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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 14-27

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

February 10, 2015

Our Reference: SPA LA 14-0027

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 Budgewater
Jodie Hebert

Dear Ms. Kennedy:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 14-0027. The state plan amendment changes the provisions governing the reimbursement methodology for Targeted Case Management (TCM) services provided to New Opportunities Waiver (NOW) recipients in order to adopt a payment methodology based on a flat monthly rate rather than 15-minute increments.

Transmittal Number 14-0027 is approved with an effective date of July 1, 2014 as requested. A copy of the HCFA-179, Transmittal No. 14-0027 dated August 22, 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 solid black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:

14-27

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

July 1, 2014

5. TYPE OF PLAN MATERIAL (*Check One*):

G NEW STATE PLAN G AMENDMENT TO BE CONSIDERED AS NEW PLAN 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 and 447.302

7. FEDERAL BUDGET IMPACT:

a. FFY 2015 **\$0.00**
b. FFY 2016 **\$0.00**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Item 19, Page 1
Attachment 4.19-B, Item 19, Page 1a
Attachment 4.19-B, Item 19, Page 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN
SECTION OR ATTACHMENT (*If Applicable*):

Same (TN 08-13)
Same (TN 13-09)
Same (TN 13-10)

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to amend the provisions governing the reimbursement methodology for Targeted Case Management (TCM) services provided to New Opportunities Waiver (NOW) recipients in order to adopt a payment methodology based on a flat monthly rate rather than 15-minute increments.**

11. GOVERNOR=S REVIEW (*Check One*):

G GOVERNOR=S OFFICE REPORTED NO COMMENT
G COMMENTS OF GOVERNOR=S OFFICE ENCLOSED
G NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

The Governor does not review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Kathy H. Kliebert

14. TITLE:

Secretary

15. DATE SUBMITTED:

August 22, 2014

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

August 22, 2014

18. DATE APPROVED:

February 10, 2015

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2014

20. SIGNATURE

21. TYPED NAME:

Bill Brooks

22. TITLE: **Associate Regional Administrator**
Division of Medicaid and Children's Health

23. REMARKS:

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:

<u>CITATION</u>	Medical and Remedial	<u>OPTIONAL TARGETED CASE MANAGEMENT SERVICES</u>
42 CFR	Care and Services	
447.201	Item 19 (cont)	<u>REIMBURSEMENT METHODOLOGY</u>
447.302		

Targeted case management services are reimbursed at a prospective rate for each approved unit of service provided to the recipient. The standard unit of service covers both service provision and overhead costs. Contacts are on a one-to-one basis between a case manager and a participant or between a case manager and others when this contact is for the benefit of the participant. All services must be prior authorized.

Reimbursement for Targeted Case Management is based on cost using an independent cost model approach to rate setting. In this approach, a model of the costs providers incur in delivering a particular service is constructed. In constructing the models, the primary cost drivers include the following:

- Direct service staff wages;
- Direct service staff employee related expenses (ERE);
- The productivity of direct service staff, i.e. the amount of a direct service staff's time in each workday that can be billed;
- Supervisory costs;
- Key Staff costs;
- Travel and office space costs;
- Program support costs; and
- Overhead expenses.

Case management agencies shall provide annual cost reports based on the state fiscal year, starting with the state fiscal year July 1, 2008 through June 30, 2009. Completed reports are due within 90 calendar days after the end of each fiscal year.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of case management and the fee schedule and any annual/periodic adjustments to the fee schedule are published on the agency's provider website at www.lamedicaid.com. The agency's fee schedule rate was set as of May 21, 2008 and is effective for services provided on or after that date. All rates are published on the agency's website.

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42 CFR	Care and Services	
447.201	Item 19 (cont)	<u>REIMBURSEMENT METHODOLOGY (continued)</u>
447.302		

Payments made to targeted case management providers do not duplicate payments for the same or similar services furnished by other providers or under other authority as an administrative function or as an integral part of a covered service.

Reimbursement is not available for case management services that are furnished to recipients without charge by any other agency or entity. With the statutory exceptions of case management services included in Individualized Educational Programs (IEPs) or Individualized Family Service Plans (IFSPs) and services furnished through Title V public health agencies, payment for case management services cannot be made when another third party payor is liable, nor may payments be made for services for which no payment liability is incurred by the recipient.

Effective for dates of service on or after September 1, 2008 the reimbursement rate for targeted case management services rendered to infants and toddlers with special needs shall be increased by 25 percent of the rate in effect on August 31, 2008.

Effective for dates of service on or after February 1, 2009, the reimbursement for case management services provided to the following targeted populations shall be reduced by 3.5 percent of the rates on file as of January 31, 2009:

- New Opportunities Waiver (NOW) Recipients,
- HIV Disabled Individuals, and
- Nurse Family Partnership participants.

Effective for dates of service on or after July 1, 2012, the reimbursement for case management services provided to the following targeted populations shall be reduced by 1.5 percent of the rates on file as of June 30, 2012:

- 1) participants in the Nurse Family Partnership Program;
- 2) participants in the Early and Periodic Screening, Diagnosis, and Treatment Program;
- 3) individuals diagnosed with HIV; and
- 4) individuals with developmental disabilities who participate in the NOW.

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