



**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

**VIA ELECTRONIC MAIL ONLY**

September 27, 2016

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. 16-0021

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.

Warmly,

A handwritten signature in blue ink, appearing to read "Rebekah E. Gee".

Rebekah E. Gee MD, MPH  
Secretary

Attachments (3)

REG:JS:JH

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

**16-0021**

2. STATE

**Louisiana**

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

4. PROPOSED EFFECTIVE DATE

**September 1, 2016**

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 Subpart C**

7. FEDERAL BUDGET IMPACT:

a. FFY **2016**

**\$8,948.65**

b. FFY **2017**

**\$8,544.41**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 4.19-D, Page 9.a.**

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 PAGE NUMBER OF THE SUPERSEDED PLAN  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

**Same (TN 13-15)**

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to amend the provisions governing nursing facilities reimbursement to include the provider fee increase in the nursing facility pass through rate.**

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:

**Rebekah E. Gee MD, MPH**

14. TITLE:

**Secretary**

15. DATE SUBMITTED:

**September 27, 2016**

16. RETURN TO:

**Jen Steele, Medicaid Director**

**State of Louisiana**

**Department of Health**

**1201 Capitol Access Road**

**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:

LA TITLE XIX SPA

TRANSMITTAL #: 16-0021

TITLE: Nursing Facilities - Pass Through Fee Increase

EFFECTIVE DATE: September 1, 2016

FISCAL IMPACT:  
Increase

year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY 2016				10 September 2016- June 2017	\$10,976,631
2nd SFY 2017	3.0%			12 July 2017- June 2018	\$13,567,116
3rd SFY 2018	3.0%			12 July 2018 - June 2019	\$13,974,129

\*#mos-Months remaining in fiscal year

Total Increase in Cost FFY 2016

SFY 2016 \$10,976,631 for 10 months September 2016- June 2017 \$10,976,631

SFY 2017 \$13,567,116 for 12 months July 2017- June 2018  
 \$13,567,116 / 12 X 3 = \$3,391,779  
 \$14,368,410

FFP (FFY 2016 ) = \$14,368,410 X 62.28% = \$8,948,646

Total Increase in Cost FFY 2017

SFY 2017 \$13,567,116 for 12 months July 2017- June 2018  
 \$13,567,116 / 12 X 9 = \$10,175,337

SFY 2018 \$13,974,129 for 12 months July 2018 - June 2019  
 \$13,974,129 / 12 X 3 = \$3,493,532  
 \$13,668,869

FFP (FFY 2017 )= \$13,668,869 X 62.51% = \$8,544,410



project will be determined by dividing the cost of the renovation/improvement project by the accumulated depreciation per bed of the facility's existing beds immediately before the renovation/improvement project. The equivalent number of new beds will be used to determine the weighted average age of all beds for this facility.

Major renovation/improvement costs must be documented through cost reports, depreciation schedules, construction receipts or other auditable records. Costs must be capitalized in compliance with the Medicare provider reimbursement manual in order to be considered in a major renovation/improvement project. The cost of the project shall only include the cost of items placed into service during a time period not to exceed the previous 24 months prior to a re-aging. Entities that also provide non-nursing facility services or conduct other non-nursing facility business activities must allocate their renovation cost between the nursing facility and non-nursing facility business activities. Documentation must be provided to the Department or its designee to substantiate the accuracy of the allocation of cost. If sufficient documentation is not provided, the renovation/improvement project will not be used to re-age the nursing facility.

Weighted average age changes as a result of replacements/ improvements and/or new bed additions must be requested by written notification to the Department prior to the rate effective date of the change and separate from the annual cost report. The written notification must include sufficient documentation as determined the Department. All valid requests will become part of the quarterly case-mix FRV rate calculation beginning January 1, 2007.

iv. Pass-Through Component of the Rate.

The nursing facility's per diem property tax and property insurance cost is determined by dividing the facility's property tax and property insurance cost during the base year cost reporting period by the facility's actual total resident days. These costs shall be trended forward from the midpoint of the facility's base year cost report period to the midpoint of the rate year using the index factor. The pass through rate is the sum of the facility's per diem property tax and property insurance cost trended forward plus the provider fee determined by the Department of Health and Hospitals.

Effective July 1, 2007, an add-on amount of \$8.02 shall be added to each facility's per diem rate in order to reimburse providers for Medicaid's share of the costs associated with payment of provider fees.

Effective March 1, 2013, an add-on amount of \$10.00 shall be added to each facility's per diem rate in order to reimburse providers for Medicaid's share of the costs associated with payment of provider fees.

Effective September 1, 2016, the pass through rate shall be increased as a result of the provider fee increase on nursing facility days from \$10.00 per day up to \$12.08 per day per occupied bed.