

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**

---

November 12, 2014

**Our Reference: SPA LA 14-0027**

Ms. Ruth Kennedy, State Medicaid Director  
Department of Health and Hospitals  
628 North 4<sup>th</sup> St.  
P.O. Box 91030  
Baton Rouge, LA 70821-9030

Attention: Darlene Budgewater

Dear Ms. Kennedy:

We have reviewed your request to amend the Louisiana State Plan submitted under Transmittal No. 14-0027, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 22, 2014. This state plan amendment (SPA) changes the provisions governing the reimbursement methodology for Targeted Case Management (TCM) services provided to the New Opportunities Waiver (NOW) recipients in order to adopt a payment methodology based on a flat monthly rate rather than 15-minute increments.

We conducted our review of your submittal according to the applicable federal regulations and guidelines. Before we can continue processing this amendment, we need additional or clarifying information. Since the plan is the basis for Federal financial participation, it is important that the plan's language be clear and unambiguous. Therefore, we have the following questions/concerns regarding TN 14-0027.

*CMS sent an informal request for additional information (IRAI) to the State on October 14, 2014. Because the State has not answered our initial inquiries, those questions now comprise this formal request for additional information (RAI).*

**CMS-179 Issues**

1. Please explain how the state determined that there would be \$0 federal fiscal impact?

**Other Issues**

2. Who are the providers? Do the providers only perform case management services?
3. Will other state agencies be providing TCM services?

4. Will the rates be provider specific?
5. Will this payment methodology apply to all target groups?
6. Instead of just listing the primary cost drivers used in constructing the models of costs, please provide a definition for each of these cost drivers with an emphasis on explaining why the identified non-direct costs (i.e. overhead costs) should be incorporated into the rate.
7. The state is using the word “administrative” rather than “overhead” in describing costs to be included in the proposed rate. Please make this change.
8. What is the proposed monthly rate or range of monthly rates?

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

In accordance with our guidelines to all 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.

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

Sincerely,

Bill Brooks  
Associate Regional Administrator