

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



SEP 15 2017

Mrs. Jen Steele, Director
Bureau of Health Services Financing
Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 17-0002

Dear Mrs. Steele:

We have reviewed the proposed amendment to Attachment 4.19-C and 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 17-0002. This amendment proposes to revise the reimbursement methodology for nursing facilities. This amendment establishes provisions governing evacuation and temporary sheltering costs incurred during a declared disaster or emergency event, to ensure evacuating nursing facilities continue to receive payment while providing essential care and services to displaced residents at a host site.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

Based upon the information provided by the State, Medicaid State plan amendment 17-0002 is approved effective April 1, 2017. We are enclosing the CMS-179 and the new plan pages.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kristin Fan', written over a horizontal line.

Kristin Fan
Director

Enclosures

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

17-0002

2. STATE

Louisiana

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

4. PROPOSED EFFECTIVE DATE

April 1, 2017

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

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 447 Subpart C

7. FEDERAL BUDGET IMPACT:

a. FFY 2016

\$0

b. FFY 2017

\$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-C, Pages 8, 9 and 10 3 and 4

Attachment 4.19-D, Pages 9.h.1 and 9.h.2

Attachment 4.19-D, Page 9.h.2

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 PAGE NUMBER OF THE SUPERSEDED PLAN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

~~None~~ ~~New pages~~ Same (TN 06-35)

Same (TN 06-35) - Reserve pages

Same (TN 06-35) Reserve page

10. SUBJECT OF AMENDMENT: **The SPA proposes to revise the provisions governing the reimbursement methodology or nursing facilities to amend the provisions governing evacuation and temporary sheltering costs in order to ensure that an evacuating nursing facility continues to receive vendor payment while providing essential care and services to residents at a host site when they are displaced.**

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:

Rebekah E. Gee MD, MPH

14. TITLE:

Secretary

15. DATE SUBMITTED:

June 30, 2017

16. RETURN TO:

Jen Steele, Medicaid Director

State of Louisiana

Department of Health

628 North 4th Street

P.O. Box 91030

Baton Rouge, LA 70821-9030

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

June 30, 2017

18. DATE APPROVED:

SEP 15 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

April 1, 2017

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FMS

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

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS FOR PAYMENT FOR RESERVING BEDS DURING A RECIPIENT'S ABSENCE FROM AN
INPATIENT FACILITY

The temporary leave of absence will continue until the resident is either discharged; admitted to another licensed Medicaid provider; or does not return to the nursing facility within 30 days, or a longer period if prior approval is obtained from the Secretary of the Department.

2. Payment for a temporary leave of absence due to evacuations includes two components:

A. *Case-Mix Per Diem Rate*

The evacuating nursing facility will receive their case-mix nursing facility per diem rate for the length of the temporary leave of absence, within the above limitations.

B. *Additional Cost Evacuated Nursing Facilities Incur Facilitating the temporary leave of absence.*

Additional expenses directly related to facilitating a temporary leave of absence necessitated by an evacuation are eligible for payment in addition to the case-mix nursing facility per diem rate.

3. Nursing Facilities Evacuation and Temporary Sheltering Costs

A. Certified, licensed nursing facilities required to participate in an evacuation, as directed by the appropriate parish or state official, or which act as a host shelter site may be entitled to reimbursement of its documented and allowable evacuation and temporary sheltering costs.

1. The expense incurred must be in excess of any existing or anticipated reimbursement from any other sources, including the Federal Emergency Management Agency (FEMA) or its successor.
2. Nursing facilities must first apply for evacuation or sheltering reimbursement from all other sources and request that the Department apply for FEMA assistance on their behalf.
3. Nursing facilities must submit expense and reimbursement documentation directly related to the evacuation or temporary sheltering of Medicaid residents to the Department.

