

**Bobby Jindal**  
GOVERNOR



**Kathy H. Kliebert**  
SECRETARY

# State of Louisiana

Department of Health and Hospitals  
Bureau of Health Services Financing

**VIA ELECTRONIC MAIL ONLY**

March 19, 2015

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

**RE: LA SPA TN 14-0038 RAI Response  
ICF-ID Complex Care Reimbursements**

Dear Mr. Brooks:

Please refer to our proposed amendment to the Medicaid State Plan submitted under transmittal number (TN) 14-0038 with a proposed effective date of October 1, 2014. The purpose of this SPA is to amend the provisions governing the reimbursement methodology for intermediate care facilities for persons with intellectual disabilities (ICFs/ID) to establish reimbursement for complex care services provided to Medicaid recipients residing in private (non-state) ICFs/ID. We are providing the following additional information as requested in your RAI correspondence dated February 6, 2015.

## **UPPER PAYMENT LIMIT (UPL)**

1. Please submit an Upper Payment Limit (UPL) Demonstration for ICF/IID as per SMD letter #13-003. In November 2013, additional guidance on the other UPLs (clinic, physician, and ICF/IID) 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. The State responded to TN#14-0038 as follows:

*The state requests to use the same UPL demonstration binder and calculations submitted for the recently approved SPA TN 13-43.*

Please note CMS has concerns that there may not be enough room in the UPL demonstration to allow for the additional FFP of approximately \$2.8 million for

proposed plan amendments, LA 14-0038 and LA 14-0036. We reviewed the UPL demonstration calculation for SFY 2014, and it does not appear that there is enough room for the public ICF/IID and a small gap for the private ICF/IID.

Since the CMS-179 notes a positive federal impact for FFY 2015 and 2016, the State needs to provide an estimated UPL demonstration for SFY 2015.

Additionally, the State needs to provide assurance to CMS that the proposed plan amendments, LA 14-0038 and 14-0036, will not exceed the room available in their UPL demonstration. What additional monitoring efforts will the State implement to review the ICF/IID rates within the UPL?

**Response:**

**The attached projected UPL demonstration indicates that overall, Louisiana Medicaid is approximately \$30 million under the UPL threshold for intermediate care facility (ICF) payments. This demonstration indicates that in the public ICF program, the state is over the UPL by \$351,829; however, it represents less than one percent of total projected payments to the public ICFs. Also, the expenditures and payments are projections and this variance represents a small percentage of total payments.**

**The services included in LA SPA 14-0038 are only for private ICFs where there is the \$30 million gap between projected payments and projected UPL. The services are not going to be utilized nor reimbursed by Louisiana Medicaid to public ICFs, and this is the state's assurance that the proposed LA SPA 14-0038 will not exceed the room available in the 2015 UPL demonstration.**

**FUNDING QUESTIONS**

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local government entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:

- (i) a complete list of the names of entities transferring or certifying funds;
- (ii) the operational nature of the entity (state, county, city, other);
- (iii) the total amounts transferred or certified by each entity;
- (iv) clarify whether the certifying or transferring entity has general taxing authority; and,
- (iv) whether the certifying or transferring entity received appropriations (identify level of appropriations).

The State responded as follows:

*The state share is paid from the state general fund. CPEs and IGTs are not applicable.*

Please clarify if the State share is appropriated directly to the Medicaid Agency. Is the state share appropriated directly to the Sister Agency, Office for Citizen with Developmental Disabilities (OCDD) and does the Sister Agency transferred the state match funds to the Medicaid Agency?

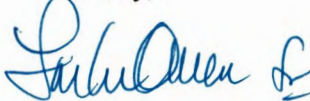
**Response:**

**The state share is directly appropriated to the Medicaid agency.**

Please consider this a formal request to begin the 90-day clock. We trust that this additional information will be sufficient to result in the approval of the pending plan amendment. We look forward to negotiating with CMS to ensure approval.

As always, we appreciate the assistance of Tamara Sampson in resolving these issues. If further information is required, you may contact Darlene A. Budgewater at [Darlene.Budgewater@la.gov](mailto:Darlene.Budgewater@la.gov) or by phone (225) 342-3881.

Sincerely,



J. Ruth Kennedy  
Medicaid Director

JRK/DAB/MVJ

Attachments (1)

c: Darlene Budgewater  
Ford Blunt  
Tamara Sampson