

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

January 27, 2014

Ms. Ruth Kennedy, Director
Bureau of Health Services Financing
Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 13-43

Dear Ms. Kennedy:

We have reviewed the proposed State plan amendment (SPA) to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 13-43. This amendment revises the methodology for public intermediate care facilities for the developmentally disabled (ICF/DD) to change the period of transition from 3 years to 4 years.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. Before we can continue processing this amendment, we need additional or clarifying information.

The regulation at 42 CFR 447.252(b) requires that the State plan include a comprehensive description of the methods and standards used to set payment rates. Section 6002 of the State Medicaid Manual explains further that the State plan must be comprehensive enough to determine the required level of Federal Financial Participation (FFP) and to allow interested parties to understand the rate setting process and the items and services that are paid through these rates. Further, since the plan is the basis for FFP, it is important that the plan's language be clear and unambiguous. Therefore, we have the following questions regarding TN 13-43:

FORM-179

1. Form 179 - Box 7: How was the federal budget impact for FFYs 2014 and 2015 determined? Please provide a detailed analysis of how this determination was made and provide supporting documentation of the calculation.

UPPER PAYMENT LIMIT (UPL)

2. Please submit an Upper Payment Limit (UPL) Demonstration for ICF/DD as per SMD letter #13-003. In November 2013, additional guidance on the other UPLs (clinic, physician, and ICF/MRs) was placed on the CMS web-site.

Please note that the State should also keep all source documentation on file for review. Please include a detailed narrative description of the methodology for calculating the upper payment limit in the funding questions.

STATE PLAN LANGUAGE

3. Please provide a list of ICF/DD facilities that will be affected by this change.
4. Please provide the most current copy of a CEA for public intermediate care facilities for the developmentally disabled (ICF/DD) for CMS review. Once we receive a copy we would like to schedule a conference call to discuss this amendment.
5. As discussed during the conference call held on January 16, please provide a summary document concerning the history of CEA arrangements, the transitional Medicaid rates, the funding arrangements, and the cost components.

Please note that CMS has concerns that such financial arrangements may meet the definition of non-bona fide provider donations as described in federal statute and regulations.

In accordance with our guidelines to State Medicaid Directors dated January 2, 2001, if we have not received the State's response to our request for additional information within 90 days from the date of this letter, we will initiate disapproval action on the amendment.

We are requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material. A new 90-day clock will not begin until we receive your response to this request.

Please submit your response to the following address:

Centers for Medicare and Medicaid Services
Division of Medicaid and Children's Health Operations
Dallas Regional Office
Attention: Bill Brooks
1301 Young Street, Suite 833
Dallas, Texas 75202

If you have any questions, please contact Tamara Sampson, of my staff, at (214) 767-6431 or by e-mail at Tamara.Sampson@cms.hhs.gov

Sincerely,

Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health Operations