

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

October 12, 2011

Our Reference: SPA LA 11-11

Mr. Don Gregory, State Medicaid Director
Department of Health and Hospitals
Bienville Building
628 North 4th Street
Post Office Box 91030
Baton Rouge, LA 70821-9030

RECEIVED

OCT 24 2011

MEDICAID DIRECTOR

Attn: Keydra Singleton

Dear Mr. Gregory:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 11-11. This state plan amendment adds behavioral health services for children and youth to school based services. It also expands services offered by licensed mental health professionals and rehabilitative services.

In the future, when the State submits a State Plan Amendment (SPA) that may impact Indians or Indian health providers, CMS will look for evidence of the State's tribal consultation process for the SPA. Pursuant to section 1902(a) (73) of the Act added by section 5006(e) of the Recovery and Reinvestment Act of 2009, the State must evidence to CMS regarding the solicitation of advice prior to submission of the SPA. This consultation must include all federally recognized tribes, Indian Health Service and Urban Indian Organizations within the state.

Transmittal Number 11-11 is approved with an effective date of March 1, 2012 as requested. A copy of the HCFA-179, Transmittal No. 11-11 dated March 10, 2011 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,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive style with a large initial "B".

Bill Brooks

Associate Regional Administrator

Enclosures

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 11-11	2. STATE Louisiana
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE January 1, 2012 1 March, 2012	

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

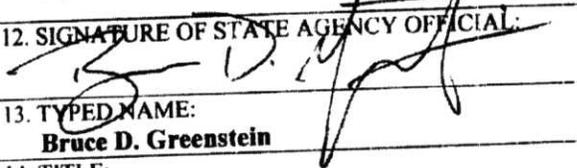
5. TYPE OF PLAN MATERIAL (Check One):
 NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT
 COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.60, 440.130, 440.40(b), 441 Subpart B 42 CFR 447 Subpart B	7. FEDERAL BUDGET IMPACT: * a. FFY <u>2012</u> (\$7,915,912) \$10,177,60 * b. FFY <u>2013</u> (\$13,358,100) <u>\$13,358.10</u>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A, Item 4b, Page 9h Attachment 4.19-B, Item 4b, Page 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 3.1-A, Item 4b page 1 Attachment 4.19-B, Item 4b, & 3b to 3d Remove: Attachment 4.19-B, Item 13d, Page 5a Attachment 4.19-B, Item 13d, Page 7a	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): None (New Page) None (New Page) None (New Page) Same (TN 05-34) None (New Page) Same (TN 10-19) Same (TX 07-06) Same (New Pages) TN 95-46 TN 10-60
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10. SUBJECT OF AMENDMENT: **This amendment is part of the CSoC behavioral health service package. This amendment adds behavioral health services for children and youth to school based services, including expansion of services offered by licensed mental health professionals and rehabilitative services.**

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:
Bruce D. Greenstein

14. TITLE:
Secretary

15. DATE SUBMITTED:
March 10, 2011

16. RETURN TO:
**Don Gregory, Medicaid Director
Department of Health and Hospitals
628 N. 4th Street
PO Box 91030
Baton Rouge, LA 70821-9030**

17. DATE RECEIVED: 10 March, 2011

18. DATE APPROVED: 12 October, 2011

19. EFFECTIVE DATE OF APPROVED MATERIAL:
~~1 January, 2012~~ **3-1-12**

20. SIGNATURE OF REGIONAL OFFICIAL:


21. TYPED NAME:
Bill Brooks

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

23. REMARKS: Pen and Ink change make per State's RAI Response, dated 15 July, 2011, adding Attachment 4.19-B Item 4b, pages 1, 3b, 3c, & 3d.
 Pen and Ink change made per State's E-mail dated 3 October, 2011, changing FFP Amounts

Pen and Ink change made per State's E-mail dated 10/3/11 changing the effective date of the State Plan to 1 March, 2012

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

11-11

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

~~January 1, 2012~~ 1 March, 2012

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 2012 (\$7,915,912) ~~\$10,177,60~~
* b. FFY 2013 (\$13,358,100) \$13,358.10

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Item 4b, Page 9h
Attachment 4.19-B, Item 4b, Page
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 3.1-A, Item 4b page 1
Attachment 4.19-B, Item 4b, & 3b to 3d
Remove: Attachment 4.19-B, Item 13d, Page 5a
Attachment 4.19-B, Item 13d, Page 7a

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

None (New Page)
None (New Page)
None (New Page)
Same (TN 05-34)
None (New Page)
Same (TN 10-19)
Same (TX 07-06)
Same (New Pages)

TN 95-46
TN 10-60

10. SUBJECT OF AMENDMENT: **This amendment is part of the CSoC behavioral health service package. This amendment adds behavioral health services for children and youth to school based services, including expansion of services offered by licensed mental health professionals and rehabilitative services.**

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- 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:

Bruce D. Greenstein

14. TITLE:

Secretary

15. DATE SUBMITTED:

March 10, 2011

16. RETURN TO:

Don Gregory, Medicaid Director
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: 10 March, 2011

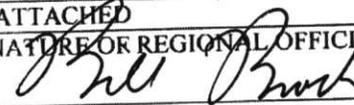
18. DATE APPROVED: 12 October, 2011

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1 January, 2012

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Bill Brooks

22. TITLE: Associate Regional Administrator

Division of Medicaid & Children's Health

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Pen and Ink change made per State's E-mail dated 3 October, 2011, changing FFP Amounts

Pen and Ink change made per State's E-mail dated 10/3/11 changing the effective date of the

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:

CITATION
42 CFR 441.57
Section 1905 of the
Act, Section 6403 of
OBRA 1989

Medical and Remedial
Care and Services
Item 4.b.

Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of Age
and Treatment of Conditions Found

The State will provide other health care described in Section 1905(a) of the Social Security Act that is found to be medically necessary to correct or ameliorate defects as well as physical and mental illnesses and conditions discovered by the screening service even when such health care is not otherwise covered under the State Plan.

Eyeglass Service

EPSDT eyeglasses are limited to three pair per year with provision for extending if medically necessary.

Personal Care Services

Personal Care Services (PCS) EPSDT Personal Care Services are defined as tasks which are medically necessary as they pertain to an EPSDT eligible's physical requirements when limitations due to illness or injury necessitate assistance with eating, bathing, dressing, personal hygiene, bladder or bowel requirements.

1. Conditions for provision of EPSDT Personal Care Services (PCS) services are as follows:
 - a. The recipient must be categorically eligible Medicaid recipient aged birth through twenty years (EPSDT eligible) and have EPSDT personal care services prescribed by a physician.
 - b. An EPSDT eligible must meet medical necessity criteria as determined by the Bureau of Health Services Financing (BHSF).
2. General Requirements

TN# 11-11 Approval Date 10-12-11 Effective Date March 1, 2012
Supersedes
TN# 07-06

SUPERSEDES: TN- 07-06

STATE <u>Louisiana</u>	A
DATE REC'D <u>3-10-11</u>	
DATE APP'VD <u>10-12-11</u>	
DATE EFF <u>3-1-12</u>	
HC-FA 179 <u>11-11</u>	

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.

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 IDEA, Part B services with a written service plan (an IEP) which contains medically necessary services recommended by a physician or other licensed practitioner of the healing arts, 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 rehabilitative services. Medicaid covered services are provided in accordance with the established service limitations. A Local Education Agency 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.

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 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)

SUPERSEDES: NONE - NEW PAGE

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 in Attachment 3.1-A, Item 13.d.

TN# 11-11 Approval Date 10-12-11 Effective Date March 1, 2012

Supersedes

TN# None - New Page

STATE	<u>Louisiana</u>
DATE REG'D	<u>8-10-11</u>
DATE APPROV'D	<u>10-12-11</u>
DATE EFF	<u>3-1-12</u>
	<u>11-11</u>

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STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF 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:

Behavioral Health Services Provided by Local Education Agencies

- (a) 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 as described in Attachment 3.1-A, Item 4b:
1. Other Licensed Practitioner Behavioral Health Services
 2. Rehabilitation Behavioral Health Services
- And Addiction Services in the rehabilitation section in Attachment 3.1-A, Item 13.d.

The interim payment to the Local Education Agencies 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) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (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 CMS 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 LEAs' actual cost of providing the services will be claimed for Medicaid FFP based on the methodology described in the steps below. 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 OMB Circular A-87. The State also will use other LEA specific information including the general fund budget and FTE counts.

TN# 11-11 Approval Date 10-12-11 Effective Date March 1, 2012

Supersedes

TN# None – New Page

SUPERSEDES: NONE - NEW PAGE

STATE	<u>Louisiana</u>
DATE REC'D	<u>3-10-11</u>
DATE APPV'D	<u>10-12-11</u>
DATE EFF	<u>3-1-12</u>
HCFA 179	<u>11-11</u>

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STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF 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 I: 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 Medicaid Administrative Claiming 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.

TN# 11-11 Approval Date 10-12-11 Effective Date March 1, 2012

Supersedes

TN# None - New Page

SUPERSEDES: NONE - NEW PAGE

STATE	<u>Louisiana</u>	A
DATE REC'D	<u>3-10-11</u>	
DATE APP'D	<u>10-12-11</u>	
DATE EFF	<u>3-1-12</u>	
HC FA 179	<u>11-11</u>	

STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF 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 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) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (LEA) provider.

Each LEA will complete the Direct Services and Transportation Cost Reports as applicable and submit the cost report(s) no later than 5 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. 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) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (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.

SUPERSEDES: NONE - NEW PAGE

STATE	<u>Louisiana</u>	A
DATE REC'D	<u>3-10-11</u>	
DATE APP'D	<u>10-12-11</u>	
DATE EFF	<u>3-1-12</u>	
HCFA 179	<u>11-11</u>	

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3. Other Licensed Practitioner Behavioral Health Services
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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) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (LEA) provider.

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 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 LEAs' actual cost of providing the services will be claimed for Medicaid FFP based on the methodology described in the steps below. 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 OMB Circular A-87. The State also will use other LEA specific information including the general fund budget and FTE counts.

TN# 11-11 Approval Date 10-12-11 Effective Date March 1, 2012
Supersedes
TN# 05-34

SUPERSEDES: TN- 05-34

STATE	<u>Louisiana</u>
DATE REC'D.	<u>3-10-11</u>
DATE APP'D.	<u>10-12-11</u>
DATE EFF.	<u>3-1-12</u>
HC FA 179	<u>11-11</u>

A

STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF 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
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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 Medicaid Administrative Claiming 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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TN# None – New Page

SUPERSEDES: NONE - NEW PAGE

STATE <u>Louisiana</u>	A
DATE REC'D. <u>3-10-11</u>	
DATE APP'D. <u>10-12-11</u>	
DATE EFF. <u>3-1-12</u>	
HC FA 179 <u>11-11</u>	

STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF 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 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) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (LEA) provider.

Each LEA will complete the Direct Services and Transportation Cost Reports as applicable and submit the cost report(s) no later than 5 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. 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) or 2) the most recent school year's actual cost as determined by desk review and/or audit for each Local Education Agency (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.

SUPERSEDES: TN- 10-19

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