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

December 15, 2014

Our Reference: SPA LA 14-0035

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

Dear Ms. Kennedy:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 14-0035. The state plan amends the provisions governing therapeutic group homes (TGH) to increase the number of beds allowed in a TGH and revise the requirements for research-based practices.

Transmittal Number 14-0035 is approved with an effective date of September 20, 2014 as requested. A copy of the HCFA-179, Transmittal No. 14-0035 dated September 18, 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,

Bill Brooks

Bill Brooks
Associate Regional Administrator

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: **14-0035**

2. STATE: **Louisiana**

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: **September 20, 2014**

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 440.130(d)**

7. FEDERAL BUDGET IMPACT:
a. FFY 2015 $(639.81)
b. FFY 2016 $(637.28)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 3.1-A, Item 4.b, Page 9e	**Same (TN 11-10)**
Attachment 3.1-A, Item 4.b, Page 9e(1)	**None – New Page**
Attachment 3.1-A, Item 4.b, Page 9f	**Same (TN 11-10)**
Attachment 3.1-A, Item 4.b, Page 9g	**Same (TN 11-10)**
Attachment 4.19-B, Item 4b, Page 3b	**Same (TN 11-10)**
Attachment 4.19-B, Item 4b, Page 3d	**Same (TN 13-16A)**

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to amend the provisions governing therapeutic group homes (TGH) to increase the number of beds allowed in a TGH and revise the requirements for research-based practices.**

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: **September 15, 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: **September 18, 2014**

18. DATE APPROVED: **December 15, 2014**

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **September 20, 2014**

20. SIGNATURE OF REGIONAL OFFICIAL: Bill Brooks

21. TYPED NAME: **Bill Brooks**

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

23. REMARKS: ~~The revisions in boxes 8 and 9 represent a complete replacement of Attachment 3.1-G.~~

The State requests a pen and ink change to the above remark as it is not pertinent to TN 14-0035 and was included in error.
The State requests a pen and ink change to the boxes 8 and 9.

FORM HCFA-179 (07-92)

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)

Rehabilitation Services:
42 CFR 440.130(d)

4. Therapeutic Group Homes (TGHs) provide community-based residential services in a home-like setting of no greater than 10 beds under the supervision and program oversight of a psychiatrist or psychologist. The treatment should be targeted to support the restoration of adaptive and functional behaviors that will enable the child or adolescent to remain successfully in his/her home and community, and to regularly attend and participate in work, school or training, at the child's best possible functional level.

TGHs deliver an array of clinical and related services within the home including:

Psychiatric Supports and Therapeutic Services:
Psychiatric supports and therapeutic services include medication management, individual counseling, group counseling, and family counseling. Interventions such as Cognitive Behavioral Therapy (CBT) and other behavior interventions which are evidence-based practices are delivered by community-based providers, if clinically necessary. TGHs must incorporate at least one research-based approach pertinent to the sub-populations of TGH clients to be served by the specific program. As part of the daily rate, individual, group and family therapy may be provided by master's level staff employed by the TGH. All psychiatric supports and therapeutic services delivered by LMHPs must be billed separately and not included in the per diem rate. **(See Item 4.b, pages 9f and 9g).** Preventing the duplication of these services by LMHP and non-LMHP staff is assured through monitoring of the authorized plan of care. TGHs teach pro-social skills, anger management, illness education, and other daily living skills on the plan of care.

Integration with Community Resources:
Integration with community resources is an overarching goal of the TGH level of care, which is, in part, achieved through rules governing the location of the TGH facility, the physical space of the TGH facility, and the location of schooling for resident youth. The intention of the TGH level of care is to provide a 24-hour intensive treatment option for youth who need it, and to provide it in a location with more opportunities for community integration than can be found in other, more restrictive residential placements (such as inpatient hospital PRTF). To enhance community integration, TGH facilities must be located within a neighborhood in a community, must resemble a family home as much as possible, and resident youth must attend community schools (as opposed to being educated at a school located on the campus of an institution). This array of services including psychiatric supports, therapeutic services, and skill-building, prepares the youth to return back to their community.

Skill-building:
Skill-building includes services and supports that cultivate the child's or adolescent's ability to function successfully in the home and community. Based on the individual assessment, a plan of care is developed that includes specific skills to be addressed to accomplish the indicated goals. Skill-building includes activities such as job seeking, study skills and social skills which assist with the development of skills for daily living, support success in the community settings, and assist with transitioning to adulthood.

