



State of Louisiana

Louisiana Department of Health
Bureau of Health Services Financing

November 7, 2017

Mr. Brian Neale, Director
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850

Dear Mr. Neale:

RE: Section 1115 Demonstration Waiver Application for the Use of Institutions for Mental Disease in Medicaid Managed Care

The Louisiana Department of Health, Bureau of Health Services Financing, in collaboration with the Office of Behavioral Health, hereby resubmits the attached Section 1115 Demonstration Waiver Proposal to secure the authority to continue the use of Institutions for Mental Disease (IMDs) to provide mental health and substance use disorder residential treatment services to Medicaid enrollees in the Healthy Louisiana Medicaid Managed Care program.

In May 2016, new Medicaid managed care federal regulations were published which prohibited states from claiming federal financial participation for reimbursements to managed care organizations for Medicaid members who stay in an IMD for longer than 15 days during a month. The new regulations reversed what had been a long-standing viable approach to addressing the delivery of acute psychiatric and substance use disorder services in the most appropriate, cost-effective "in lieu of" setting. As a result of these regulations, Louisiana will be forced to utilize more limited and inappropriate settings that are less cost-effective than our system today—severely undermining our ability to address the opioid epidemic in Louisiana.

This Section 1115 Demonstration Waiver is being requested to ensure that Medicaid enrollees in need of acute psychiatric and substance use disorder treatment will continue to receive cost-effective services in an alternative setting that is most conducive to their treatment needs. It will allow Medicaid enrollees to continue accessing services in a setting that is dedicated to treating their specific needs and will promote access to high-quality, specialized care without adding costs to the federal

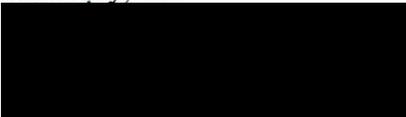
government. This alignment of clinical and financial strategies makes this Section 1115 Waiver proposal beneficial for both payers and recipients.

This application was originally submitted on August 15, 2017 and determined by CMS to be incomplete due to the initial expedited tribal notice of seven days (later extended to 30 days). Louisiana is resubmitting this application and respectfully requests an exception, as needed, from the normal public notice process under the authority at 42 CFR 431.416(g) so that CMS may immediately consider the application complete. We are requesting this exception as a result of the opioid epidemic public health emergency proclamation by the Acting Secretary of the U.S. Department of Health and Human Services. Delay would undermine or compromise the purpose of the Demonstration and be contrary to the interests of Louisiana's Medicaid enrollees. Timely review and approval of Louisiana's 1115 Demonstration Waiver Application is critical to helping Louisiana address the opioid epidemic in our State.

The Department respectfully requests CMS' expeditious review and approval of this waiver proposal for individuals in need of mental health and substance use disorder treatment no later than January 31, 2018. We look forward to working with CMS to develop a sustainable program that will provide high quality, cost-effective care for Healthy Louisiana enrollees.

Should you have any questions concerning this waiver application, please contact me or Karen Stubbs, Deputy Assistant Secretary of the LDH Office for Behavioral Health, who is the program officer responsible for this Section 1115 Waiver Demonstration application. I can be reached at (225) 342-9240 or by email to Jen.Steele@la.gov. Ms. Stubbs can be reached at (225) 342-1435 or by email to Karen.Stubbs@la.gov.

Sincerely,



for Jen Steele
Medicaid Director
Louisiana Department of Health

JS/DAB

c: Bill Brooks
Dee Adams Budgewater
James Hussey, MD
Cheryl Rupley
Karen Stubbs

Enclosures [4]



Section 1115 Demonstration Waiver Proposal For the Use of Institutions for Mental Diseases in Medicaid Managed Care

Submitted by the

Louisiana Department of Health
Bureau of Health Services Financing and the
Office of Behavioral Health

Submitted August 15, 2017

LOUISIANA MEDICAID 1115 DEMONSTRATION PROPOSAL FOR THE USE OF INSTITUTIONS FOR MENTAL DISEASE IN MEDICAID MANAGED CARE

I. SUMMARY

The Louisiana Department of Health (LDH) is requesting an 1115 Demonstration Waiver to continue using Institutions for Mental Diseases (IMDs) as a cost-effective, alternative setting for individuals, ages 21-64, who receive state plan inpatient general hospital care for mental health services or substance use disorder (SUD) residential treatment in the Healthy Louisiana Medicaid managed care program. This proposal would ensure continued access to vital mental health and SUD treatment services.

