

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

February 10, 2015

Our Reference: SPA LA 14-0027

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 14-0027. The state plan amendment changes the provisions governing the reimbursement methodology for Targeted Case Management (TCM) services provided to New Opportunities Waiver (NOW) recipients in order to adopt a payment methodology based on a flat monthly rate rather than 15-minute increments.

Transmittal Number 14-0027 is approved with an effective date of July 1, 2014 as requested. A copy of the HCFA-179, Transmittal No. 14-0027 dated August 22, 2014 is enclosed along with the approved plan pages.

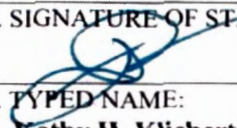
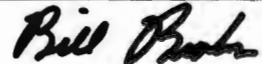
If you have any questions, please contact Ford Blunt III at ford.blunt@cms.hhs.gov or by phone at (214) 767-6381.

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, slightly slanted style.

Bill Brooks
Associate Regional Administrator

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-27	2. STATE Louisiana
FOR: HEALTH CARE FINANCING ADMINISTRATION		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 July 1, 2014	
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 447.201 and 447.302		7. FEDERAL BUDGET IMPACT: a. FFY 2015 \$0.00 b. FFY 2016 \$0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 19, Page 1 Attachment 4.19-B, Item 19, Page 1a Attachment 4.19-B, Item 19, Page 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 08-13) Same (TN 13-09) Same (TN 13-10)	
10. SUBJECT OF AMENDMENT: The purpose of this amendment is to amend the provisions governing the reimbursement methodology for Targeted Case Management (TCM) services provided to New Opportunities Waiver (NOW) recipients in order to adopt a payment methodology based on a flat monthly rate rather than 15-minute increments.			
11. GOVERNOR=S REVIEW (Check One): <input type="checkbox"/> GOVERNOR=S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR=S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review state plan material.	
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			
14. TITLE: Secretary			
15. DATE SUBMITTED: August 22, 2014			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: August 22, 2014		18. DATE APPROVED: February 10, 2015	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2014		20. SIGNATURE C 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health	
23. REMARKS:			

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 Medical and Remedial OPTIONAL TARGETED CASE MANAGEMENT SERVICES
42 CFR Care and Services
447.201 Item 19 (cont)
447.302

REIMBURSEMENT METHODOLOGY

Targeted case management services are reimbursed at a prospective rate for each approved unit of service provided to the recipient. The standard unit of service covers both service provision and overhead costs. Contacts are on a one-to-one basis between a case manager and a participant or between a case manager and others when this contact is for the benefit of the participant. All services must be prior authorized.

Reimbursement for Targeted Case Management is based on cost using an independent cost model approach to rate setting. In this approach, a model of the costs providers incur in delivering a particular service is constructed. In constructing the models, the primary cost drivers include the following:

- Direct service staff wages;
- Direct service staff employee related expenses (ERE);
- The productivity of direct service staff, i.e. the amount of a direct service staff's time in each workday that can be billed;
- Supervisory costs;
- Key Staff costs;
- Travel and office space costs;
- Program support costs; and
- Overhead expenses.

Case management agencies shall provide annual cost reports based on the state fiscal year, starting with the state fiscal year July 1, 2008 through June 30, 2009. Completed reports are due within 90 calendar days after the end of each fiscal year.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of case management and the fee schedule and any annual/periodic adjustments to the fee schedule are published on the agency's provider website at www.lamedicaid.com. The agency's fee schedule rate was set as of May 21, 2008 and is effective for services provided on or after that date. All rates are published on the agency's website.

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<u>CITATION</u>	Medical and Remedial	<u>OPTIONAL TARGETED CASE MANAGEMENT SERVICES</u>
42 CFR	Care and Services	
447.201	Item 19 (cont)	<u>REIMBURSEMENT METHODOLOGY (continued)</u>
447.302		

Payments made to targeted case management providers do not duplicate payments for the same or similar services furnished by other providers or under other authority as an administrative function or as an integral part of a covered service.

Reimbursement is not available for case management services that are furnished to recipients without charge by any other agency or entity. With the statutory exceptions of case management services included in Individualized Educational Programs (IEPs) or Individualized Family Service Plans (IFSPs) and services furnished through Title V public health agencies, payment for case management services cannot be made when another third party payor is liable, nor may payments be made for services for which no payment liability is incurred by the recipient.

Effective for dates of service on or after September 1, 2008 the reimbursement rate for targeted case management services rendered to infants and toddlers with special needs shall be increased by 25 percent of the rate in effect on August 31, 2008.

Effective for dates of service on or after February 1, 2009, the reimbursement for case management services provided to the following targeted populations shall be reduced by 3.5 percent of the rates on file as of January 31, 2009:

- New Opportunities Waiver (NOW) Recipients,
- HIV Disabled Individuals, and
- Nurse Family Partnership participants.

Effective for dates of service on or after July 1, 2012, the reimbursement for case management services provided to the following targeted populations shall be reduced by 1.5 percent of the rates on file as of June 30, 2012:

- 1) participants in the Nurse Family Partnership Program;
- 2) participants in the Early and Periodic Screening, Diagnosis, and Treatment Program;
- 3) individuals diagnosed with HIV; and
- 4) individuals with developmental disabilities who participate in the NOW.

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<u>CITATION</u>	Medical and Remedial	<u>OPTIONAL TARGETED CASE MANAGEMENT SERVICES</u>
42 CFR	Care and Services	
447.201	Item 19 (cont)	<u>REIMBURSEMENT METHODOLOGY (continued)</u>
447.302		

Effective for dates of service on or after February 1, 2013, the Department shall terminate Medicaid reimbursement of targeted case management services to first-time mothers in the Nurse Family Partnership Program.

Effective for dates of service on or after February 1, 2013, reimbursement shall not be made for case management services rendered to HIV disabled individuals.

Effective for dates of service on or after July 1, 2014, reimbursement for case management services provided to participants in the New Opportunities Waiver shall be reimbursed at a flat rate for each approved unit of service. The standard unit of service is equivalent to one month and covers both service provision and overhead costs.

The licensing regulations for Support Coordination stipulate that the providers must have monthly contact with participants.

State: Louisiana Date Received: August 22, 2014 Date Approved: February 10, 2015 Date Effective: July 1, 2014 Transmittal Number: 14-0027

TN# 14-27 Approval Date 02-10-2015 Effective Date 07-01-2014
Supersedes
TN# 13-10