

John Bel Edwards
GOVERNOR



Rebekah E. Gee MD, MPH
SECRETARY

State of Louisiana
Louisiana Department of Health
Office of the Secretary

VIA ELECTRONIC MAIL ONLY

August 14, 2017

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

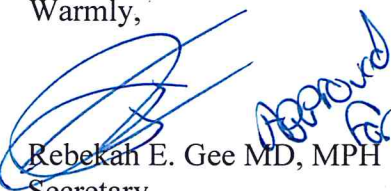
Dear Mr. Brooks:

RE: Louisiana Title XIX State Plan
Transmittal No. 17-0020

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,


Rebekah E. Gee MD, MPH
Secretary

Attachments (2)

REG:JS:MJ

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 17-0020	2. STATE Louisiana
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE July 1, 2017	

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 <u>2016</u> <u>\$0</u> b. FFY <u>2017</u> <u>\$0</u>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D, Page 9.a.(3) Attachment 4.19-D, Page 9.a.(4)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 15-23) None- New Page
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10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to suspend the provisions governing the reimbursement methodology for nursing facilities in order to impose provisions to ensure that the current rates in effect do not increase for the SFY 2018 rating period.**

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED **The Governor does not review state plan material.**
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Jen Steele, Medicaid Director State of Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030
13. TYPED NAME: Rebekah E. Gee MD, MPH	
14. TITLE: Secretary	
15. DATE SUBMITTED: August 14, 2017	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED:
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME:	22. TITLE:

23. REMARKS:

- ii. All costs and cost components that are required to be trended forward will only be trended forward to the midpoint of the 2015 state fiscal year (December 31, 2014).
- iii. The base capital per square foot value, land value per square foot, and per licensed bed equipment value utilized in the calculation of the fair rental value (FRV) component will be set equal to the value of these items as of July 1, 2014.
- iv. Base capital values for the Bed Buy-Back program purposes will be set equal to the value of these items as of July 1, 2014.
- v. Nursing facility providers will not have their weighted age totals for the FRV component calculation purposes increased by one year as of July 1, 2015.
- vi. As of the July 1, 2016 rate setting, nursing facility provider weighted age totals for the FRV component calculation purposes will be increased by two years to account for the suspended year of aging occurring as of the July 1, 2015 rating period.
- vii. No other provisions of the current nursing facility reimbursement methodology shall be suspended for this time period.
- viii. No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.

(15) Effective for the rate period of July 1, 2017 through June 30, 2018, the Department shall suspend the provisions currently governing the reimbursement methodology for nursing facilities and impose the following provisions governing reimbursements for nursing facility services.

- i. During this time period, no inflation factor will be applied to the base resident day weighted medians and prices calculated as of July 1, 2016.
- ii. All costs and cost components that are required to be trended forward will only be trended forward to the midpoint of the 2017 state fiscal year (December 31, 2016).
- iii. The base capital per square foot value, land value per square foot, and per licensed bed equipment value utilized in the calculation of the fair rental value component will be set equal to the value of these items as of July 1, 2016.
- iv. Base capital values for the Bed Buy-Back program purposes will be set equal to the value of these items as of July 1, 2016.
- v. Nursing facility providers will not have their weighted age totals for the FRV component calculation purposes increased by one year as of July 1, 2017.
- vi. As of the July 1, 2018 rate setting, nursing facility provider weighted age totals for the FRV component calculation purposes will be increased by two years to account for the suspended year of aging occurring as of the July 1, 2017 rating period.
- vii. No other provisions of the current nursing facility reimbursement methodology shall be suspended for this time period.

- d. All capitalized costs related to the installation or extension of supervised automatic fire sprinkler systems or two-hour rated walls placed in service on or after July 1, 2006 will be excluded from the renovation/improvement costs used to calculate the FRV to the extent the nursing home is reimbursed for said costs in accordance with section 6.