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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:

TGHs deliver therapeutic services such as individual, group and family therapy by an LMHP and ongoing psychiatric assessment and intervention by a psychiatrist or psychologist. TGH treatment must target reducing the severity of the behavioral health issue that was identified as the reason for admission. Most often, targeted behaviors will relate directly to the child's or adolescent's ability to function successfully in the home and school environment (e.g., compliance with reasonable behavioral expectations; safe behavior and appropriate responses to social cues and conflicts). Treatment must:

- Focus on reducing the behavior and symptoms of the psychiatric disorder that necessitated the removal of the child or adolescent from his/her usual living situation;
- Decrease problem behavior and increase developmentally-appropriate, normative and pro-social behavior in children and adolescents who are in need of out-of-home placement; and
- Transition child or adolescent from therapeutic group home to home or community based living with outpatient treatment (e.g., individual and family therapy).

Less intensive levels of treatment must have been determined to be unsafe, unsuccessful or unavailable. The child must require active treatment that would not be able to be provided at a less restrictive level of care on a 24-hour basis with direct supervision/oversight by professional behavioral health staff. The setting must be ideally situated to allow ongoing participation of the child's family. In this setting, the child or adolescent remains involved in community-based activities and may attend a community educational, vocational program or other treatment setting.

TGHs provide twenty-four hours/day, seven days/week structured and supportive living environment. However, Medicaid does not reimburse for supervision or room and board. Care coordination is provided to plan and arrange access to a range of educational and therapeutic services. Psychotropic medications should be used with specific target symptoms identification, with medical monitoring and 24-hour medical availability, when appropriate and relevant. Screening and assessment is required upon admission and every 28 days thereafter to track progress and revise the treatment plan to address any lack of progress and to monitor for current medical problems and concomitant substance use issues. The individualized, strengths-based services and supports:

- Are identified in partnership with the child or adolescent and the family and support system, to the extent possible, and if developmentally appropriate;
- Are based on both clinical and functional assessments;
- Are clinically monitored and coordinated, with 24-hour availability;
- Are implemented with oversight from a licensed mental health professional; and
- Assist with the development of skills for daily living and support success in community settings, including home and school.

The TGH is required to coordinate with the child's or adolescent's community resources, with the goal of transitioning the youth out of the program as soon as possible and appropriate. Discharge planning begins upon admission with concrete plans for the child to transition back into the community beginning within the first week of admission with clear action steps and target dates outlined in the treatment plan. The treatment plan must include behaviorally-measurable discharge goals.

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

Rehabilitation Services:
42 CFR 440.130(d)

For treatment planning, the program must use a standardized assessment and treatment planning tool such as the Child and Adolescent Needs and Strengths (CANS). The assessment protocol must differentiate across life domains, as well as risk and protective factors, sufficiently so that a treatment plan can be tailored to the areas related to the presenting problems of each youth and their family in order to ensure targeted treatment. The tool should also allow tracking of progress over time. The specific tools and approaches used by each program must be specified in the program description and are subject to approval by the State. In addition, the program must ensure that requirements for pretreatment assessment are met prior to treatment commencing. A TGH must ensure that youth are receiving appropriate therapeutic care to address assessed needs on the child's treatment plan.

1. Therapeutic care may include treatment by TGH staff, as well as community providers.
2. Treatment provided in the TGH or in the community should incorporate research-based approaches appropriate to the child's needs, whenever possible.

TGH facilities may specialize and provide care for sexually deviant behaviors, substance abuse, or dually diagnosed individuals. If a program provides care to any of these categories of youth, the program must submit documentation regarding the appropriateness of the research-based, trauma-informed programming and training, as well as compliance with the ASAM level of care being provided.

For service delivery, the program must incorporate at least one research-based approach pertinent to the sub-populations of TGH clients to be served by the specific program. The specific research-based model to be used should be incorporated into the program description and submitted to the State for approval. All research-based programming in TGH settings must be approved by the State. For milieu management, all programs should also incorporate some form of research-based, trauma-informed programming and training, if the primary research-based treatment model used by the program does not.

