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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 15-29

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page(s)

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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June 7, 2016

Our Reference: SPA LA 15-0029

Ms. Jen Steele, Interim State Medicaid Director  
Department of Health and Hospitals  
628 North 4<sup>th</sup> St.  
Post Office Box 91030  
Baton Rouge, LA 70821-9030

Attention: Darlene Budgewater

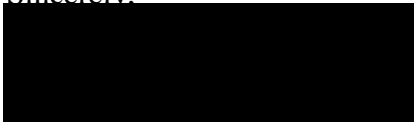
Dear Ms. Steele:

We have reviewed the State's proposed amendment to the Louisiana State Plan submitted under Transmittal Number 15-0029 dated November 10, 2015. This state plan amendment amends the provisions governing substance use services to update the terminology and service criteria; revises the provisions governing provider certification; and revises the reimbursement methodology for children's services to reflect the integration of specialized behavioral health services into Bayou Health by establishing a capitated rate for recipients enrolled in one of the managed care organizations (MCOs). The non-risk reimbursement methodology will continue to be utilized for children/youth enrolled in the coordinated system of care (CSoC) through a CSoC contractor.

Based on the information submitted, we have approved the amendment for incorporation into the official Louisiana State Plan with an effective date change of December 1, 2015. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Cheryl Rupley at (214) 767-6278 or by email at [Cheryl.Rupley@cms.hhs.gov](mailto:Cheryl.Rupley@cms.hhs.gov).

Sincerely,



Bill Brooks  
Associate Regional Administrator

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER:  <b>15-0029</b>	2. STATE  <b>Louisiana</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
	4. PROPOSED EFFECTIVE DATE  <b>December 1, 2015</b>	

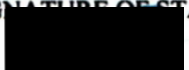
5. TYPE OF PLAN MATERIAL (Check One):  
 NEW STATE PLAN     AMENDMENT TO BE CONSIDERED AS NEW PLAN     AMENDMENT  
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: <b>42 CFR 447, Subparts B &amp; F</b>	7. FEDERAL BUDGET IMPACT: a. FFY <u>2016</u> <b>\$0</b> b. FFY <u>2017</u> <b>\$0</b>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 3.1-A, Item 13.d, Pages 5 and 6</b> <b>Attachment 3.1-A, Item 13.d, Pages 7 and 8 , 9, 10 and 11</b> <b>Attachment 4.19-B, Item 13.d, Page 4</b> <b>Attachment 4.19-B, Item 13.d, Page 4a</b> <b>Attachment 4.19-B, Item 13.d, Page 4b</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>SAME (TN 11-10)</b> <b>NONE – New Pages</b> <b>SAME (TN 13-38)</b> <b>SAME (TN 13-19)</b> <b>NONE – New Page</b>
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10. SUBJECT OF AMENDMENT: **The SPA proposes to amend the provisions governing substance abuse services to: 1) update the terminology and service criteria; 2) revise the provisions governing provider certification; and 3) revise the reimbursement methodology for children's services to reflect the integration of specialized behavioral health services into Bayou Health by establishing a capitated rate for recipients enrolled in one of the managed care organizations (MCOs). The non-risk reimbursement methodology will continue to be utilized for children/youth enrolled in the coordinated system of care (CSoC) through a CSoC contractor.**

11. GOVERNOR'S REVIEW (Check One):  
 GOVERNOR'S OFFICE REPORTED NO COMMENT                             OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED                            **The Governor does not review state plan material.**  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: <b>J. Ruth Kennedy, Medicaid Director</b> <b>State of Louisiana</b> <b>Department of Health and Hospitals</b> <b>628 N. 4<sup>th</sup> Street</b> <b>P.O. Box 91030</b> <b>Baton Rouge, LA 70821-9030</b>
13. TYPED NAME: <b>Kathy H. Kliebert</b>	
14. TITLE: <b>Secretary</b>	
15. DATE SUBMITTED: <b>November 10, 2015</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: <b>10 November, 2015</b>	18. DATE APPROVED: <b>7 June, 2016</b>
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**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>1 December, 2015</b>	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: <b>Bill Brooks</b>	22. TITLE: <b>Associate Regional Administrator</b> <b>Division of Medicaid and Children's Health</b>

23. REMARKS:  
  
**PER RAI RESPONSE: The State requests page substitutions (from original submission) for Attachment 3.1-A, Item 13d, Pages 5-8 and to add new Pages 9-11 (see revised box 8 above).**

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 BELOW:

**CITATION** Rehabilitation Services  
**42 CFR 440.130(d)**

**Substance Use Disorder Services**

The Medicaid program provides coverage under the Medicaid State Plan for substance use disorders (SUD) services rendered to children and adults. SUD services rendered shall be those services which are medically necessary to reduce the disability resulting from the illness and to restore the individual to his/her best possible functioning level in the community. Children and adults who meet Medicaid eligibility and clinical criteria shall qualify to receive medically necessary SUD services. Qualifying children and adults with an identified SUD diagnosis shall be eligible to receive SUD services.

