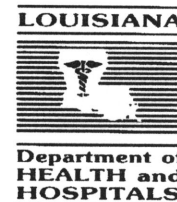




Kathleen Babineaux Blanco
GOVERNOR

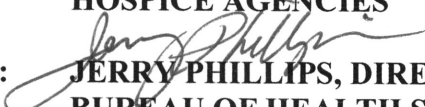
STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



Frederick P. Cerise, M.D., M.P.H.
SECRETARY

MEMORANDUM

TO: ADMINISTRATORS OF NURSING FACILITIES AND
HOSPICE AGENCIES

FROM:  JERRY PHILLIPS, DIRECTOR
BUREAU OF HEALTH SERVICES FINANCING

SUBJECT: REVISED REIMBURSEMENT RATES

DATE: June 4, 2007

Attached are revised rate calculations for your facility for payment of services for the months beginning February, 2007. This calculation reflects a \$4.70 wage enhancement per patient day to the facility specific direct care component (prior to the case-mix adjustment). This enhancement is included in the direct care component floor calculation and is therefore subject to cost settlement if not appropriately disbursed. It is the intent that this wage enhancement be paid to the direct care service worker as a salary increase. A minimum of \$1.50 per hour is to be paid to the Direct Care Worker in wages and the balance of \$2.00 per hour is to be used for associated wage taxes, insurance, and related benefits.

The February, 2007 rate is a "blended rate" due to the February 9th effective date of the rate increase. This blended rate was necessary in order to continue to account for the calculation of a full month reimbursement. For a full month: (Per Diem X 365 / 12 – Patient Liability = Monthly Payment). This rate was calculated taking the percentage of the eight days in February reimbursed at the old rate and the percentage of the twenty days in February with the new rate containing the direct care worker increase.

It should be noted that the rate includes \$.99 for Durable Medical Equipment and \$7.27 for the provider fee.

The Department will reprocess claims that have already paid for service dates February 9, 2007 through April, 2007 for your facility to receive the rate enhancement. Billing submitted for May, 2007 service dates will be paid with the wage enhancement increase included.

Administrators of Nursing Facilities and Hospice Agencies

June 4, 2007

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If additional information is required, please contact Kent Bordelon at (225) 342-6116.

JP: KB: bt

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|-----------------------------|---------------------------------|------------------------------|
| cc: Charles Castille | Ruth Kennedy | Medicaid Specialists |
| Kent Bordelon | Joseph Donchess | LTC Regional Managers |
| Karen Contrenchis | Linda Sadden | Kay Gaudet |
| Jerry Murray, HUD | Missy Peroyea, P & N | Hugh Eley |
| Bob Hicks | | |