Provider Qualifications: A TGH must be licensed by the Louisiana Department of Health and Hospitals, certified by the Office of Behavioral Health, and accredited by CARF, COA, or JCAHO and may not exceed 10 beds. Staff must be supervised by a licensed mental health professional (supervising practitioner) with experience in evidence-based treatments. Staff includes paraprofessional and bachelor's level staff (who provide integration with community resources, skill building, and peer support services) and master's level staff (who provide individual, group, and family therapy) with degrees in social work, counseling, psychology or a related human services field, with oversight by a psychologist or psychiatrist. At least 16 hours of active treatment for each child is required to be provided and/or monitored by qualified staff (e.g., having a certification in the evidence- based practices selected by the facility and/or licensed practitioners operating under their scope of practice in Louisiana), consistent with each child's treatment plan and meeting assessed needs.

LMHPs deliver assessment, individual, group and family therapy and bill separately as stated above. Qualifications for LMHPs are listed in **Attachment 3.1-A, Item 4.b, Page 8a.**

Direct care staff must be at least 18 years old, and have a high school diploma or equivalent. Additionally, the direct care staff must be at least three years older than an individual under the age of 18. Certification in the State of Louisiana to provide the service, which includes criminal, abuse/neglect registry and professional background checks, and completion of a state approved standardized basic training program.

Staffing schedules shall reflect overlap in shift hours to accommodate information exchange for continuity of youth treatment, adequate numbers of staff reflective of the tone of the unit, appropriate staff gender mix and the consistent presence and availability of professional staff. In addition, staffing schedules should ensure the presence and availability of professional staff on nights and weekends, when parents are available to participate in family therapy and to provide input on the treatment of their child.

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
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Medical and Remedial Care and Services
Item 4.b, EPSDT services (Cont'd)

Rehabilitation Services:
42 CFR 440.130(d)

Limitations: The psychiatrist or psychologist must provide twenty-four (24) hour, on-call coverage seven (7) days a week. The psychologist or psychiatrist must see the client at least once, prescribe the type of care provided, and, if the services are not time-limited by the prescription, review the need for continued care every 28 days. Although the psychologist or psychiatrist does not have to be on the premises when his/her client is receiving covered services, the supervising practitioner must assume professional responsibility for the services provided and assure that the services are medically appropriate.
TGHs are located in residential communities in order to facilitate community integration through public education, recreation and maintenance of family connections. The facility is expected to provide recreational activities for all enrolled children but not use Medicaid funding for payment of such non-Medicaid activities. Medicaid does not reimburse for room and board.

TGHs may not be Institutions for Mental Disease. Each organization owning Therapeutic Group Homes must ensure that the definitions of institutions are observed and that in no instance does the operation of multiple TGH facilities constitute operation of an Institution of Mental Disease. All new construction, newly acquired property or facility or new provider organization must comply with facility bed limitations not to exceed 10 beds. Existing facilities may not add beds if the bed total would exceed 10 beds in the facility.

Average Length of stay ranges from 14 days to 120 days. TGH programs focusing on transition or short-term crisis are typically in the 14 to 30 day range. Discharge will be based on the child no longer making adequate improvement in this facility (and another facility is being recommended) or the child is no longer having medical necessity at this level of care. Continued TGH stay should be based on a clinical expectation that continued treatment in the TGH can reasonably be expected to achieve treatment goals and improve or stabilize the child or adolescent's behavior, such that this level of care will no longer be needed and the child or adolescent can return to the community. Transition should occur to a more appropriate level of care (either more or less restrictive) if the child or adolescent is not making progress toward treatment goals and there is no reasonable expectation of progress at this level of care (e.g., child or adolescent's behavior and/or safety needs requires a more restrictive level of care, or alternatively, child or adolescent's behavior is linked to family functioning and can be better addressed through a family/home-based treatment).

TN 14-0035 Approval Date 12-15-14 Effective Date 09-20-14
Supersedes
TN 11-10

State: Louisiana
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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:

EPSDT Rehabilitation and Other Licensed Practitioner's Behavioral Health Services

Methods and Standards for Establishing Payment Rates

Therapeutic Group Home Reimbursement

Reimbursement for the TGH is based on an interim Medicaid per diem reimbursement rate. The interim Medicaid per diem reimbursement rate will be inclusive of, but not limited to the allowable cost of clinical and related services, psychiatric supports, integration with community resources, and the skill-building provided by unlicensed practitioners. Licensed psychologists and LMHP bill for their services separately under the approved State Plan for EPSDT Other Licensed Practitioners. The facility is expected to provide recreational activities for all enrolled children but not use Medicaid funding for payment of such non-Medicaid activities. Definitions of allowable and non-allowable costs are contained in the Provider Reimbursement Manual, CMS Publication 15-1. The TGH provider types and associated reimbursement are as follows:

