

## Table of Contents

State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 15-0024

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**

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January 5, 2016

**Our Reference: SPA LA 15-0024**

Ms. Ruth Kennedy, State Medicaid Director  
Department of Health and Hospitals  
Bienville Building  
628 North 4<sup>th</sup> 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 15-0024. This state plan amendment (SPA) changes the provisions governing school based health services in order to transition these services out of managed care and into the group of school based Medicaid services provided by Local Education Agencies (LEAs).

Transmittal Number 15-0024 is approved with an effective date of December 1, 2015 as requested. A copy of the HCFA-179, Transmittal No. 15-0024 dated October 21, 2015 is enclosed along with the approved plan pages.

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

Sincerely,

 for

Bill Brooks  
Associate Regional Administrator

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

TO: REGIONAL ADMINISTRATOR  
 HEALTH CARE FINANCING ADMINISTRATION  
 DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:  
**15-0024**

2. STATE  
**Louisiana**

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

4. PROPOSED EFFECTIVE DATE  
**December 1, 2015**

5. TYPE OF PLAN MATERIAL (*Check One*):  
 NEW STATE PLAN       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 440.60, 440.130, 440.40(b), 441 Subpart B**  
**42 CFR 447 Subpart B**

7. FEDERAL BUDGET IMPACT:

a. FFY 2016      \$0

b. FFY 2017      \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 3.1-A, Item 4b, Page 9h**  
**Attachment 3.1-A, Item 4b, Page 9h(1)**  
**Attachment 4.19-B, Item 4b, Page 3e**  
**Attachment 4.19-B, Item 4b, Page 3g**  
**Attachment 4.19-B, Item 13d, Page 5**  
**Attachment 4.19-B, Item 13d, Page 6**  
**Attachment 4.19-B, Item 13d, Page 7**  
**Attachment 4.19-B, Item 4b, Page 3f**

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):

**SAME (TN 11-11)**  
**NONE - New Page**  
**SAME (TN 11-11)**  
**SAME (TN 11-11)**  
**SAME (TN 11-11)**  
**SAME (TN 11-11)**  
**SAME (TN 11-11)**  
**SAME (TN 11-11)**  
**SAME (TN 11-11)**

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to amend the provisions governing school based health services in order to transition these services out of managed care and into the group of school based Medicaid services provided by Local Education Agencies.**

11. 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.**

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:  
**Kathy H. Kliebert**

14. TITLE:  
**Secretary**

15. DATE SUBMITTED:  
**October 21, 2015**

16. RETURN TO:

**J. Ruth Kennedy, Medicaid Director  
 State of Louisiana  
 Department of Health and Hospitals  
 628 N. 4<sup>th</sup> Street  
 P.O. Box 91030  
 Baton Rouge, LA 70821-9030**

**FOR REGIONAL OFFICE USE ONLY**

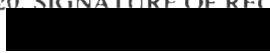
17. DATE RECEIVED: **October 21, 2015**

18. DATE APPROVED: **January 5, 2016**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
**December 1, 2015**

20. SIGNATURE OF REGIONAL OFFICIAL:

 for

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

21. TYPED NAME:  
**Bill Brooks**

23. REMARKS: **The State requests a pen and ink change to boxes 8 and 9.**

STATE OF LOUISIANA

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED  
LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND  
REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

Medical and Remedial Care and Services  
Item 4.b, EPSDT services (Cont'd)

Medicaid Behavioral Health Services provided in schools are services that are medically necessary and provided in schools to Medicaid recipients in accordance with an Individualized Education Program (IEP). Covered services include the following:

School based health services include covered behavioral health services, treatment, and other measures to correct or ameliorate an identified mental health or substance abuse diagnosis. Services are provided by or through a local education agency (LEA) to children with or suspected of having disabilities, who attend public school in Louisiana. These services are not covered if they are performed for educational purposes (e.g. academic testing) or as the result of the assessment and evaluation it is determined the service is not reflected in the IEP. Services must be performed by qualified providers as set forth in this State Plan Amendment and who provide these services as part of their respective area of practice (e.g., psychologist providing a behavioral health evaluation). Certified school psychologists must be supervised consistent with RS 17:7.1.

Children who are in need of behavioral health services shall be served within the context of the family and not as an isolated unit.

