiana will pay LCSWs, LPCs, LMFTs, and LAC's as well as qualified unlicensed practitioners delivering substance abuse services at 70% of the LBHP physician rates as.

Where Medicare fees do not exist for a covered code, the fee development methodology will build fees considering each component of provider costs as outlined below. These reimbursement methodologies will produce rates sufficient to enlist enough providers so that services under the Plan are available to individuals at least to the extent that these services are available to the general population, as required by 42 CFR 447.204. These rates comply with the requirements of 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.

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.

- 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.
	HCBS Clinic Services (whether or not furnished in a facility for CMI)

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STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

<u>CITATION</u>	<u>Medical and Remedial</u>
42 CFR	Care and Services
447.304	Item 13.d (cont'd.)
440.130	

II. Rehabilitation Services for Mental Illness

A. Reimbursement Methodology

The reimbursement methodology is based on a comparative survey of rates paid in several other states for similar behavioral health services with an adjustment made for economic factors in Louisiana.

The reimbursement rates for physician services rendered under the Louisiana Behavioral Health Partnership (LBHP) shall be a flat fee for each covered service as specified on the established Medicaid fee schedule. The reimbursement rates shall be based on a percentage of the Louisiana Medicare Region 99 allowable for a specified year.

Effective for dates of service on or after April 20, 2013, the reimbursement for behavioral health services rendered by a physician under the LBHP shall be 75 percent of the 2009 Louisiana Medicare Region 99 allowable for services rendered to Medicaid recipients.

Effective for dates of service on or after September 1, 2013, the reimbursement for procedure codes 90791, 90792, 90832, 90834, and 90837 shall be excluded from the January 2013 Medicare rate changes and shall remain at the Medicaid fee schedule on file as of December 31, 2012.

Each service provided to a qualified recipient will be reimbursed on a fee-for-service basis. Reimbursement shall be determined in accordance with the published Medicaid fee schedule and shall be applicable statewide to all MHR providers. Reimbursement for providers of Community Supports services are reimbursed as follows: Master's level practitioners are paid 100% of fee on file, and non-Master's level practitioners are paid 60% of the fee on file. Reimbursement for providers of Medication Management services are reimbursed as follows: Psychiatrist is paid 100% of fee on file, APRN is paid 80%, and RN is paid 67%.

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