

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – NURSING FACILITY SERVICES AND INTERMEDIATE CARE FACILITY SERVICES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES

- (iii) Adjust payments for coverage difference between Medicare payment principles and Louisiana Medicaid payment principles; and
 - (iv) Calculating the differential between the calculated Medicare payments for Medicaid nursing facility residents, and Medicaid payments for those same residents.
- b. Calculating Medicaid rates using Medicare payment principles

~~With Medicare moving to the~~The prospective payment system (PPS), Medicare rates will be calculated based on Medicaid acuity data. The following is a summary of the steps involved:

- (i) ~~Using each resident's minimum data set assessment, the applicable RUG-III grouper code for Medicaid residents was identified. The applicable PDPM classification for Medicaid residents is identified using each resident's minimum data assessment. A frequency distribution full listing of Medicaid residents in each of the with the applicable Medicare RUG PDPM classification categories is then generated.~~

The resident minimum data set assessments will be from the most recently available minimum data set assessments utilized in Medicaid rate setting processes as of the development of the Medicaid supplemental payment calculation demonstration.

- (ii) ~~After the Medicaid resident frequency distribution was developed, rural~~Rural and urban rate differentials, ~~and~~and wage index adjustments, ~~and value-based purchasing adjustments~~and value-based purchasing adjustments will be used to adjust the Medicare rate tables for each component of PDPM after the Medicaid listing is developed. The non-therapy ancillary component of PDPM will be adjusted to exclude the estimated portion of payments related to pharmacy, laboratory, and radiology services based on a statewide percentage derived from Medicare cost report data to account for differences between what the Medicare PPS rate covers and what the Medicaid program reimburses. Medicare rate tables will be applicable to SFY periods.

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- a. Medicare rate tables will be established using information published in 42 CFR part 483 where available. Should the finalized Medicare rate tables for any portion of the applicable SFY period be unavailable, the most recent preliminary Medicare rate adjustment percentage published in the federal register available as of the development of the Medicaid supplemental payment calculation demonstration will be utilized as the basis of the Medicare rate for that portion of the SFY period.

- c. ~~The resulting Medicare rates are multiplied by the number of Medicaid residents in each RUG category, summed and then averaged. The Medicare rate tables applicable to each period of the SFY~~ Medicare rates for each Medicaid resident in the listing are calculated using the relevant Medicare rate tables for each period of the SFY and then averaged by nursing facility. The nursing facility's average rates are then pro-rated based on the length of active time of each Medicare rate table during the SFY. The calculated rate will be multiplied by an estimate of Medicaid paid claims days for the specified period. Medicaid paid claims days will be compiled from the state's Medicaid Management Information System's (MMIS) most recent 12 months, as of the development of the Medicaid supplemental payment calculation demonstration.

- c. Determining Medicaid payments for ~~Louisiana~~ Medicaid nursing facility residents

The most current Medicaid nursing facility reimbursement rates as of the development of the Medicaid supplemental payment calculation demonstration will be utilized. ~~These reimbursement rates will be multiplied by Medicaid paid claims compiled from the state's MMIS system from the most recent 12 months, as of the development of the Medicaid supplemental payment calculation demonstration, to establish total Medicaid per diem payments. Total calculated Medicaid payments made outside of the standard nursing facility per diem are summed with total Medicaid reimbursement~~

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from the per diem payments to establish total Medicaid payments. Payments made outside of the standard nursing facility per diem are reimbursement for the following services:

- (i) Specialized Care Services Payments – Specialized care services reimbursement is paid outside of the standard per diem rate as an add-on payment to the current facility per diem rate. The established specialized care add-on per diems will be multiplied by Medicaid paid claims for specialized care days compiled from the state’s MMIS system from the most recent 12 months, as of the development of the Medicaid supplemental payment calculation demonstration, to establish projected specialized care services payments for the applicable SFY.
- (ii) Home/Hospital Leave Day (Bed Hold) Payments – Allowable Medicaid Leave days were established using Medicaid paid claims days compiled from the state’s MMIS system from the most recent 12 months, as of the development of the Medicaid supplemental payment calculation demonstration. Allowable Medicaid Leave days will be multiplied by the most recent Medicaid Leave day quarterly reimbursement rates as of the of the Medicaid supplemental payment calculation demonstration to established projected Medicaid Leave day payments for the SFY.
- (iii) Private Room Conversion Payments – Private Room Conversion (PRC) Medicaid days will be established utilizing the most recently reviewed or audited Medicaid supplemental cost reports as of the development of the Medicaid supplemental payment calculation demonstration. The applicable cost reporting period information will be annualized to account for short year cost reporting periods. Allowable PRC Medicaid days will be multiplied by the PRC incentive payment amount of \$5 per allowable day to establish the total projected Medicaid PRC payments for the SFY.

~~d.—Adjusting for differences between Medicare principles and Louisiana Medicaid nursing facility residents~~

- ~~(i)—An adjustment to the calculation of the Medicaid supplemental payment limit will be performed to account for the differences in coverage between the Medicare PPS rate and what Louisiana Medicaid covers within the daily rate provided above. To accomplish this, an estimate~~

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~~will be calculated for pharmacy, laboratory, and radiology claims that were paid on behalf of nursing facility residents for other than their routine daily care. These estimates will then be added to the total calculated Medicaid payments.~~

~~e.d.~~ Calculating the differential between the calculated Medicare payments for Medicaid nursing facility residents, and Medicaid payments for those same residents

- (i) The total annual Medicaid supplemental payment will be equal to the individual NSGO nursing facility's differential between their calculated Medicare payments and the calculated ~~adjusted~~ Medicaid payments for the applicable SFY, as detailed in the sections above.

4. Frequency of Payments and Calculations

- a. The Medicaid supplemental payments will be reimbursed through a calendar quarter based lump sum payment. The amount of the calendar quarter lump sum payment will be equal to the SFY total annual Medicaid supplemental payment divided by four. The total annual Medicaid supplemental payment calculation will be performed for each SFY immediately following the July quarterly Medicaid rate setting process.

- 5. No payment under this section is dependent on any agreement or arrangement for provider or related entities to donate money or services to a governmental entity.