The Demonstration would permit LDH, through our contracted Medicaid managed care organizations (MCOs), to continue to provide medically necessary mental health and SUD services in the most appropriate setting for the member, regardless of length of stay, in a manner that is most cost effective to state and federal taxpayers. Recent Medicaid managed care regulations impose new limitations and costs on LDH's use of IMDs as alternative settings for state plan behavioral health services. In Louisiana, these regulations will impede access to inpatient and residential mental health and SUD treatment services at a critical time in Louisiana's efforts to implement Medicaid behavioral health reform, and provide SUD treatment to confront Louisiana's opioid epidemic. If relief from these regulations is not provided through Section 1115 demonstration authority, the progress Louisiana has made to divert individuals from repeat, costly behavioral health admissions at general hospitals to more appropriate and cost-effective behavioral health treatment facilities will be reversed.

II. DESCRIPTION, GOALS, AND OBJECTIVES

Managed care as the foundation for behavioral health reform and expanded access in Louisiana.

Background

In 2009, Louisiana began a comprehensive initiative to restructure the array of services and the delivery system for mental health and SUD services to create a comprehensive, coordinated system of care for children and adults. Louisiana had not covered SUD services for adults since 2003. Inpatient psychiatric services for adults were largely provided through distinct-part psychiatric units of acute care hospitals, state hospitals (e.g., Charity Hospital), or long-term stays in rural general hospitals. There were limited options for outpatient, community-based mental health services, and there were high emergency room visit rates for behavioral health crises.

In 2012, the results of this initiative culminated in the launch of the Louisiana Behavioral Health Partnership (LBHP), including a capitated managed care delivery system for behavioral health services for adults. The LBHP was responsible for providing mental health and SUD services for adults, targeting the goal of improved models of care focused on supporting individuals in the community and home outside

of institutions, increasing outpatient mental health rehabilitation services, introducing a continuum of SUD services under the American Society of Addiction Medicine (ASAM) criteria, and deemphasizing the role of large institutions (large IMDs) in the delivery of covered services.

At the time, LBHP functioned as a “carve out” from the physical health capitated Medicaid managed care program. The LBHP program introduced evidence-based practices and SUD treatment under the ASAM levels of care for outpatient and residential treatment services to the Medicaid population. The LBHP program increased the use of community-based and non-hospital residential programs and inpatient hospitalizations were primarily reserved for situations in which there was a need for safety, stabilization, or acute detoxification. Medicaid began paying for medically necessary care in the community and in outpatient and non-hospital residential programs, and new hospital-based institutional care was diverted toward community-based care. The flexibility of a capitated managed care delivery system with respect to rate setting and provider network development allowed the LBHP (and eventually the Healthy Louisiana Medicaid MCOs) to appropriately treat individuals in the least restrictive environment and most cost-effective manner without regard to artificial policy constraints of bed size. Within this delivery system, IMDs continued to play a critical role in securing access to acute and crisis residential behavioral health services.

In 2014, LDH began planning for an integrated managed care model for physical and behavioral health. This model, named Healthy Louisiana (previously known as Bayou Health), has been in place since December 2015, and utilizes MCOs to deliver integrated physical and behavioral health services, including SUD services.

Since the inception of behavioral health managed care in 2012 under the LBHP, and later under Healthy Louisiana, LDH’s managed care contracts and capitation rate-setting methodology have permitted the MCOs to offer state plan-covered behavioral health services (inpatient psychiatric care and residential SUD services) in IMD settings regardless of the length of stay in lieu of providing those services in state-plan provider settings, as long as the use of the IMD setting was determined by LDH’s actuary to be a cost-effective alternative to the state-plan covered setting. This was permitted consistent with the Centers for Medicare & Medicaid Services’ (CMS) capitation rate-setting policy at the time and has been key to LDH’s ability, through our MCO partners and their network providers, to expand access to community-based residential treatment programs.

The Impact of the Medicaid Managed Care Final Rule on Healthy Louisiana

On May 6, 2016, CMS published a new Medicaid managed care regulation, reversing what had been long-standing capitation rate-setting policy on the use of IMDs as cost-effective “in lieu of” settings. Specifically, the rule prohibits LDH from claiming federal financial participation for a monthly capitation payment made by LDH to an MCO when a member’s stay in the IMD is longer than 15 days during the month. Prior to the rule, LDH could encourage MCOs to develop provider networks that included IMDs,

without regard to length of stay, in order to provide the access to cost-effective mental health and SUD services that had not been achieved in Medicaid fee-for-service.