1. Services shall be:
  - a. delivered in a culturally and linguistically competent manner; and
  - b. respectful of the individual receiving services.
2. Services shall be appropriate for children and youth of diverse racial, ethnic, religious, sexual, and gender identities and other cultural and linguistic groups.
3. Services shall also be appropriate for:
  - a. age;
  - b. development; and
  - c. education.

Evidence-based practices require prior approval and fidelity reviews on an ongoing basis as determined necessary by the department.

Service Limitations: Services provided in a school setting will only be reimbursed for recipients who are at least three years of age and under 21 years of age who have been determined eligible for Title XIX and the Individuals with Disabilities Education Act (IDEA), Part B services with a written service plan (an IEP) which contains medically necessary services recommended by a physician or other licensed practitioner, within the scope of his or her practice under state law. Medicaid covers §1905(a) medical services addressed in the IEP that are medically necessary that correct or ameliorate a child's health condition. Medicaid does not reimburse for social or educational needs or habilitative services.

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TN 15-0024 Approval Date 01-05-16 Effective Date 12-01-15

Supersedes  
TN 11-0011

State: Louisiana  
Date Approved: 1/5/16  
Date Received: 10/21/15  
Date Effective: 12/1/15  
Transmittal Number: LA 15-0024

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED  
LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND  
REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

Medical and Remedial Care and Services  
Item 4.b, EPSDT services (Cont'd)

Medicaid covered services shall be provided in accordance with the established service limitations. An LEA may employ these licensed and unlicensed behavioral health practitioners if requirements under the IDEA are met. Individual practitioner requirements for the Medicaid qualifications and Department of Education Bulletin 746, Louisiana Standards for State Certification of School Personnel must be met prior to an LEA billing for any services of a clinician under Medicaid.

Providers of behavioral health services shall ensure that all services are authorized and any services that exceed established limitations beyond the initial authorization are approved for re-authorization prior to service delivery.

Anyone providing behavioral health services must operate within their scope of practice license. The provider shall create and maintain documents to substantiate that all requirements are met.

Licensed Mental Health Practitioner (LMHP) 42 CFR 440.60 - Other Licensed Practitioners:  
The following providers may provide behavioral health services in schools under IEPs under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) - Other Licensed Practitioners in Attachment 3.1-A, Item 4.b.

A licensed mental health practitioner (LMHP) is an individual who is licensed in the State of Louisiana to diagnose and treat mental illness or substance abuse acting within the scope of all applicable state laws and their professional license. A LMHP includes individuals licensed to practice independently:

- Medical Psychologists
- Licensed Psychologists
- Licensed Clinical Social Workers
- Licensed Professional Counselors
- Licensed Marriage and Family Therapists
- Licensed Addiction Counselors
- Advanced Practice Registered Nurses (must be a nurse practitioner specialist in Adult Psychiatric & Mental Health, and Family Psychiatric & Mental Health or a Certified Nurse Specialists in Psychosocial, Gerontological Psychiatric Mental Health, Adult Psychiatric and Mental Health, and Child-Adolescent Mental Health and may practice to the extent that services are within the APRN's scope of practice)

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Rehabilitation Services 42 CFR 440.130(d):

Louisiana certified school psychologists and counselors in a school setting meeting the provider qualifications and providing services consistent with Community Psychiatric Support and Treatment (CPST) as outlined in rehabilitation services in EPSDT Rehabilitation in Attachment 3.1-A, Item 4.b, and Addiction Services in the rehabilitation section in Attachment 3.1-A, Item 13.d.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED

LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

Medical and Remedial Care and Services  
Item 4.b, EPSDT services (Cont'd)

State: Louisiana  
Date Approved: 1/5/16  
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**Behavioral Health Services Provided by Local Education Agencies**

Medicaid services provided in schools are services that are medically necessary and provided in schools to Medicaid recipients in accordance with an Individualized Education Program, (IEP). Covered services include the following:

1. Other Licensed Practitioner Behavioral Health Services (described in Attachment 3.1-A, Item 4b)
2. Rehabilitation Behavioral Health Services (includes Addiction Services as described in Attachment 3.1-A, Item 13.d)

The interim payment to the local education agencies (LEAs) for services listed above are based on the behavioral health fee schedule methodology as outlined in the Louisiana Medicaid Fee Schedule.