B. Eligible expenses for reimbursement must occur as a result of an evacuation and be reasonable, necessary, and proper. Eligible expenses are subject to audit at the Department's discretion and may include the following:

1. Evacuation expenses include expenses from the date of evacuation to the date of arrival at a temporary shelter or another nursing facility. Evacuation expenses may include:
 - a. resident transportation expenses during travel;
 - b. nursing staff expenses when accompanying residents, including:
 - i. transportation; and
 - ii. additional direct care expenses, when a direct care expense increase of 10 percent or more is documented:
 - (a). the direct care expense increase must be based on a comparison to the average of the previous two pay periods or other period comparisons determined acceptable by the Department;

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- c. any additional allowable costs that are directly related to the evacuation and that would normally be allowed under the nursing facility case-mix rate methodology
- 2. Non-nursing facility temporary sheltering expenses include expenses from the date the Medicaid residents arrive at a licensed, certified non-nursing facility temporary shelter to the date all Medicaid residents leave the shelter. A non-nursing facility temporary shelter includes Medicare/Medicaid-licensed facilities and non-licensed facilities that are not part of a licensed nursing facility and are not billing for the residents under the nursing facility reimbursement methodology or any other Medicaid reimbursement system. Non-nursing facility temporary sheltering expenses may include:
 - a. additional nursing staff expenses including:
 - i. additional direct care expenses, when a direct care expense increase of 10 percent or more is documented:
 - (a). the direct care expense increase must be based on a comparison to the average of the previous two pay periods or other period comparisons determined acceptable by the Department;
 - b. care-related expenses incurred in excess of care-related expenses prior to the evacuation;
 - c. additional medically necessary equipment such as beds and portable ventilators that are not available from the evacuating nursing facility and are rented or purchased specifically for the temporary sheltered residents; and
 - i. these expenses will be capped at a daily rental fee not to exceed the total purchase price of the item; and
 - ii. the allowable daily rental fee will be determined by the Department;
 - d. subject to the restriction at (e) below, any additional allowable costs as determined by the Department and that are directly related to the temporary sheltering and that would normally be allowed under the nursing facility case-mix rate methodology.
 - e. Reimbursement for room and board costs is not available when beneficiaries are sheltered at facilities not licensed as Medicare/Medicaid providers.
- 3. For reimbursement purposes only, the host nursing facility temporary sheltering expenses include expenses from the date the Medicaid residents are accepted to a licensed nursing facility to the date all temporary sheltered Medicaid residents are admitted to a the licensed nursing facility.
 - a. The host nursing facility shall bill for the residents under Medicaid's nursing facility case-mix reimbursement methodology.
 - b. Additional direct care expenses may be submitted when a direct care expense increase of 10 percent or more is documented.
 - i. The direct care expense increase must be based on a comparison to the average of the previous two pay periods or other period comparisons determined acceptable by the Department.

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7. Nursing Facility Evacuation and Temporary Sheltering Costs

A. Payment of Eligible Expenses for Medicare and/or Medicaid Licensed Facilities

1. For payment purposes, total eligible Medicaid expenses will be the sum of nonresident-specific eligible expenses multiplied by the facility's Medicaid occupancy percentage plus Medicaid resident-specific expenses.
 - a. If Medicaid occupancy is not easily verified using the evacuation resident listing, the Medicaid occupancy from the most recently filed cost report will be used.
2. Payments shall be made as quarterly lump-sum payments until all eligible expenses have been submitted and paid. Eligible expense documentation must be submitted to the Department by the end of each calendar quarter.
3. All eligible expenses documented and allowed will be removed from allowable expenses when the nursing facility's Medicaid cost report is filed. These expenses will not be included in the allowable cost used to set case-mix reimbursement rates in future years.
 - a. Equipment purchases that are reimbursed on a rental rate may have their remaining basis included as allowable cost on future costs reports provided that the equipment is in the nursing facility and being used. If the remaining basis requires capitalization then depreciation will be recognized.
4. Payments shall remain under the upper payment limit cap for nursing facilities.
5. Evacuated nursing facilities may also be entitled to reimbursement in accordance with the Medicaid leave day provisions contained in Attachment 4.19-C, Page 1.a., Paragraph II.A and Page 2, Paragraph II.F.

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TN 17-0002
Supersedes
TN 06-35

Effective Date 4-1-2017

Approval Date **SEP 15 2017**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

Attachment 4.19-D
Page 9.h.2

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS FOR PAYMENT FOR RESERVING BEDS DURING A RECIPIENT'S ABSENCE FROM AN
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RESERVED

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Approval Date **SEP 15 2017**