The regulation also requires capitation rates to be developed using the higher cost of state plan settings, including costs of small rural general hospitals and State/Office of Behavioral Health hospitals, regardless of whether the MCO uses a network of providers that provide more cost-effective care in a less restrictive environment. Prior to the new regulation, LDH could encourage MCOs to use IMDs as a cost-effective alternative to a state plan-covered setting and the use of a cost-effective provider setting would be reflected in the capitation rates. Similarly, an MCO was financially motivated by LDH, for example, to encourage an individual to receive withdrawal management in the most cost-effective community setting (ASAM III.2-D¹) that was medically appropriate because those settings are more cost effective than acute detoxification in an inpatient setting. With the new regulations, if the detoxification is provided in a residential setting that has greater than 16 beds and qualifies as an IMD, the new regulations require the State to reprice the stay to reflect a more expensive and potentially less clinically appropriate inpatient withdrawal management setting. When smaller community settings (with less than 16 beds) are not available to MCO networks, the new regulations require the state and federal government to pay more through capitation rates than the cost of the most economic and efficient setting for the delivery of covered behavioral health services.

The goal of this Demonstration is to maintain critical access to cost-effective behavioral health services for Healthy Louisiana enrollees and continue the delivery system improvements for these services that began in 2012 to provide more coordinated and comprehensive mental health and SUD in Medicaid.

Implementing the limitations of the Medicaid managed care final rule has the potential to undo Louisiana's progress with behavioral health reform by reducing access to community-based residential treatment service providers, creating a critical access problem in the State for SUD services, and increasing costs to the state and federal governments. The infrastructure of the current Louisiana SUD residential program consists of several large residential treatment programs because Medicaid did not reimburse for SUD treatment prior to 2012 and, once Medicaid reimbursement began in 2012, CMS' long-standing policy for "in lieu of" services in capitation rate setting negated the need for Louisiana to encourage providers to build smaller facilities. There simply are not enough providers in the State with less than 16 beds to address the extent of the opioid epidemic in Louisiana, particularly since the State expanded Medicaid eligibility (effective July 1, 2016) and such services are available to more than 400,000 Expansion eligible individuals. Removing Medicaid funding at this juncture would cripple the State's ability to address the surge of behavioral health needs adequately. Over time, the State will work with providers to address the infrastructure

¹ Louisiana's Medicaid state plan was written prior to the release of the latest ASAM version. While the most recent version refers to ASAM 3.2 WM and withdrawal management, Louisiana's Medicaid state plan continues to use ASAM III.2-D and the term detoxification.

issues; however, those efforts are not an immediate solution to the very pressing and real behavioral health service and access needs of Louisiana's Medicaid population.

The goal of the Demonstration is also to avoid shifting Medicaid costs from an integrated Medicaid managed care delivery model to hospital uncompensated care costs eligible for reimbursement under IMD disproportionate share hospital funds.

III. ELIGIBILITY

Medicaid eligibility requirements will not differ from the approved Medicaid state plan.

IV. BENEFITS

Benefits will not differ from the approved Medicaid state plan. The Demonstration will permit LDH and its Medicaid managed care plans to provide state plan-approved mental health and SUD services to individuals 21-64 in IMDs as a cost-effective, alternative setting that helps ensure access to medically necessary mental health and SUD inpatient and residential treatment services. Louisiana's Medicaid state plan and Healthy Louisiana managed care contracts currently cover a full-range of community-based care designed to prevent institutionalization within the integrated program. The benefit package, developed over the past five years in close coordination and consultation with CMS and Substance Abuse and Mental Health Services Administration best practice guidelines includes outpatient and residential SUD treatment and withdrawal management, consistent with ASAM levels of care, community-based mental health evidence-based practices, and promising practices such as Assertive Community Treatment, Cognitive Behavioral Therapy, motivational interviewing, and multidimensional family therapy.

V. DELIVERY SYSTEM

The delivery system will continue to be the Healthy Louisiana Medicaid managed care program that utilizes capitated, Medicaid MCOs to provide state plan behavioral health services. Healthy Louisiana will continue to operate as approved in LDH's approved Section 1932(a) state plan authority for managed care and concurrent 1915(b) waiver.

VI. COST-SHARING

Cost sharing requirements under the demonstration will not differ from the approved state plan.

