

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**

May 2, 2014

Our Reference: SPA LA 14-08

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

Attn: Darlene Adams  
Jodie Hebert

Dear Ms. Kennedy:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 14-08. The SPA proposes to revise the reimbursement methodology for school based health centers in order to increase the reimbursement rates for physical and occupational therapy.

Transmittal Number 14-08 is approved with an effective date of February 13, 2014 as requested. A copy of the HCFA-179, Transmittal No. 14-08 dated March 18, 2014 is enclosed along with the approved plan pages.

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

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks" followed by a flourish.

Bill Brooks  
Associate Regional Administrator

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

14-08

2. STATE

Louisiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

February 13, 2014

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.201, Subpart B

7. FEDERAL BUDGET IMPACT:

a. FFY 2014      \$80.37  
b. FFY 2015      \$131.73

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B Item 4b, Page 1  
Attachment 4.19-B Item 4b, Page 1a  
Attachment 4.19-B Item 4b, Page 1b

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (*If Applicable*):

Same (TN 08-26)  
Same (TN 04-16)  
Same (TN 04-16)

10. SUBJECT OF AMENDMENT: **The SPA proposes to revise the reimbursement methodology for school based health centers in order to increase the reimbursement rates for physical and occupational therapy.**

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

The Governor does not review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Kathy H. Kliebert

14. TITLE:

Secretary

15. DATE SUBMITTED:

March 18, 2014

16. RETURN TO:

J. Ruth Kennedy, Medicaid Director  
State of Louisiana  
Department of Health and Hospitals  
628 N. 4<sup>th</sup> Street  
PO Box 91030  
Baton Rouge, LA 70821-9030

**FOR REGIONAL OFFICE USE ONLY**

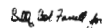
17. DATE RECEIVED: 18 March, 2014

18. DATE APPROVED: 2 May, 2014

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
13 February, 2014

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:  
Bill Brooks

22. TITLE: Associate Regional Administrator  
Division of Medicaid & Children's Health

23. REMARKS:

PAYMENT OF 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:

CITATION  
42 CFR  
447.201 and  
447.304

Medical and Remedial Care and Services Item 4.b.

Early and Periodic Screening, Diagnosis, and Treatment of Individuals under 21 Years of Age are Reimbursed as follows:

**I. Basic EPSDT Services**

Governmental and non-governmental providers are reimbursed the same rate except as otherwise noted in the State Plan and/or approved federal waivers. Fee schedules are published on the Louisiana Medicaid website at the following link: [http://www.lamedicaid.com/provweb1/fee\\_schedules/feeschedulesindex.htm](http://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm) unless stated in the State Plan.

- A. **Screening (Vision, Hearing, Dental, Medical) - Full and Interperiodic Screening** (including immunizations) is reimbursed according to a schedule of fees available in the EPSDT KidMed Provider Manual minus any third party coverage.
- B. **Consultation With Nurse, Dietitian, or Social Worker** is reimbursed according to a schedule of fees available in the EPSDT KidMed Provider Manual minus any third party coverage.
- C. **Reserved.**
- D. **Eyeglass Services** are reimbursed at the fee schedule for eyeglasses (including cataract eyeglasses and contact lenses) in effect for services provided on or after March 1, 2004.
- E. **Hearing Aid Services** are reimbursed at the lower of:
  - 1. the provider's actual charge for the services, or
  - 2. the allowable fee for similar services covered under the State Plan.
- F. **Rehabilitative Services** provided to recipients up to the age of three are reimbursed at the maximum allowable fee for occupational, physical, and speech therapy services according to the State's established schedule of fees available in the EPSDT Health Services Manual minus any third party coverage.

TN# 14-08  
Supersedes  
TN# 08-26

Approval Date 5/2/14  
Effective Date: 2/13/14

State: Louisiana  
Date Received: 3/18/14  
Date Approved: 5/2/14  
Date Effective: 2/13/14  
Transmittal Number: 14-08



PAYMENT OF 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 ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

**G. Rehabilitative School Based Health Services**

Local Education Agencies will only be reimbursed for the following IDEA services: audiology, speech pathology, physical therapy, occupational therapy, and psychological services. Services provided by Local Education Agencies to recipients age 3 to 21 that are medically necessary and included on the recipient's Individualized Education Plan (IEP) are reimbursed according to the following methodology.

Effective for dates of service on or after February 13, 2014, reimbursement for physical and occupational therapy services provided by school based health centers (Provider Type 38) shall be 85 percent of the 2013 Medicare published rate. The Medicare published rate shall be the rate in effect on February 13, 2014.

Speech/language therapy services shall continue to be reimbursed at the flat fee in place as of February 13, 2014 and in accordance with the Medicaid published fee schedule found on the Louisiana Medicaid website at the following link: [http://www.lamedicaid.com/provweb1/fee\\_schedules/feeschedulesindex.htm](http://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm)

**1. Special Rehabilitation Services Provided by Local Education Agencies**

Summary of Payment Methodology

Payment is based on the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (LEA) provider, which is the parish or city. Each LEA shall determine cost annually by using DHH's Cost Report for Direct Service Cost (the Direct Service Cost Report) form as approved by CMS November 2005. Direct cost is limited to the amount of total compensation (salaries and fringe benefits) of current direct service providers as allocated to direct services for Medicaid special education recipients. The basis of allocation for direct service compensation cost is DHH's Direct Services Time Study Methodology approved by CMS November 2005. This time study incorporates the CMS approved Medicaid Administrative Claiming (MAC) methodology for direct service personnel and is used to determine the

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

percentage of time direct service personnel spend on direct IDEA/IEP services and General and Administrative (G&A) time.

There are no additional direct costs included in the rate. Indirect cost is derived by multiplying the cognizant agency indirect cost unrestricted rate assigned by the Department of Education to each LEA. There are no additional indirect costs included. The Direct Service Cost Report initially provides the total cost of all school based services provided, regardless of payer. To determine the amount of direct services cost that may be attributed to Medicaid, the ratio of Medicaid covered students with IEPs to all students with IEPs is multiplied by total direct cost. Cost data is subject to certification by each parish. This serves as the basis for obtaining Federal Medicaid funding.

For each of the IDEA related school based services other than specialized transportation services, the participating LEAs' actual cost of providing the services will be claimed for Medicaid FFP based on the methodology described in the steps below. The State will gather actual expenditure information for each LEA through its Payroll/Benefits and Accounts Payable System. These costs are also reflected in the Annual Financial Report (AFR) that all LEAs are required to certify and submit to the Department of Education. All costs included in the amount of cost to be certified and used subsequently to determine reconciliation and final settlement amounts as well as interim rates are identified on the CMS approved Direct Services Cost Report and are allowed in OMB Circular A-87. The State also will use other LEA specific information including the general fund budget and FTE counts.

Step 1: Develop Direct Cost-The Payroll Cost Base

Total annual salaries and benefits paid as well as contracted (vendor) payments are obtained initially from each LEA's Payroll/Benefits and Accounts Payable system. This data will be reported on DHH's Direct Services Cost Report form for all direct service personnel (i.e. all personnel providing LEA direct treatment services covered under the state plan).

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