The agency or individual who has the decision-making authority for a child or adolescent in state custody must approve the provision of services to the recipient. Children who are in need of SUD services shall be served within the context of the family and not as an isolated unit.

The American Society of Addiction Medicine (ASAM) levels of care require previews on an ongoing basis as determined necessary by Department of Health and Hospitals (DHH) to document compliance with the national standards.

These services include a continuum of individually centered outpatient, intensive outpatient and residential services consistent with the individual’s assessed treatment needs. The rehabilitation and recovery focus is designed to promote skills for coping with and managing substance use symptoms and behaviors. Services should address an individual’s major lifestyle, attitudinal and behavioral problems that have the potential to undermine the goals of treatment.

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**CITATION** Rehabilitation Services  
**42 CFR 440.130(d)**

The following ASAM levels are covered for outpatient treatment:

**Level I: Outpatient**

Outpatient level 1 services are professionally directed assessment, diagnosis, treatment and recovery services provided in a non-residential treatment setting. Outpatient services are organized activities which may be delivered in any appropriate community setting that meets State licensure.

**Level II.1 Intensive Outpatient Treatment**

Intensive outpatient treatment is professionally directed assessment, diagnosis, treatment and recovery services provided in non-residential treatment setting. Intensive outpatient services are organized activities which may be delivered in any appropriate community setting that meets State licensure.

These services include, but are not limited to, individual, group, family counseling and psycho-education on recovery, as well as monitoring of drug use, medication management, medical and psychiatric examinations, crisis intervention coverage and orientation to community-based support groups. Intensive outpatient program services should include evidence-informed practices, such as cognitive behavioral therapy (CBT), motivational interviewing and multidimensional family therapy.

**Level II-D Ambulatory Detoxification with Extended On-site Monitoring**

This level of care is an organized outpatient service, which may be delivered in an office setting, health care or addiction treatment facility by trained clinicians, who provide medically supervised evaluation, detoxification and referral services. These services are designed to achieve safe withdrawal from mood-altering chemicals and to effectively facilitate the individual's entry into ongoing treatment and recovery. Counseling services may be available through the detoxification program or may be accessed through affiliation with entities providing outpatient services. Ambulatory detoxification is provided in conjunction with intensive outpatient treatment services (Level II.1).

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**CITATION** **Rehabilitation Services**  
**42 CFR 440.130(d)**

The following ASAM levels are covered for residential treatment:

**Level III.1 Clinically Managed Low Intensity Residential Treatment – Adolescent and Adult**

Residential programs offer at least five hours per week of a combination of low-intensity clinical and recovery-focused services. All facilities are licensed by DHH. Treatment is directed toward applying recovery skills, preventing relapse, improving emotional functioning, promoting personal responsibility and reintegrating the individual into the worlds of work, education and family life. Services provided may include individual, group and family therapy, medication management and medication education. Mutual/self-help meetings usually are available on site. Does not include sober houses, boarding houses or group homes where treatment services are not provided (ex: halfway house).

**Level III.2D Clinically Managed Residential Social Detoxification – Adolescent and Adult**

Residential programs provided in an organized, residential, non-medical setting delivered by an appropriately trained staff that provides safe, 24-hour medication monitoring, observation and support in a supervised environment for a person served, to achieve initial recovery from the effects of alcohol and/or other drugs. All facilities are licensed by DHH.

Social detoxification is appropriate for individuals who are able to participate in the daily residential activities and is often used as a less restrictive, non-medical alternative to inpatient detoxification.

**Level III.3 Clinically Managed Medium Intensity Residential Treatment - Adult**

Residential programs offer at least 20 hours per week of a combination of medium-intensity clinical and recovery-focused services. All facilities are licensed by DHH. Frequently referred to as extended or long-term care, Level III.3 programs provide a structured recovery environment in combination with medium-intensity clinical services to support recovery from substance-related disorders.

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TN 15-0029 Approval Date 6-7-2016 Effective Date 12-1-2015

Supersedes

TN New Page



AMOUNT DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED  
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MEDICAL AND REMEDIAL CARE AND SERVICES ARE DESCRIBED BELOW:

**CITATION**  
**42 CFR 440.130(d)**

**Rehabilitation Services**

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This level provides care to patients whose withdrawal signs and symptoms are sufficiently severe to require 24-hour inpatient care. It may overlap with Level IV-D services (as a “step-down” service) in a specialty unit of an acute care general or psychiatric hospital. Twenty-four hour observation, monitoring and treatment are available.

**Limitations:**

These SUD services are provided as part of a comprehensive specialized psychiatric program available to all Medicaid eligible individuals with significant functional impairments resulting from an identified addiction diagnosis. Services must be medically necessary and must be recommended by a licensed mental health practitioner or physician, who is acting within the scope of his/her professional license and applicable state law, to promote the maximum reduction of symptoms and/or restoration of an individual to his/her best age-appropriate functional level according to an individualized treatment plan.