VII. HYPOTHESIS AND EVALUATION

The Demonstration will test whether providing flexibility and efficiency in Medicaid managed care to develop cost-effective, community-based provider network arrangements results in improved access to mental health and SUD services in Louisiana. The Demonstration will test a partnership with LDH, Medicaid MCOs, and

network providers to develop innovations in provider network design that overcome traditional barriers to access community-based residential treatment services and decrease inpatient hospitalization. This approach is particularly relevant given the needs of the Medicaid Expansion population, which has historically been underserved. Providing services in a less restrictive and more cost-effective setting for the SUD population is critical to the evolution of the State's behavioral health network. LDH proposes to evaluate the Demonstration's success as part of the mandatory Independent Assessment of the Healthy Louisiana Section 1915(b) waiver and will include an evaluation of:

- Decreased emergency department, outpatient and inpatient hospital setting utilization;
- Increased rates of initiation and engagement of alcohol and other drug dependence treatment;
- Increased initiation of follow-up after discharge from emergency department for mental health or alcohol or other drug dependence rates; and
- Reduced readmission rates for treatment.

VIII. LIST OF WAIVER AND EXPENDITURE AUTHORITIES

Waiver Authority

None. The waivers of freedom of choice and comparability are applied via the approved Section 1915(b) Healthy Louisiana waiver and approved Section 1932(a) State Plan.

Expenditure Authority

LDH is requesting expenditure authority under Section 1115 to claim as medical assistance the costs of services provided under a risk contract to eligible individuals ages 21-64 receiving cost-effective services or settings in lieu of state plan-covered services or settings as permitted under 42 CFR 438.3(e), but do not comply with 42 CFR 438.6(e) and 438.3(e)(2)(iv) insofar as 438.3(e)(2)(iv) requires compliance with 438.6(e). The State is requesting expenditure authority to continue to permit Medicaid MCOs to provide cost-effective substitute services and settings in lieu of state plan services and settings without regard to (1) the 15-day length of stay limit during a period of monthly capitation and (2) the requirement that the utilization of these substitute services be priced by the actuary at the cost of the same services delivered in state plan settings.

VIII. ESTIMATE OF EXPECTED INCREASE/DECREASE IN ANNUAL ENROLLMENT AND ANNUAL AGGREGATE EXPENDITURES

Medicaid expenditures and enrollment are not expected to change as a result of this Demonstration. Utilization of state plan-covered services provided in an IMD setting for individuals ages 21-64 will only be reflected in Medicaid capitation rates if LDH and its actuary determine the MCOs' use of IMDs is an appropriate, cost-effective substitute setting, consistent with 438.3(e)(2), and in accordance with current rate-setting

practices for in lieu of services. For purposes of capitation rate development, IMD utilization will continue to be priced at the lower cost effective service rates. Budget Neutrality: See attachment.

IX. PUBLIC NOTICE AND TRIBAL CONSULTATION

Summary of Public Comments

LDH received comments from two commenters at the public hearings and received 15 letters and emails of support, which can be found in Attachment B. All commenters were in support of the draft application. A summary of the feedback from commenters is provided below:

- The Medicaid managed care final rule has the potential to undo Louisiana's progress with behavioral health reform, increase costs, reduce access to community-based residential treatment providers, and leave Louisiana's residents and providers ill-equipped to face the opioid epidemic.
- Without the waiver, Louisiana may see disruptions to medically necessary services that will result in increased legal involvement, increased visits to the Emergency Department, and increased readmissions for treatment.
- The 15-day limit on inpatient stays at substance use treatment facilities that would be imposed without the 1115 waiver is extremely prohibitive for providers and creates a significant barrier to evidence-based care for Healthy Louisiana members with drug and alcohol addictions.
- The 1115 waiver will ensure that Louisiana Medicaid is able to maintain critical access to cost-effective behavioral health services for Healthy Louisiana enrollees.
- The 1115 waiver will continue the delivery system improvements that began under managed care in 2012 to provide a more coordinated and comprehensive Medicaid managed care program.
- The 1115 waiver will allow medically necessary behavioral health services to be provided in the most appropriate setting and in a manner that is most cost-effective to state and federal taxpayers.