In-State Publicly Owned and Operated Therapeutic Group Homes (TGH) Reimbursement Rates

A. Publicly owned and operated therapeutic group homes (TGH) will be reimbursed for all reasonable and necessary costs of operation through a cost based rate this is not reconciled to 100% of the individual provider cost. The in-state publicly owned and operated TGHs will receive the Medicaid per diem reimbursement rate detailed in the In-State Privately Owned or Operated TGH section below. The rate will be subject to a retroactive adjustment. Room and board and other non-allowable facility costs are excluded from the per diem rate.

In-State Privately Owned or Operated Therapeutic Group Home (TGH) Reimbursement Rates

A. Medicaid certified providers will be reimbursed for covered TGH services through an interim modeled Medicaid per diem reimbursement rate.

   The Medicaid reimbursement per diem is a modeled rate using estimated allowable cost for the TGH covered services and staffing requirements. Room and board and other non-allowable facility costs are excluded from the per diem rate.

Retroactive Adjustments to Interim Rates (cost sharing): In-state privately owned and operated TGHs providing covered services will also be subject to the retrospective rate adjustments. This process is part of a transitional plan to include these TGH services within the Medicaid program. The retrospective payments adjustments will be determined as follows:

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1. The facilities' allowable per diem cost will be determined from the Medicaid cost report submitted in accordance with the Therapeutic Group Home (TGH) Cost Reporting Requirements section of the Medicaid State Plan. The provider will receive a retrospective rate adjustment equal to 50% of the difference between the actual Medicaid allowable per diem cost and the Medicaid per diem reimbursement rate for each covered TGH patient day.
2. The payment adjustment will not recognize provider allowable cost beyond the threshold of 125% of the initial Medicaid per diem reimbursement rate paid during each fiscal year. For example: If the initial Medicaid reimbursement rate is $200, the maximum allowable cost recognized for rate adjustment purposes would be a $250 per diem.
3. Providers who have disclaimed cost reports or are non-filers will be subject to the modification of the payment adjustment as described in the Therapeutic Group Home Providers with Disclaimed Cost Reports or Non-Filer Status section of the State Plan.

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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:

EPSDT Rehabilitation and Other Licensed Practitioner's Behavioral Health Services

Methods and Standards for Establishing Payment Rates (cont)

New Therapeutic Group Homes and Change of Ownership of Existing Facilities

A. Changes of ownership (CHOW) exist if the beds of a new owner have previously been certified to participate in the Medicaid program under the previous owner's provider agreement. The acceptance of a CHOW will be determined solely by DHH. Reimbursement will continue to be based on the Medicaid reimbursement rate. The rate adjustment process will be determined using the previous owners cost report information for the applicable time periods.

B. New providers are those entities whose beds have not previously been certified to participate in the Medicaid program. New providers will be reimbursed, depending on provider type, in accordance with the Therapeutic Group Home Unit of Service section of the State Plan.

Therapeutic Group Home Providers with Disclaimed Cost Reports or Non-Filer Status

A. Providers with disclaimed cost reports are those providers that receive a disclaimer of opinion from the DHH audit contractor after conclusion of the audit process.

B. Providers with non-filer status are those providers that fail to file a complete cost report in accordance with the Therapeutic Group Home (TGH) Cost Reporting Requirements section of the State Plan.

C. Providers with disclaimed cost reports, or providers with non-filer status will not receive any additional reimbursement through the rate adjustment process. These providers will however be subject to the recoupment of Medicaid payments equal to the provider with the greatest recoupment of Medicaid payments in the State of Louisiana for the applicable fiscal year.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for the following behavioral health services provided to children/adolescents shall be reduced by 1.44 percent of the rates in effect on June 30, 2012:

1. Therapeutic services;
2. Rehabilitation services; and
3. Crisis intervention services.

Effective for dates of service on or after January 20, 2013, supplemental Medicaid payments for state-owned and operated behavioral health providers shall be made in accordance with the payment methodology as described under **Attachment 4.19-B, Item 13d, page 8.**

Unlicensed Practitioners

Unit of Service: Reimbursement for the TGH is based on a daily rate for the skill building providing by unlicensed practitioners.