

v. Adjustment to the Rate

Effective for dates of service on or after July 1, 2004, for state fiscal year 2005 and state fiscal year 2006, each private nursing facility's per diem case mix adjusted rate shall be reduced by \$0.85.

Effective for dates of service on or after July 1, 2005, for state fiscal year 2006 only, each private nursing facility's per diem case mix adjusted rate shall be reduced by \$2.99.

Effective for dates of service on or after January 1, 2006, the previous reduction of \$2.99 in each private nursing facility's per diem case mix adjusted rate is restored for the remainder of state fiscal year 2006.

In the event the Department is required to implement reductions in the nursing facility program as a result of a budget shortfall, a budget reduction category shall be created. This category shall reduce the statewide average Medicaid rate, without changing the established parameters, by reducing the reimbursement rate paid to each nursing facility using an equal amount per patient day.

- (1) Effective for dates of service on or after January 22, 2010, the case-mix adjusted nursing facility rate of each non-State nursing facility shall be reduced by \$1.95 per day (1.5 percent of the per diem rate on file as of January 21, 2010) until such time as the rate is rebased on July 1, 2010.
  - (2) Effective for dates of service on or after July 1, 2010, the per diem rate paid to non-state nursing facilities shall be reduced by an amount equal to 10.52 percent of the non-state owned nursing facilities statewide average daily rate in effect on June 30, 2010 until such time as the rate is rebased on July 1, 2010.
  - (3) Effective for dates of service on or after July 1, 2010, the per diem reimbursement for non-state nursing facilities shall be reduced by an amount equal to 4.8 percent of the non-state owned nursing facilities statewide average daily rate on file as of July 1, 2010 (as described in Attachment 4.19-D, §I.C.2.v (2)) until such time as the rate is rebased on July 1, 2010.
  - (4) Effective for dates of service on or after July 1, 2011, the per diem reimbursement for non-state nursing facilities, excluding the provider fee, shall be reduced by \$26.98 of the rate on file as of June 30, 2011 (as described in Attachment 4.19-D, §I.C.2.v.(3)) until such time as the rate is rebased on July 1, 2011.
- d. All capitalized costs related to the installation or extension of supervised automatic fire sprinkler systems or two-hour 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.

TN# 11-24  
Supersedes  
TN# 10-33

Approval Date NOV 21 2011

Effective Date 07-01-11

## **OS Notification**

**State/Title/Plan Number:** LA-11-24  
**Type of Action:** SPA Approval  
**Required Date for State Notification:** November 27, 2011  
**Fiscal Impact:** FY 2012 \$ 24,737,168 Federal Share

**Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment:** 0  
**Number of Potential Newly Eligible People:** 0  
**Eligibility Simplification:** No

**Provider Payment Increase:** Yes

**Delivery System Innovation:** No  
**Number of People Losing Medicaid Eligibility:** 0  
**Reduces Benefits:** No

**Detail:** The purpose of this amendment is to reduce the nursing facilities rate in effect on June 30, 2011 by \$26.98, followed by a rebasing of the rate effective July 1, 2011. The rebased rate for nursing facilities is based on the most recently audited nursing home cost reports which are then inflated from the mid-point of the cost report year to the mid-point of the rate year. The net fiscal impact is an increase of \$4.12 in the nursing facilities rate. The state provided satisfactory responses to the standard funding questions. In addition, the state demonstrated that the proposed changes comport with public process requirements at section 1902(a)(13)(A) of the Social Security Act and guidance identified in the State Medicaid Director letter issued on December 10, 1997. Funding for payments is from the "Louisiana Medicaid Trust Fund for the Elderly". The Medicaid Trust Fund for the Elderly was created as a permanent trust fund in the State Treasury by Act 143 of the 2000 First Extraordinary Legislative Session. The principal in the fund is not subject to appropriation except as specifically provided for in the Act. The Act specifically allows monies in the fund to be used as the source of state matching funds for the re-basing of nursing homes in accordance with the approved state Medicaid plan.

**Other Considerations:** We do not recommend the Secretary contact the governor.

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