Public Notice Process

Information on the 1115 Waiver application and copy of the public notice is available on LDH's website: <http://www.ldh.la.gov/index.cfm/subhome/18>

LDH published public notice in the eight major daily newspapers of the state on June 7, 2017. The draft application was posted on LDH's website on June 14, 2017 with comments accepted through July 14, 2017. The draft waiver application was discussed at the Quarterly Behavioral Health Integration Advocates Meeting on July 17, 2017 (which is open to the public, includes stakeholders, MCOs and LDH staff) and

communicated to stakeholders via three electronic mailing lists. LDH continues to present on the application to stakeholder groups and advocates.

Public hearings were held as described below, with telephonic access provided at the June 22 hearing:

June 16, 2017 at 10:30 a.m.
Central Louisiana State Hospital
Education Building
242 West Shamrock Street
Pineville, LA 71360

June 22, 2017 at 3:00 p.m.
Louisiana Department of Health
Bienville Building, Room 118
628 North Fourth Street
Baton Rouge, LA 70802
(Teleconference number 1-877-336-1828, then access code 1617132#)

Written comments on the Demonstration application were accepted through July 14, 2017 by 4:30 p.m. at the following addresses:

Jen Steele
Bureau of Health Services Financing
P.O. Box 91030
Baton Rouge, LA 70821-9030

Or via email to:

MedicaidPolicy@la.gov

Tribal Consultation

In compliance with the provisions of Louisiana's approved State Plan Amendment (TN 16-006) governing the tribal consultation process, LDH submitted notification to the state's four federally recognized tribal organizations, and Native American health clinic, of its intent to submit the Demonstration Waiver application to CMS for approval. The notification was sent via email on August 1, 2017 notifying the following entities of LDH's intent to submit the Section 1115 Demonstration Waiver proposal.

- Chitimacha Health Clinic Health & Human Services Director
- Chitimacha Tribe of Louisiana
- Tunica-Biloxi Tribe of Louisiana Health Director
- Coushatta Tribe of Louisiana Health Director
- The Jena Band of Choctaw Indians Health Director

As of the submission date of this waiver application, no comments have been received from the tribal organizations. LDH is expediting submission of the waiver proposal in accordance with the 7-day comment period approved in our Tribal Consultation SPA. LDH will continue to receive any comments from tribal organizations for 30 days from the date of the notice, through August 31, 2017. (Refer to Attachment C.)

Attachment A: Budget Neutrality

BUDGET NEUTRALITY - TOTAL COSTS

	Historical Data ¹				Base Year CY 2014 ³	Demonstration Period					Total Demo.	
	CY 2013	CY 2014	CY 2015	CY 2016 ²		SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022		
WITHOUT WAIVER												
MEG 1: I/P Psych and SUD Expenditures (Ages 21-64) - Non-Expansion	\$ 45,460,156	\$ 42,068,667	\$ 42,776,532	\$ 36,734,609	\$ 42,068,667	\$ 45,866,149	\$ 47,012,803	\$ 48,188,123	\$ 49,392,826	\$ 50,627,647	\$ 241,087,547	
MEG 2: I/P Psych and SUD Expenditures (Ages 21-64) - Expansion	\$ -	\$ -	\$ -	\$ 15,566,863	\$ 35,070,441	\$ 36,393,768	\$ 37,303,612	\$ 38,236,202	\$ 39,192,108	\$ 40,171,910	\$ 191,297,600	
Subtotal	\$ 45,460,156	\$ 42,068,667	\$ 42,776,532	\$ 52,321,472	\$ 77,139,108	\$ 82,259,917	\$ 84,316,415	\$ 86,424,325	\$ 88,584,933	\$ 90,799,557	\$ 432,385,147	
WITH WAIVER												
MEG 1: I/P Psych and SUD Expenditures (Ages 21-64) - Non-Expansion	\$ 45,460,156	\$ 42,068,667	\$ 42,776,532	\$ 36,734,609	\$ 42,068,667	\$ 45,866,149	\$ 47,012,803	\$ 48,188,123	\$ 49,392,826	\$ 50,627,647	\$ 241,087,547	
MEG 2: I/P Psych and SUD Expenditures (Ages 21-64) - Expansion	\$ -	\$ -	\$ -	\$ 15,566,863	\$ 35,070,441	\$ 36,393,768	\$ 37,303,612	\$ 38,236,202	\$ 39,192,108	\$ 40,171,910	\$ 191,297,600	
Subtotal	\$ 45,460,156	\$ 42,068,667	\$ 42,776,532	\$ 52,321,472	\$ 77,139,108	\$ 82,259,917	\$ 84,316,415	\$ 86,424,325	\$ 88,584,933	\$ 90,799,557	\$ 432,385,147	

Savings Under the Waiver	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Notes

- 1- Claims data used for Historical Data has runout through December 2016.
- 2- Medicaid expansion had an effective date of July 1, 2016. Therefore, the Expansion data in CY2016 only has 6 months of experience.
- 3- Medicaid Expansion amount based on annualized CY 2016 experience, including an estimate of incurred but not reported costs.

