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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: LA 22-0019

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

Tara A. LeBlanc, Medicaid Executive Director
Louisiana Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030

RE: Louisiana State Plan Amendment (SPA) 22-0019

Dear Ms. LeBlanc:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 22-0019. Effective for services on or after July 1, 2022, this SPA is to amend the provisions governing intermediate care facilities for individuals with intellectual disabilities (ICF/IID) and nursing facilities (NF) to allow adjustments to the Medicaid daily rate when changes occur that are recognized in cost reports.

We conducted our review of your submittal according to the statutory requirements at Sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act. We hereby inform you that Medicaid State plan amendment 22-0019 is approved effective July 1, 2022. We are enclosing the CMS-179 and the amended plan pages.


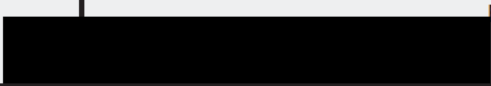
If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,



Rory Howe
Director

Enclosure

| | | | |
|---|--|---|-----------------------|
| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | | 1. TRANSMITTAL NUMBER 22-0019 | 2. STATE LA |
| | | 3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT | |
| TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES | | 4. PROPOSED EFFECTIVE DATE July 1, 2022 | |
| 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 <u>2023</u> \$ <u>92,742,304</u> b. FFY <u>2024</u> \$ <u>73,807,877</u> | |
| 7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19D, Page 6a Attachment 4.19D, Page 18-18a | | 8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (17-0005) Same (20-0014) | |
| 9. SUBJECT OF AMENDMENT The purpose of this SPA is to amend the provisions governing intermediate care facilities for individuals with intellectual disabilities (ICF/IID) and nursing facilities (NF) to allow adjustments to the Medicaid daily rate when changes occur that eventually will be recognized in cost reports. | | | |
| 10. GOVERNOR'S REVIEW (Check One) | | | |
| <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL | | <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review State Plan material. | |
| 11. SIGNATURE OF STATE AGENCY OFFICIAL  | | 15. RETURN TO Tara A. LeBlanc, Medicaid Executive Director Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030 | |
| 12. TYPED NAME Ruth Johnson, designee for Dr. Courtney N. Phillips | | | |
| 13. TITLE Secretary | | | |
| 14. DATE SUBMITTED August 4, 2022 | | | |
| FOR CMS USE ONLY | | | |
| 16. DATE RECEIVED August 4, 2022 | | 17. DATE APPROVED October 25, 2022 | |
| PLAN APPROVED - ONE COPY ATTACHED | | | |
| 18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2022 | | 19. OFFICIAL  | |
| 20. TYPED NAME OF APPROVING OFFICIAL Rory Howe | | 21. TITLE OF APPROVING OFFICIAL Director, FMG | |
| 22. REMARKS | | | |

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – NURSING FACILITY SERVICES AND
INTERMEDIATE CARE FACILITY SERVICES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES

2. Rate Determination

- a. For dates of service on or after January 1, 2003, the Medicaid daily rates shall be based on a case-mix price based reimbursement system. Rates shall be calculated from cost report and other statistical data. Effective January 1, 2003, the cost data used in rate setting will be from cost reporting periods ending July 1, 2000 through June 30, 2001. Effective July 1, 2004, and every second year thereafter, the base resident-day-weighted median costs and prices shall be rebased using the most recent four month or greater unqualified audited or desk reviewed cost reports that are available as of the April 1 prior to the July 1 rate setting or the Department may apply a historic audit adjustment factor to the most recently filed cost reports. For rate periods between rebasing, an index factor shall be applied to the base resident-day weighted medians and prices.

Effective with the January 1, 2017 rate setting, resident acuity will be measured utilizing the time-weighted acuity measurement system.

For the cost reporting periods utilized in the next rebase of rates on or after July 1, 2017, the calendar quarter case mix index averages will be calculated using the time-weighted acuity measurement system, and be inclusive of MDS assessments available as of the date of the applicable quarterly FCIRs. This average includes any revisions made due to an on-site CMDR.

EXAMPLE:

A January 1, 2015-December 31, 2015 cost report period would use the time-weighted facility-wide average case mix indices calculated for the four quarters ending March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015.

Effective with the January 1, 2017 rate setting, resident case mix indices will be calculated utilizing the time-weighted acuity measurement. If a nursing facility provider does not have any residents during the course of a calendar quarter, or the average resident case mix indices appear invalid due to temporary closure or other circumstances, as determined by the department, a statewide average case mix index using occupied and valid statewide nursing facility provider case mix indices may be used.

Adjustments to the Medicaid daily rate will be made when changes occur that are recognized in updated cost report data; these changes include but are not limited to a change in minimum wage, Federal Insurance Contribution Act (FICA) changes, or a utility rate change. These rates will be effective until such time that the database used to calculate rates, fully reflects the change.