The activities included in the service must be intended to achieve identified treatment plan goals or objectives. The treatment plan should be developed in a person-centered manner with the active participation of the individual, family and providers and be based on the individual’s condition and the standards of practice for the provision of rehabilitative services. The treatment plan should identify the medical or remedial services intended to reduce the identified condition as well as the anticipated outcomes of the individual. The treatment plan must specify the frequency, amount and duration of services. The treatment plan must be signed by the licensed mental health practitioner or physician responsible for developing the plan with the participant (or authorized representative) also signing to note concurrence with the treatment plan.

The plan will specify a timeline for re-evaluation of the plan that is at least an annual redetermination. The reevaluation should involve the individual, family and providers and include a reevaluation of plan to determine whether services have contributed to meeting the stated goals. A new treatment plan should be developed if there is no measureable reduction of disability or restoration of functional level. The new plan should identify different rehabilitation strategies with revised goals and services. Providers must maintain medical records that include a copy of the treatment plan, the name of the individual, dates of services provided, nature, content and units of rehabilitation services provided, and progress made toward functional improvement and goals in the treatment plan.







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:

**CITATION**                      **Rehabilitation Health Services**  
**42 CFR 440.130 (d)**

State: Louisiana  
Date Received: 11-10-15  
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**Substance Use Disorders Services Reimbursement Methodology**

Effective for dates of service on or after March 1, 2012, reimbursements for services are based upon a Medicaid fee schedule established by the State of Louisiana. The reimbursement rates for physician services rendered under the Louisiana Behavioral Health Partnership (LBHP) shall be a flat fee for each covered service as specified on the established Medicaid fee schedule. The reimbursement rates shall be based on a percentage of the Louisiana Medicare Region 99 allowable for a specified year.

- If a Medicare fee exists for a defined covered procedure code, then Louisiana will pay Psychologists and APRNs at 80 percent of the LBHP physician rates. If a Medicare fee exists for a defined covered procedure code, then Louisiana will pay LCSWs, LPCs, LMFTs, and LAC's as well as qualified unlicensed practitioners delivering substance abuse services at 70 percent of the LBHP physician rates.
- Where Medicare fees do not exist for a covered code, the fee development methodology will build fees considering each component of provider costs as outlined below. These reimbursement methodologies will produce rates sufficient to enlist enough providers so that services under the Plan are available to individuals at least to the extent that these services are available to the general population, as required by 42 CFR 447.204. These rates comply with the requirements of Section 1902(a)(3) of the Social Security Act 42 CFR 447.200, regarding payments and consistent with economy, efficiency and quality of care. Provider enrollment and retention will be reviewed periodically to ensure that access to care and adequacy of payments are maintained. The Medicaid fee schedule will be equal to or less than the maximum allowable under the same Medicare rate, where there is a comparable Medicare rate. Room and board costs are not included in the Medicaid fee schedule.
- Except as otherwise noted in the Plan, the State-developed fee schedule is the same for both governmental and private individual providers. The Agency's fee schedule rate was set as of August 1, 2011 and is 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).

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**CITATION                      Rehabilitation Health Services**  
**42 CFR 440.130 (d)**

- The fee development methodology will primarily be composed of provider cost modeling, though Louisiana provider compensation studies, cost data and fees from similar State Medicaid programs may be considered, as well. The following list outlines the major components of the cost model to be used in fee development.
  - 1) Staffing Assumptions and Staff Wages
  - 2) Employee-Related Expenses – Benefits, Employer Taxes (e.g., FICA, unemployment, and workers compensation)
  - 3) Program-Related Expenses (e.g., supplies)
  - 4) Provider Overhead Expenses
  - 5) Program Billable Units
  
- The fee schedule rates will be developed as the ratio of total annual modeled provider costs to the estimated annual billable units.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for outpatient substance use disorders (SUD) services provided to children/adolescents shall be reduced by 1.44 percent of the rates in effect on June 30, 2012.

Effective for dates of service on or after April 20, 2013, the reimbursement for behavioral health services rendered by a physician under the LBHP shall be 75 percent of the 2009 Louisiana Medicare Region 99 allowable for services rendered to Medicaid recipients.

Effective for dates of service on or after September 1, 2013, the reimbursement for procedure codes 90791, 90792, 90832, 90834, and 90837 shall be excluded from the January 2013 Medicare rate changes and shall remain at the Medicaid fee schedule on file as of December 31, 2012.

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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:

**CITATION                      Rehabilitation Health Services**  
**42 CFR 440.130 (d)**

Effective for dates of service on or after December 1, 2015, substance use disorders services shall be reimbursed as follows:

- Reimbursement for services shall be based upon the established Medicaid fee schedule for SUD services rendered to recipients enrolled with the Coordinated System of Care (CSoc) contractor. The fee schedule is published on the Medicaid provider website at [www.lamedicaid.com](http://www.lamedicaid.com).
- Monthly capitation payments shall be made by the Department, or its fiscal intermediary, to the managed care organizations (MCOs) for recipients enrolled in the MCOs. The capitation rates paid to MCOs shall be actuarially sound rates and the MCOs will determine the rates paid to its contracted providers. No payment shall be less than the minimum Medicaid rate.

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