

Table of Contents

State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 14-08

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

May 2, 2014

Our Reference: SPA LA 14-08

Ms. Ruth Kennedy, State Medicaid Director
Department of Health and Hospitals
Bienville Building
628 North 4th Street
Post Office Box 91030
Baton Rouge, LA 70821-9030

Attn: Darlene Adams
Jodie Hebert

Dear Ms. Kennedy:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 14-08. The SPA proposes to revise the reimbursement methodology for school based health centers in order to increase the reimbursement rates for physical and occupational therapy.

Transmittal Number 14-08 is approved with an effective date of February 13, 2014 as requested. A copy of the HCFA-179, Transmittal No. 14-08 dated March 18, 2014 is enclosed along with the approved plan pages.

If you have any questions, please contact Ford Blunt III at ford.blunt@cms.hhs.gov or by phone at (214) 767-6381.

Sincerely,

A black rectangular redaction box covering the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-08	2. STATE Louisiana
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE February 13, 2014	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201, Subpart B		7. FEDERAL BUDGET IMPACT: a. FFY <u>2014</u> \$80.37 b. FFY <u>2015</u> \$131.73	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B Item 4b, Page1 Attachment 4.19-B Item 4b, Page 1a Attachment 4.19-B Item 4b, Page 1b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 08-26) Same (TN 04-16) Same (TN 04-16)	
10. SUBJECT OF AMENDMENT: The SPA proposes to revise the reimbursement methodology for school based health centers in order to increase the reimbursement rates for physical and occupational therapy.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review state plan material. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: J. Ruth Kennedy, Medicaid Director State of Louisiana Department of Health and Hospitals 628 N. 4th Street PO Box 91030 Baton Rouge, LA 70821-9030	
13. TYPED NAME: Kathy H. Kliebert			
14. TITLE: Secretary			
15. DATE SUBMITTED: March 18, 2014			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 18 March, 2014		18. DATE APPROVED: 2 May, 2014	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 13 February, 2014		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

PAYMENT OF MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION
42 CFR
447.201 and
447.304

Medical and Remedial Care and Services Item 4.b.

Early and Periodic Screening, Diagnosis, and Treatment of Individuals under 21 Years of Age are Reimbursed as follows:

I. Basic EPSDT Services

Governmental and non-governmental providers are reimbursed the same rate except as otherwise noted in the State Plan and/or approved federal waivers. Fee schedules are published on the Louisiana Medicaid website at the following link:

http://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm unless stated in the State Plan.

- A. **Screening (Vision, Hearing, Dental, Medical) - Full and Interperiodic Screening** (including immunizations) is reimbursed according to a schedule of fees available in the EPSDT KidMed Provider Manual minus any third party coverage.
- B. **Consultation With Nurse, Dietitian, or Social Worker** is reimbursed according to a schedule of fees available in the EPSDT KidMed Provider Manual minus any third party coverage.
- C. **Reserved.**
- D. **Eyeglass Services** are reimbursed at the fee schedule for eyeglasses (including cataract eyeglasses and contact lenses) in effect for services provided on or after March 1, 2004.
- E. **Hearing Aid Services** are reimbursed at the lower of:
 - 1. the provider's actual charge for the services, or
 - 2. the allowable fee for similar services covered under the State Plan.
- F. **Rehabilitative Services** provided to recipients up to the age of three are reimbursed at the maximum allowable fee for occupational, physical, and speech therapy services according to the State's established schedule of fees available in the EPSDT Health Services Manual minus any third party coverage.

TN# 14-08
Supersedes
TN# 08-26

Approval Date 5/2/14
Effective Date: 2/13/14

State: Louisiana
Date Received: 3/18/14
Date Approved: 5/2/14
Date Effective: 2/13/14
Transmittal Number: 14-08

PAYMENT OF MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

G. Rehabilitative School Based Health Services

Local Education Agencies will only be reimbursed for the following IDEA services: audiology, speech pathology, physical therapy, occupational therapy, and psychological services. Services provided by Local Education Agencies to recipients age 3 to 21 that are medically necessary and included on the recipient's Individualized Education Plan (IEP) are reimbursed according to the following methodology.

Effective for dates of service on or after February 13, 2014, reimbursement for physical and occupational therapy services provided by school based health centers (Provider Type 38) shall be 85 percent of the 2013 Medicare published rate. The Medicare published rate shall be the rate in effect on February 13, 2014.

Speech/language therapy services shall continue to be reimbursed at the flat fee in place as of February 13, 2014 and in accordance with the Medicaid published fee schedule found on the Louisiana Medicaid website at the following link:
http://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm

1. Special Rehabilitation Services Provided by Local Education Agencies

Summary of Payment Methodology

Payment is based on the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (LEA) provider, which is the parish or city. Each LEA shall determine cost annually by using DHH's Cost Report for Direct Service Cost (the Direct Service Cost Report) form as approved by CMS November 2005. Direct cost is limited to the amount of total compensation (salaries and fringe benefits) of current direct service providers as allocated to direct services for Medicaid special education recipients. The basis of allocation for direct service compensation cost is DHH's Direct Services Time Study Methodology approved by CMS November 2005. This time study incorporates the CMS approved Medicaid Administrative Claiming (MAC) methodology for direct service personnel and is used to determine the

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Supersedes
TN# 04-16

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

percentage of time direct service personnel spend on direct IDEA/IEP services and General and Administrative (G&A) time.

There are no additional direct costs included in the rate. Indirect cost is derived by multiplying the cognizant agency indirect cost unrestricted rate assigned by the Department of Education to each LEA. There are no additional indirect costs included. The Direct Service Cost Report initially provides the total cost of all school based services provided, regardless of payer. To determine the amount of direct services cost that may be attributed to Medicaid, the ratio of Medicaid covered students with IEPs to all students with IEPs is multiplied by total direct cost. Cost data is subject to certification by each parish. This serves as the basis for obtaining Federal Medicaid funding.

For each of the IDEA related school based services other than specialized transportation services, the participating LEAs' actual cost of providing the services will be claimed for Medicaid FFP based on the methodology described in the steps below. The State will gather actual expenditure information for each LEA through its Payroll/Benefits and Accounts Payable System. These costs are also reflected in the Annual Financial Report (AFR) that all LEAs are required to certify and submit to the Department of Education. All costs included in the amount of cost to be certified and used subsequently to determine reconciliation and final settlement amounts as well as interim rates are identified on the CMS approved Direct Services Cost Report and are allowed in OMB Circular A-87. The State also will use other LEA specific information including the general fund budget and FTE counts.

Step 1: Develop Direct Cost-The Payroll Cost Base

Total annual salaries and benefits paid as well as contracted (vendor) payments are obtained initially from each LEA's Payroll/Benefits and Accounts Payable system. This data will be reported on DHH's Direct Services Cost Report form for all direct service personnel (i.e. all personnel providing LEA direct treatment services covered under the state plan).

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Supersedes
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