

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



NOV 04 2016

Mrs. Jen Steele, Director
Bureau of Health Services Financing
Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 16-0021

Dear Mrs. Steele:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 16-0021. This amendment proposes to revise the pass through component of the Nursing Facility reimbursement methodology to reflect the increase in provider fees. The Medicaid nursing facility provider fee increased from \$10.00 to \$12.08.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

Based upon the information provided by the State, Medicaid State plan amendment 16-0021 is approved effective September 1, 2016. We are enclosing the CMS-179 and the new plan page.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristin Fan". The signature is written in a cursive, flowing style.

Kristin Fan
Director

Enclosures

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.

State: Louisiana
Date Received: September 27, 2016
Date Approved: **NOV 04 2016**
Date Effective: September 1, 2016
Transmittal Number: 16-0021

TN 16-0021
Supersedes
TN 13-15

Approval Date **NOV 04 2016**

Effective Date 9-1-2016