Summary of Payment Methodology

Final payment to each LEA is the lesser of: 1) number of units billed multiplied by \$100 (to be adjusted by DHH periodically per the Agency's fee schedule rate set as of March 1, 2012 and effective for services provided on or after that date. All rates are published on the Agency's website at [www.lamedicaid.com](http://www.lamedicaid.com)) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each LEA provider.

Each LEA shall determine its own costs and certify to those costs annually by using DHH's Cost Report for Direct Service Cost template (the Direct Service Cost Report) form as approved by the Centers for Medicare and Medicaid Services (CMS) in 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 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 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 LEA's actual cost of providing the services will be claimed for Medicaid reimbursement. 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 the Office of Management and Budget (OMB) Circular A-87. The State also will use other LEA-specific information including the general fund budget and full-time equivalent (FTE) counts.

TN 15-0024

Approval Date 01-05-16

Effective Date 12-01-15

Supersedes  
TN 11-0011

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED

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

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).

Step 2: Adjust the Payroll Cost Base

The payroll cost base is reduced for amounts reimbursed by other funding sources (e.g. Federal grants). The payroll cost base does not include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. The application of Step 2 results in total adjusted salary cost.

Step 3: Determine the Percentage of Time to Provide All Direct Services

A time study which incorporates the CMS-approved Medicaid Administrative Claiming (MAC) methodology for direct service personnel is used to determine the percentage of time direct service personnel spend on direct IDEA/IEP services and general and administrative (G&A) time. This time study will assure that there is no duplicate claiming. The G&A percentage is reallocated in a manner consistent with the CMS-approved MAC methodology. Total G&A time is allocated to all other activity codes based on the percentage of time spent on each respective activity.

To reallocate G&A time to direct IDEA/IEP services, the percentage of time spent on direct IDEA/IEP services is divided by 100 percent, minus the percentage of time spent on G&A. This will result in a percentage that represents the IDEA/IEP services with appropriate allocation of G&A. This percentage is multiplied by total adjusted salary cost as determined in Step 2 to allocate cost to school-based services. The product represents total direct cost. A sufficient number of direct service personnel will be sampled to ensure results that will have a confidence level of at least 95 percent with a precision of plus or minus five percent overall.

Step 4: Determine Indirect Cost

Indirect cost is determined by multiplying each LEA's indirect unrestricted rate assigned by the cognizant agency (the Department of Education) by total adjusted direct cost as determined under Step 3. No additional indirect cost is recognized outside of the cognizant agency indirect rate. The sum of direct cost and indirect cost is total direct service costs for all students with an IEP.

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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 IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Step 5: Allocate Direct Service Cost to Medicaid

To determine the amount of cost that may be attributed to Medicaid, total cost as determined under Step 4 is multiplied by the ratio of Medicaid recipients with an IEP to all students with an IEP. This results in total cost that may be certified as Medicaid's portion of school-based services cost.

Step 6: Compare the amount of behavioral health services authorized and billed through the interim process to the cost of the services

Final payment to each LEA is the lesser of: 1) number of units billed multiplied by \$100 (to be adjusted by DHH periodically per the Agency's fee schedule rate set as of March 1, 2012, and effective for services provided on or after that date. All rates are published on the Agency's website at [www.lamedicaid.com](http://www.lamedicaid.com)) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each LEA provider.

Each LEA will complete the Direct Services and Transportation Cost Reports as applicable and submit the cost report(s) no later than five months after the June 30 fiscal year period ends and reconciliation will be completed within 12 months from the fiscal year end. If a provider's interim payments exceed the actual, certified costs for behavioral health Medicaid services provided in schools to Medicaid clients, the provider will remit the federal share of the overpayment at the time the cost report is submitted.

