Bobby Jindal
GOVERNOR

Kathy H. Kliebert
SECRETARY

State of Louisiana

Department of Health and Hospitals
Office of the Secretary

VIA ELECTRONIC MAIL ONLY

May 15, 2014

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. 14-10

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,

Kathy H. Kliebert
Secretary

Approved for

Attachments (1)

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: **14-10**

2. STATE: **Louisiana**

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

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

4. PROPOSED EFFECTIVE DATE
April 1, 2014

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 Part 447 Subpart F

7. FEDERAL BUDGET IMPACT:
FFY **2014** **$ 660.60**
FFY **2015** **$1,349.47**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-D, Page 15

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Same (TN 06-26)

10. SUBJECT OF AMENDMENT: **The SPA proposes to revise the reimbursement methodology for intermediate care facilities for persons with intellectual disabilities (ICFs/ID) by increasing the provider fee to $16.25 per day.**

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:
Approved for

13. TYPED NAME:
Kathy H. Kliebert

14. TITLE:
Secretary

15. DATE SUBMITTED:
May 15, 2014

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

FORM HCFA-179 (07-92)

LOUISIANA TITLE XIX STATE PLAN
TRANSMITTAL #: 14-10
TITLE: ICF-ID Provider Fee Increase
EFFECTIVE DATE: April 1, 2014

FISCAL IMPACT:
Increase

	year	% inc.		fed. match	*# mos	range of mos.	dollars
1st SFY	2014			62.11%	3	April 1, 2014 - June 2014	$523,937
2nd SFY	2015	3.0%		62.05%	12	July 2014 - June 2015	$2,158,620
3rd SFY	2016	3.0%		62.05%	12	July 2015 - June 2016	$2,223,379

*#mos-Months remaining in fiscal year

Total Increase in Cost FFY 2014

SFY	2014	$523,937	for	3	months	April 1, 2014 - June 2014		$523,937	
SFY	2015	$2,158,620	for	12	months	July 2014 - June 2015			
		$2,158,620	/	12 X 3		July 2014 - September 2014	=	$539,655	
								$1,063,592	
			FFP (FFY 2014) =			**$1,063,592 X 62.11%**	=		**$660,597**

Total Increase in Cost FFY 2015

SFY	2015	$2,158,620	for	12	months	July 2014 - June 2015			
		$2,158,620	/	12 X 9		October 2014 - June 2015	=	$1,618,965	
SFY	2016	$2,223,379	for	12	months	July 2015 - June 2016			
		$2,223,379	/	12 X 3		July 2015 - September 2015	=	$555,845	
								$2,174,810	
			FFP (FFY 2015)=			**$2,174,810 X 62.05%**	=		**$1,349,470**

Direct Care Floor

A facility wide direct care floor may be enforced upon deficiencies related to direct care staffing requirements noted during the Health Standards Section (HSS) annual review or during a complaint investigation in accordance with LAC 50:I.5501 et seq.

For providers receiving pervasive plus supplements and other client specific adjustments to the rate in accordance with Section 5b., the facility wide direct care floor is established at 94 percent of the per diem direct care payment, the pervasive plus supplement, and other client specific adjustments to the rate. The direct care floor will be applied to the cost reporting year in which the facility receives a pervasive plus supplement and/or client specific rate adjustment. In no case shall a facility receiving a pervasive plus supplement and/or client specific rate adjustment have total facility payments reduced to less than 104 percent of the total facility cost as a result of imposition of the direct care floor.

For facilities for which the direct care floor applies, if the direct care cost the facility incurred on a per diem basis is less than the appropriate facility direct care floor, the facility shall remit to the Bureau the difference between these two amounts times the number of facility Medicaid days paid during the cost reporting period. This remittance shall be payable to the Bureau upon submission of the cost report.

Upon completion of desk reviews or audits, facilities will be notified by the Bureau of any changes in amounts due based on audit or desk review adjustments.

3. Rate Determination

Resident specific per diem rates are calculated based on information reported on the cost report. The rates are based on cost components appropriate for an economic and efficient ICF/ID providing quality service. The resident per diem rates represent the best judgment of the State to provide reasonable and adequate reimbursement required to cover the costs of economic and efficient ICFs/ID.

The cost data used in setting base rates will be from the latest available audited or desk reviewed cost reports. The initial rates will be adjusted to maintain budget neutrality upon transition to the ICAP reimbursement methodology. To adjust to budget neutrality, at implementation, the Direct Care component is multiplied by 105% of the previously stated calculation. For rate periods between rebasing, the rates will be trended forward using the index factor.

For dates of service on or after October 1, 2005 a resident's per diem will be the sum of:

a. direct care per diem rate;
b. care related per diem rate;
c. administrative and operating per diem rate;
d. capital rate; and
e. provider fee.

Effective for dates of service on or after April 1, 2014, the add-on amount to each ICF/ID's per diem rate for the provider fee shall be increased to $16.15 per day.