

STATE OF LOUISIANA

- d. Each state-owned and operated facility's capital and ancillary costs will be paid on a "pass-through" basis.

The sum of the calculations for routine service costs and the capital and ancillary costs "pass-through" shall be the per diem rate for each state-owned and operated ICF/MR. The base year cost reports to be used for the initial calculations shall be the cost reports for the fiscal year ended June 30, 2002.

Effective for the dates on or after August 1, 2010, a transitional Medicaid reimbursement rate of \$302.08 per day per individual shall be established for a public ICF/DD community home that is transitioning to a private facility, provided that the community home meets the following criteria. The community home:

- a. shall have a fully executed Cooperative Endeavor Agreement (CEA) with the Office for Citizens with Developmental Disabilities for the private operation of the facility;
- b. shall have a high concentration of medically fragile individuals being served, as determined by DHH. For the purposes of these provisions, a medically fragile individual shall refer to an individual who has a medically complex condition characterized by multiple, significant medical problems that require extended care;
- c. incurs or will incur higher existing costs not currently captured in the private ICF/DD rate methodology; and
- d. shall have no more than six beds.

The transitional Medicaid reimbursement rate shall only be for the period of transition, which is defined as the term of the CEA or a period of three years, whichever is shorter. The transitional Medicaid reimbursement rate is all inclusive and incorporates the following cost components:

- a. direct care staffing;
- b. medical/nursing staff, up to 23 hours per day;
- c. medical supplies;
- d. transportation costs;
- e. administrative and operating costs; and
- f. the provider fee.

If the community home meets the above criteria and the individuals served require that the community home has a licensed nurse at the facility 24 hours per day, seven days per week, the community home may apply for a supplement to the transitional rate. The supplement to the rate shall not exceed \$25.33 per day per individual. The total transitional Medicaid reimbursement rate, including the supplement, shall not exceed \$327.41 per day per individual.

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The transitional rate and supplement shall not be subject to the following:

- a. inflationary factors or adjustments;
- b. rebasing;
- c. budgetary reductions; or
- d. other rate adjustments.

Effective July 1, 2011, the transitional rate for public facilities over 50 beds that are privatizing shall be restored to the rates in effect on January 1, 2009, for a six to eight bed facility.

2. Quasi-public facilities are reimbursed a facility specific prospective rate based on budgeted costs. Providers submit a projected budget for the state fiscal year beginning July 1. Rates are determined as follows:

- a. Determine each ICF/MR's per diem for the base year beginning July 1.
- b. Calculate the inflation factor using an average CPI index applied to each facility's per diem for the base year to determine the inflated per diem.
- c. Calculate the median per diem for the facilities' base year.
- d. Calculate the facility's routine cost per diem for the SFY beginning July 1 by using the lowest of the budgeted, inflated, or median per diem rates plus any additional allowances.
- e. Calculate the final approved per diem rate for each facility by adding routine costs plus any "pass through" amounts for ancillary services, provider fees, and grant expenses.
- f. Providers may request a final rate adjustment subject to submission of supportive documentation and approval by the DHH rate committee.

D. REIMBURSEMENT TO PRIVATE ICF/DD PROVIDERS

Private providers are reimbursed a per diem rate for each resident. Rates are calculated based on information reported on the cost report.

1. Definitions

- a. *Acuity Factor*—an adjustment factor which will modify the direct care portion of the Inventory for Client and Agency Planning (ICAP) rate based on the ICAP level for each resident.

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OS Notification

State/Title/Plan Number: LA-11-25

Type of Action: SPA Approval

Required Date for State Notification: November 27, 2011

Fiscal Impact: FY 2012 (\$ 857,067) Federal Share
FY 2013 (\$ 3,542,311) 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 Decrease: Yes

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: 0

Reduces Benefits: No

Detail: The purpose of this amendment is to revise the Medicaid reimbursement rate for a public over 50 bed intermediate care facility for persons with developmental disabilities (ICF/DD) that is transitioning to a private facility. Previously, the public ICF/DD rate was \$447.15 per day per individual. The new private rate is \$208.41 per day per individual which was the rate in effect on January 1, 2009 for private ICF/DDs. The facility is Arc of Acadiana.

The private provider agreed to provide services in Arc of Acadiana for three years at the private rate through the contractual arrangement. The Cooperative Endeavor Agreement (CEA) stipulates that the contractor is accountable for standards of performance to assure successful transition and the provision of quality care and services. The provider must submit monthly reports and adhere to State quality assurance processes. The agreement outlines the State's on-going monitoring processes and required provision of technical assistance and support to assist the provider in the achievement of defined outcomes. Additionally, the facility will be audited at least once during the three-year CEA. Audited cost reports will indicate if rates are sufficient. The State fully anticipates that if rates are inappropriate it will be detected through cost reports, audits, monitoring and technical assistance.

The state provided satisfactory responses to the standard funding questions and to the access to care questions. Tribal consultations

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