BUDGET NEUTRALITY - PMPiMS

	Historical Data ¹				Base Year CY 2014 ³	Demonstration Period						
	CY 2013	CY 2014	CY 2015	CY 2016 ²		SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022	Total Demo.	
WITHOUT WAIVER												
MEG 1: I/P Psych and SUD Expenditures (Ages 21-64) - Non-Expansion	\$ 16.88	\$ 15.24	\$ 13.69	\$ 11.89	\$ 15.24	\$ 16.62	\$ 17.03	\$ 17.46	\$ 17.89	\$ 18.34	\$ 17.47	
MEG 2: I/P Psych and SUD Expenditures (Ages 21-64) - Expansion	\$ -	\$ -	\$ -	\$ 8.56	\$ 9.63	\$ 10.00	\$ 10.25	\$ 10.50	\$ 10.76	\$ 11.03	\$ 10.51	
Subtotal	\$ 16.88	\$ 15.24	\$ 13.69	\$ 10.65	\$ 12.05	\$ 12.65	\$ 13.17	\$ 13.50	\$ 13.84	\$ 14.18	\$ 13.51	
WITH WAIVER												
MEG 1: I/P Psych and SUD Expenditures (Ages 21-64) - Non-Expansion	\$ 16.88	\$ 15.24	\$ 13.69	\$ 11.89	\$ 15.24	\$ 16.62	\$ 17.03	\$ 17.46	\$ 17.89	\$ 18.34	\$ 17.47	
MEG 2: I/P Psych and SUD Expenditures (Ages 21-64) - Expansion	\$ -	\$ -	\$ -	\$ 8.56	\$ 9.63	\$ 10.00	\$ 10.25	\$ 10.50	\$ 10.76	\$ 11.03	\$ 10.51	
Subtotal	\$ 16.88	\$ 15.24	\$ 13.69	\$ 10.65	\$ 12.05	\$ 12.65	\$ 13.17	\$ 13.50	\$ 13.84	\$ 14.18	\$ 13.51	
Savings Under the Waiver						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Notes

- 1- Claims data used for Historical Data has runout through December 2016.
- 2- Medicaid expansion had an effective date of July 1, 2016. Therefore, the Expansion data in CY2016 only has 6 months of experience.
- 3- Medicaid Expansion amount based on annualized CY 2016 experience, including an estimate of incurred but not reported costs.

Attachment B: Public Comments

Attachment C: Tribal Consultation

Darlene Budgewater

From: Darlene Budgewater
Sent: Tuesday, August 1, 2017 2:33 PM
To: Angela Martin; Carl Chapman; Karen Matthews; Kellye Smith; Mildred Darden; Paula Manuel
Cc: Brian Bennett; James Hussey; Karen Stubbs; Shuman, Stacey S. (CMS/CMCHO); Karen Barnes (LDH); Roberta Diaz; Jodie Hebert; Rosalynn Jones; Marjorie Jenkins
Subject: REVISED Tribal Notice of Louisiana Medicaid Waiver Activity (Section 1115 SUD Waiver Application)
Attachments: image2017-08-01-145125.pdf

Good afternoon:

Attached is a revised notification letter from the Medicaid Director's office regarding the submission of the Section 1115 Substance Use Disorder (SUD) Medicaid Demonstration Waiver. The Department wanted to ensure that our tribal partners were aware that, although we plan to expedite our submission of the new SUD Waiver application to the Centers for Medicare and Medicaid Services (CMS) for approval, we will accept feedback and comments on this waiver application until close of business on August 31, 2017. Any feedback received will be taken into consideration as we work with CMS to secure approval of the waiver application.

We apologize for any inconvenience the multiple email transmissions may have caused, but we thought it was important to send out a clarification as to our intent with this tribal notification.

Thank you for your continued support of the Louisiana Medicaid Program and the tribal consultation process.