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PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Reimbursement rates for the 33 or more beds peer group will be limited to 95 percent of the 16-32 bed peer group reimbursement rates.

Per Diem Rate Adjustments

Effective for dates of service on or after February 20, 2009, the reimbursement rate shall be reduced by 3.5 percent of the per diem rate on file as of February 19, 2009.

Effective for dates of service on or after September 1, 2009, the reimbursement rate shall be increased by 1.59 percent of the per diem rate on file as of August 31, 2009.

Effective for the dates of service on or after August 1, 2010, the reimbursement rate shall be reduced by 2 percent of the per diem rates on file as of July 31, 2010.

Effective for the dates of service on or after August 1, 2010, per diem rates for ICFs/IID which have downsized from over 100 beds to less than 35 beds prior to December 31, 2010 shall be restored to the rates in effect on January 1, 2009.

Effective for dates of service on or after July 1, 2012, the per diem rates for non-state intermediate care facilities for persons with developmental disabilities (ICFs/IID) shall be reduced by 1.5 percent of the per diem rates on file as of June 30, 2012.

Effective for dates of service on or after July 1, 2020, private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010 without the benefit of a cooperative endeavor agreement (CEA) with LDH or transitional rate and who incurred excessive capital costs, shall have their per diem rates (excluding provider fees) increased by a percent equal to the percent difference of per diem rates (excluding provider fees) they were paid as of June 30, 2019, as follows:

| Peer Groups | Intermittent | Limited | Extensive | Pervasive |
|--------------------|---------------------|----------------|------------------|------------------|
| 1-8 beds | 6.2 percent | 6.2 percent | 6.2 percent | 6.1 percent |
| 9-15 beds | 3.2 percent | 6.2 percent | 6.2 percent | 6.1 percent |
| 16-32 beds | N/A | N/A | N/A | N/A |
| 33+ beds | N/A | N/A | N/A | N/A |

The applicable differential shall be applied anytime there is a change to the per diem rates (for example, during rebase, rate reductions, inflationary changes, or special legislative appropriations). This differential shall not extend beyond December 31, 2024.

Adjustments to the Medicaid daily rate will be made when changes occur that are recognized in updated cost report data; these changes include but are not limited to a change in minimum wage, Federal Insurance Contribution Act changes, or a utility rate change. These rates will be effective until such time that the database used to calculate rates, fully reflects the change.

4. **Rebasing**

Rebasing of rates will occur at least every three years utilizing the most recent audited and/or desk reviewed cost reports.

STATE OF LOUISIANA

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5. Requests for Supplemental Services

- a. Requests for pervasive plus rate supplement must be reviewed and approved by the LDH ICAP Review Committee. A facility requesting a pervasive plus rate supplement shall bear the burden of proof in establishing the facts and circumstances necessary to support the supplement in a format and with supporting documentation specified by the LDH ICAP Review Committee.

The ICAP Review Committee shall make a determination of the most appropriate staff required to provide requested supplemental services.

The amount of the pervasive plus supplement shall be calculated using the Louisiana Civil Service pay grid for the appropriate position as determined by the ICAP Review Committee and shall be the 25th percentile salary level plus 20 percent for related benefits times the number of hours approved.

- b. Other Client Specific Adjustments to the Rate

A facility may request a client specific rate supplement for reimbursement of the costs for enteral nutrition, ostomy, tracheotomy medical supplies or a vagus nerve stimulator. The provider must submit sufficient medical supportive documentation to the ICAP Review Committee to establish medical need for enteral nutrition, ostomy or tracheotomy medical supplies.

The amount of reimbursement determined by the ICAP Review Committee shall be based on the average daily cost for the provision of the medical supplies. The provider must submit annual documentation to support the need for the adjustment to the rate.

Sufficient medical supportive documentation must be submitted to the Prior Authorization Unit to establish medical necessity. The amount of reimbursement shall be the established fee on the Medicaid Fee Schedule for medical equipment and supplies.

6. ICAP Requirements

An ICAP must be completed for each recipient of ICF/IID services upon admission and while residing in an ICF/IID in accordance with departmental regulations.

Providers must keep a copy of the recipient's current ICAP protocol and computer scored summary sheets in the recipient's file. If a recipient has changed ICAP service level, providers must also keep a copy of the recipient's ICAP protocol and computer scored summary sheets supporting the prior level

ICAPs must reflect the resident's current level of care.

Providers must submit a new ICAP to Regional Health Standards office when the resident's condition reflects a change in the ICAP level that indicates a change in reimbursement.

7. ICAP Monitoring

ICAP scores and assessments will be subject to review by LDH and its contracted agents. The reviews of ICAP submissions include, but are not limited to reviews when statistically significant changes occur with ICAP submission(s).