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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: LA 25-0007

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

June 26, 2025

Kimberly Sullivan
Medicaid Executive Director
Louisiana Medicaid Program
Louisiana Department of Health
Bureau of Health Services Financing
628 North Fourth Street
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: TN 25-0007

Dear Director Sullivan:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Louisiana state plan amendment (SPA) to Attachment 4.19-D LA 25-0007, which was submitted to CMS on April 4, 2025. This plan amendment amends the provisions governing reimbursement methodology for intermediate care facilities for individuals with intellectual disabilities (ICF/IID) in order to provide for a one-time lump sum payment in fiscal year 2025, to all privately owned or operated ICF/IID that billed Medicaid between August 1, 2024 and October 31, 2024, and are active and Medicaid certified at the time of payment.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of May 20, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Tom Caughey at 517-487-8598 or via email at tom.caughey@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
25-0007

2. STATE
LA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
May 20, 2025

5. FEDERAL STATUTE/REGULATION CITATION

**42 CFR 447 Subpart C
42 CFR 447 Subpart F**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY **2025** **\$21,098,600**
b. FFY **2026** **\$0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19 D, Page 20
Attachment 4.19 D, Pages 21-22**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)
**Same (TN 22-0029)
Same (TN 22-0016)**

9. SUBJECT OF AMENDMENT

The purpose of this SPA is to amend the provisions governing reimbursement methodology for intermediate care facilities for individuals with intellectual disabilities (ICF/IID) in order to provide for a one-time lump sum payment in fiscal year 2025, to all privately owned or operated ICF/IID that billed Medicaid between August 1, 2024 and October 31, 2024, and are active and Medicaid certified at the time of payment.

10. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

The Governor does not review State Plan material.

11. SIGNATURE OF STATE AGENCY OFFICIAL

15. RETURN TO

**Kimberly Sullivan, J.D.
Medicaid Executive Director
Louisiana Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030**

12. TYPED NAME

Drew P. Maranto

13. TITLE

Interim Secretary

14. DATE SUBMITTED

FOR CMS USE ONLY

16. DATE RECEIVED
April 4, 2025

17. DATE APPROVED
June 26, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
May 20, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

STATE OF LOUISIANA

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:

10. Private Facilities Dedicated Program Funding Pool Payments

Effective for providers licensed and operating Medicaid certified as of September 1, 2019; a one-time lump sum payment will be made to intermediate care facilities for individuals with intellectual disabilities (ICF/IID).

Methodology

- A. Payment will be based on each provider's specific pro-rated share of an additional dedicated program funding pool not to exceed \$4,665,635.
- B. The pro-rated share for each provider will be determined utilizing the provider's percentage of total annualized program Medicaid days. Annualized program Medicaid days will be calculated utilizing the most recently desk reviewed or audited cost reports as of July 1, 2019.
- C. The additional dedicated program funding pool lump sum payments shall not exceed the Medicare upper payment limit in the aggregate for the provider class.
- D. The one-time payment will be made for the fiscal year ending June 30, 2020.

A one-time lump sum payment will be made to ICF/IID providers licensed and operating as of August 3, 2022.

Methodology

- A. Payment will be based on each provider's specific pro-rated share of an additional dedicated program funding pool totaling \$27,974,178.
- B. The pro-rated share for each provider will be determined utilizing the provider's percentage of program Medicaid days for dates of service in a three consecutive month period selected by the Department occurring between January 1, 2022 and December 31, 2022.
- C. If the additional dedicated program funding pool lump sum payments exceed the Medicare upper payment limit in the aggregate for the provider class, the Department shall recoup the overage using the same means of distribution stated above.
- D. The one-time payment will be made on or before June 30, 2023.
- E. All facilities receiving payment shall be open and operating as an ICF/IID at the time the payment is made.

STATE OF LOUISIANA

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:

Effective for providers, active and Medicaid certified as of July 1, 2024, a one-time lump sum payment will be made to non-state, non-public ICF/IID.

Methodology

- A. Payment will be based on each provider's specific prorated share of an additional dedicated program funding pool. This payment shall not exceed \$31,000,000.
- B. The prorated share for each provider will be determined utilizing the provider's percentage of program Medicaid days for dates of service within a period of three consecutive months selected by the Department, occurring between January 1, 2024, and December 31, 2024.
- C. If the additional dedicated program funding pool lump sum payment exceeds the Medicare upper payment limit in the aggregate for the provider class, the Department shall recoup the overage using the same means of distribution stated above.
- D. The one-time payment will be made on or before June 30, 2025.
- E. All facilities receiving payment shall be open and operating as an ICF/IID at the time the payment is made.

11. Complex Care Reimbursements

- A. Private (non-state) owned ICF/IID may receive an add-on payment to the per diem rate for providing complex care to Medicaid beneficiaries when medically necessary. The add-on payment shall be a flat fee daily amount and consists of payment for one of the following components alone or in combination:
 - 1. equipment add-on;
 - 2. direct service worker (DSW) add-on; and
 - 3. skilled nursing add-on.
- B. To qualify, beneficiaries must meet medical necessity criteria established by the Medicaid program. Supporting medical documentation must also be submitted as specified by the Medicaid program. The duration of approval of the add-on payment(s) is at the sole discretion of the Medicaid program and shall not exceed one year.

Medical necessity of the add-on payment(s) shall be reviewed and re-determined by the Medicaid program no less than annually from the date of initial approval of each add-on payment. This review shall be performed in the same manner and using the same medical necessity criteria as the initial review.

- C. Each add-on payment requires documentation that the enhanced supports are already being

provided to the beneficiary, as specified by the Medicaid program.

STATE OF LOUISIANA

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:

- D. One of the following admission requirements must be met in order to qualify for the add-on payment:
 - 1. The beneficiary has been admitted to the facility for more than 30 days with supporting documentation of medical necessity; or
 - 2. The beneficiary is transitioning from another similar agency with supporting documentation of medical necessity.
- E. The following additional requirements apply:
 - 1. Beneficiaries receiving enhanced rates must be included in annual surveys to ensure continuation of supports and review of individual outcomes.
 - 2. Fiscal analysis and reporting is required annually.
- F. The Medicaid program requires compliance with all applicable laws, rules, and regulations as a condition of an ICF/IID qualifying for any complex care add-on payment(s), and may evaluate such compliance in its initial and annual qualifying reviews.