The Bureau of Health Services Financing (BHSF) will submit the federal share of the overpayment to CMS within 60 days of identification. If the actual, certified costs of a LEA provider exceed the interim payments, BHSF will pay the federal share of the difference of the lesser of 1) number of units billed multiplied by \$100 (to be adjusted by DHH periodically per the Agency's fee schedule rate set as of March 1, 2012, and effective for services provided on or after that date. All rates are published on the Agency's website at [www.lamedicaid.com](http://www.lamedicaid.com)) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each LEA provider, to the provider in accordance with the final actual certification agreement and submit claims to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

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**Behavioral Health Services Provided by Local Education Agencies**

Medicaid services provided in schools are services that are medically necessary and provided in schools to Medicaid recipients in accordance with an Individualized Education Program, (IEP). Covered services include the following:

1. Other Licensed Practitioner Behavioral Health Services (described in Attachment 3.1-A, Item 4b)
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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 in 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 compensation cost is DHH's Direct Services Time Study Methodology approved by the Centers for Medicare and Medicaid Services (CMS) in November, 2005. This time study incorporates the CMS-approved Medicaid Administrative Claiming (MAC) methodology for direct service personnel and is used to determine the 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 LEA's actual cost of providing the services will be claimed for Medicaid reimbursement. 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 the Office of Management and Budget (OMB) Circular A-87. The State also will use other LEA specific information including the general fund budget and full-time equivalent (FTE) counts.

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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).

Step 2: Adjust the Payroll Cost Base

The payroll cost base is reduced for amounts reimbursed by other funding sources (e.g. Federal grants). The payroll cost base does not include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. The application of Step 2 results in total adjusted salary cost.

Step 3: Determine the Percentage of Time to Provide All Direct Services

A time study which incorporates the CMS-approved Medicaid Administrative Claiming (MAC) methodology for direct service personnel is used to determine the percentage of time direct service personnel spend on direct IDEA/IEP services and general and administrative (G&A) time. This time study will assure that there is no duplicate claiming. The G&A percentage is reallocated in a manner consistent with the CMS-approved MAC methodology. Total G&A time is allocated to all other activity codes based on the percentage of time spent on each respective activity.

To reallocate G&A time to direct IDEA/IEP services, the percentage of time spent on direct IDEA/IEP services is divided by 100 percent minus the percentage of time spent on G&A. This will result in a percentage that represents the IDEA/IEP services with appropriate allocation of G&A. This percentage is multiplied by total adjusted salary cost as determined in Step 2 to allocate cost to school based services. The product represents total direct cost. A sufficient number of direct service personnel will be sampled to ensure results that will have a confidence level of at least 95 percent with a precision of plus or minus five percent overall.

Step 4: Determine Indirect Cost

Indirect cost is determined by multiplying each LEA's indirect unrestricted rate assigned by the cognizant agency (the Department of Education) by total adjusted direct cost as determined under Step 3. No additional indirect cost is recognized outside of the cognizant agency indirect rate. The sum of direct cost and indirect cost is total direct service costs for all students with an IEP.

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Step 5: Allocate Direct Service Cost to Medicaid.

To determine the amount of cost that may be attributed to Medicaid, total cost as determined under Step 4 is multiplied by the ratio of Medicaid recipients with an IEP to all students with an IEP. This results in total cost that may be certified as Medicaid's portion of school-based services cost.

Step 6: Compare the amount of behavioral health services authorized and billed through the interim process to the cost of the services

Final payment to each LEA is the lesser of: 1) number of units billed multiplied by \$100 (to be adjusted by DHH periodically per the Agency's fee schedule rate set as of March 1, 2012, and effective for services provided on or after that date. All rates are published on the Agency's website at [www.lamedicaid.com](http://www.lamedicaid.com)) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each LEA provider.

Each LEA will complete the Direct Services and Transportation Cost Reports as applicable and submit the cost report(s) no later than five months after the June 30 fiscal year period ends and reconciliation will be completed within 12 months from the fiscal year end. If a provider's interim payments exceed the actual, certified costs for behavioral health Medicaid services provided in schools to Medicaid clients, the provider will remit the federal share of the overpayment at the time the cost report is submitted.

The Bureau of Health Services Financing (BHSF) will submit the federal share of the overpayment to CMS within 60 days of identification. If the actual, certified costs of a LEA provider exceed the interim payments, BHSF will pay the federal share of the difference of the lesser of 1) number of units billed multiplied by \$100 (to be adjusted by DHH periodically per the Agency's fee schedule rate set as of March 1, 2012, and effective for services provided on or after that date. All rates are published on the Agency's website at [www.lamedicaid.com](http://www.lamedicaid.com)) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each LEA provider, to the provider in accordance with the final actual certification agreement and submit claims to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

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