Cordially,

Dee A. Budgewater
Deputy Director

Louisiana Department of Health (LDH)
Medicaid Policy, Benefits & Waiver Compliance Division

- Medicaid Policy & Compliance
- Administrative Rulemaking & State Plan Activity
- Benefits Management & Services
- Medicaid Fee Schedules and Coding
- Provider Manuals & Global Administrative Issues
- Medicaid Program Support & Waiver Compliance

628 North 4th Street – Room 772
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Cell: (225) 573-8343
Fax: (225) 376-4737
Darlene.Budgewater@LA.GOV



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John Bel Edwards
GOVERNOR



Rebekah E. Gee MD, MPH
SECRETARY

State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

VIA ELECTRONIC MAIL ONLY

August 1, 2017

Karen Matthews
Health and Human Services Director
Chitimacha Health Clinic
P.O. Box 640
Charenton, LA 70523

Angela Martin
Chitimacha Tribe of Louisiana
P. O. Box 640
Charenton, LA 70523

Mildred Darden, Clinic Office Supervisor
Chitimacha Tribe of Louisiana
P. O. Box 640
Charenton, LA 70523

Joey Barbry, Chairman
Carl Chapman, Health Director
Tunica-Biloxi Tribe of Louisiana
P. O. Box 1589
Marksville, LA 71351-1589

Lovelin Poncho, Chairman
Paula Manuel, Health Director
Coushatta Tribe of Louisiana
P. O. Box 818
Elton, LA 70532

Chief Beverly Cheryl Smith
Kellye Smith, Health Director
The Jena Band of Choctaw Indians
P. O. Box 14
Jena, LA 71342

Dear Tribal Contact:

RE: REVISED Notification of Section 1115 Medicaid Demonstration Waiver Application for Substance Use Disorder Services

In compliance with the provisions of the American Recovery and Reinvestment Act (ARRA) of 2009, the Louisiana Department of Health (LDH), Bureau of Health Services Financing is taking the opportunity to notify you of our intent to submit a waiver application to implement a Section 1115 Medicaid Demonstration Waiver for Substance Use Disorder Services. This waiver application may have an impact on your tribe.

The LDH Bureau of Health Services Financing and the Office of Behavioral Health, through collaborative efforts, currently utilize institutions for mental disease (IMDs) as an alternative setting to inpatient general hospitals for individuals, ages 21-64, who are in need of substance use disorder residential treatment in the Healthy Louisiana Medicaid Managed Care Program. Recently released federal Medicaid managed care regulations impose new limitations and costs on the Department's use of IMDs as alternative settings for State Plan behavioral health services.

Tribal Notice - Section 1115 SUD Waiver
August 1, 2017
Page 2

As a result of the aforementioned federal regulations, the Department intends to submit a waiver application to the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) to secure approval to implement a Section 1115 Medicaid Demonstration Waiver in order to continue using IMDs as an alternative setting to inpatient general hospitals for individuals, ages 21-64, who are in need of SUD residential treatment and enrolled in the Healthy Louisiana Program. Implementation of this Section 1115 Medicaid Demonstration Waiver is contingent upon CMS approval.

The SUD Waiver will allow the following:

- Diversion of individuals from costly behavioral health admissions at general hospitals to more appropriate and cost-effective behavioral health treatment facilities; and
- Provision of medically necessary services in the most appropriate setting for the member, regardless of the length of stay.

The Section 1115 SUD Waiver Application shall be posted to the LDH Office of Behavioral Health website and may be accessed at the following address:
<http://www.dhh.louisiana.gov/index.cfm/subhome/10>. A hard copy of the waiver application shall be made available upon request to the Department by email to MedicaidPolicy@la.gov, or by calling (225) 342-6843.

The Department requests feedback within seven days of the date of this notice, by **August 8, 2017**, to ensure an expedited submission to CMS; however, we will accept input from your tribal organization during the next 30 days, or until August 31, 2018. Please forward any comments you may have to Mrs. Karen H. Barnes via email to Karen.Barnes@la.gov or by postal mail to:

Louisiana Department of Health
Bureau of Health Services Financing
Medicaid Policy and Compliance
P.O. Box 91030
Baton Rouge, LA 70821-9030

Should you have additional questions about Medicaid policy, Mrs. Barnes will be glad to assist you. You may reach her by email or telephone at (225) 342-3881. Thanks for your continued support of the tribal consultation process.

Sincerely,



Jen Steele
Medicaid Director

JS:DAB

c: Brian Bennett
James Hussey, MD
Stacey Shuman
Karen Stubbs