



Kathleen Babineaux Blanco
GOVERNOR

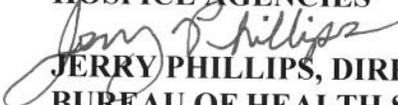
STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



Frederick P. Cerise, M.D., M.P.H.
SECRETARY

MEMORANDUM

TO: ADMINISTRATORS OF NURSING FACILITIES AND
HOSPICE AGENCIES

FROM:  JERRY PHILLIPS, DIRECTOR
BUREAU OF HEALTH SERVICES FINANCING

SUBJECT: NURSING HOME RATE INCREASE CLARIFICATION

DATE: August 8, 2007

In my June 4, 2007 letter you were provided revised rate calculations for your facility for payment of services for the months beginning February, 2007. The Louisiana Nursing Home Association (LNHA) has informed the Department that the June 4th letter needs clarification relative to the \$2.00 Direct Care Service Worker wage increase.

The rule published that implemented the wage enhancement provides the intent of the department is that the wage enhancement be paid to direct care staff. The Department's intent remains that the wage increase go to direct care staff. The June 4th letter indicates that a minimum of \$1.50 per hour is to be paid to the Direct Care Worker in wages and the balance of \$2.00 per hour is to be used for associated wage taxes, insurance, and related benefits.

From discussion with providers and the LNHA, we are in agreement that the wage enhancement goes to direct care staff, but that for some nursing facilities a direct add on of \$1.50 to employees' salaries may not be the best way to increase their employees' reimbursement. Since the rule used the existing case mix methodology and added the wage enhancement to the facility specific direct care component (prior to the case-mix adjustment) and is included in your facility's direct care floor, we are modifying the direction in the June 4th letter to allow nursing facilities to enhance wages to direct care staff by means other than a direct add on of \$1.50.

Administrators of Nursing Facilities and Hospice Agencies
August 8, 2007
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If additional information is required, please contact Kent Bordelon in DHH Rate & Audit Review at (225) 342-6116.

JP: KB: bt

cc: Charles Castille	Ruth Kennedy	Medicaid Specialists
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Karen Contrenchis	Linda Sadden	Kay Gaudet
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