



**State of Louisiana**  
Department of Health and Hospitals  
Office of the Secretary

March 10, 2011

Mr. Bill Brooks  
Associate Regional Administrator  
Division of Medicaid & Children's Health  
DHHS/Centers for Medicare and Medicaid Services  
1301 Young Street, Room #833  
Dallas, Texas 75202

Re: Louisiana Title XIX State Plan Amendments and Waiver Applications  
Louisiana Behavioral Health Coordinated System of Care (CSoC)

Dear Mr. Brooks:

The State of Louisiana is undertaking the development of a behavioral health Coordinated System of Care (CSoC). In an effort to enhance service quality, facilitate access to care, and effectively manage costs, Louisiana proposes to restructure the current service delivery mechanisms by developing and implementing a comprehensive system for behavioral health services that will be a coordinated system of care. The comprehensive system of behavioral health services is designed to provide an array of Medicaid State Plan and home and community-based waiver services to:

- all eligible children and youth in need of mental health and substance abuse care;
- adults with serious and persistent mental illness or co-occurring disorders of mental illness and substance use; and
- at-risk children and youth with significant behavioral health challenges or co-occurring disorders in or at imminent risk of out-of-home placement.

This comprehensive service delivery model is being developed in conjunction with the Louisiana Department of Children and Family Services, the Louisiana Department of Education, and the Louisiana Office of Juvenile Justice.

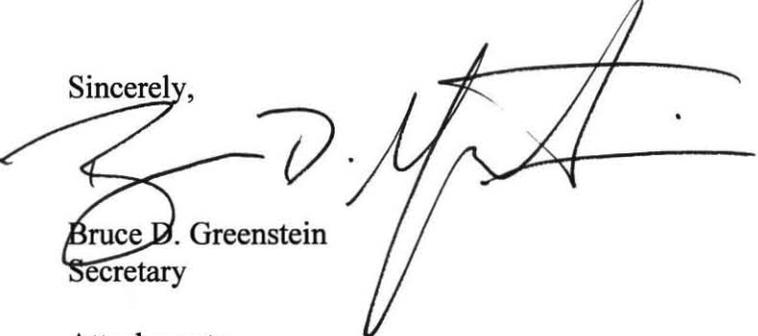
We are requesting that the following Medicaid State Plan Amendments and Medicaid Waiver Applications with a proposed effective date of January 1, 2012 be considered by CMS as a package in order to implement the coordinated system of care.

1. LA SPA TN 11-09 CSoC State Plan Compliance
2. LA SPA TN 11-10 CSoC EPSDT Other Licensed Practitioner and Rehabilitation including Substance Abuse Rehabilitation changes for adults and children

3. LA SPA TN 11-11 CSoC School Based Services
4. LA SPA TN 11-12 CSoC Psychiatric Residential Treatment Facilities
5. LA SPA TN 11-12 CSoC 1915(i) Adult Behavioral Health Services
6. LA.29.00.00 1915c waiver which will provide mental health services to severely emotionally disturbed children who meet a hospital or nursing facilities level of care. These services will also include independent living and skills building, short term respite, peer support, psycho-education, and crisis stabilization.
7. LA 28.00.00 1915b waiver which will provide for the following: Statewide Management Organization to implement the state plan amendments and waivers; substance abuse treatment for adults; physician consultations with treating mental health professionals; services as identified in the 1915c waiver for children who do not meet the criteria for that waiver, but would be institutionalized if unable to receive these services.

We appreciate the assistance of the CMS regional and central staff as we begin this process.

Sincerely,

  
Bruce D. Greenstein  
Secretary

Attachments



**State of Louisiana**  
Department of Health and Hospitals  
Office of the Secretary

March 10, 2011

National Institutional Reimbursement Team  
Attention: Mark Cooley  
CMS, CMSO  
7500 Security Boulevard, M/S S3-13-15  
Baltimore, MD 21244-1850

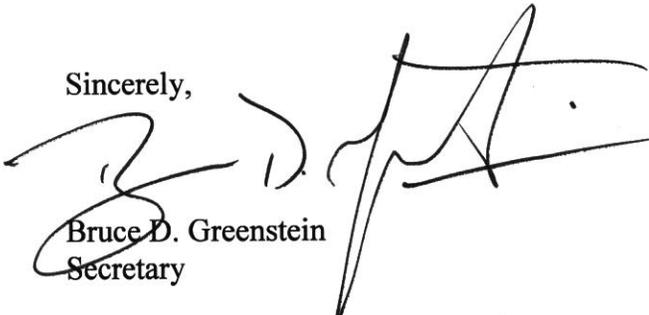
Re: Louisiana Title XIX State Plan  
Transmittal No. 11-12

Dear Mr. Brooks:

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material. This amendment is part of the package to implement a behavioral health Coordinated System of Care (CSoC)

I recommend this material for adoption and inclusion in the body of the State Plan.

Sincerely,

  
Bruce D. Greenstein  
Secretary

Attachments

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

**11-12**

2. STATE

**Louisiana**

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

4. PROPOSED EFFECTIVE DATE

**January 1, 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 440.160, 441 Subpart D  
42 CFR 483 Subpart G**

7. FEDERAL BUDGET IMPACT:

a. FFY 2012      **\$6,424.61**  
b. FFY 2013      **\$8,587.35**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 3.1-A, Item 16  
Attachment 4.19-A, Item 16, Pages 5, 6, 7, 8**

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

**Same (TN 94-34)  
None (New Pages)**

10. SUBJECT OF AMENDMENT: **This amendment is part of the CSoC behavioral health service package. This amendment establishes psychiatric residential treatment facilities.**

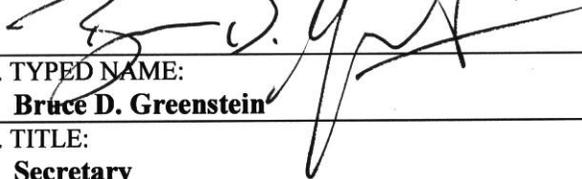
11. GOVERNOR'S REVIEW (Check One):

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. 4<sup>th</sup> Street  
PO Box 91030  
Baton Rouge, LA 70821-9030**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

LOUISIANA TITLE XIX STATE PLAN

TRANSMITTAL #: 11-12

TITLE: CSoC Psychiatric Residential Treatment Facilities

EFFECTIVE DATE: January 1, 2012

FISCAL IMPACT:

Increase

Total Increase in Cost FFY 2012

January 2012 - September 2012      9 months      =      \$10,100,000

FFP (FFY 2012 ) =      \$10,100,000      X      63.61%      =      \$6,424,610

Total Increase in Cost FFY 2013

October 2012 - September 2013      12 months      =      \$13,500,000

FFP (FFY 2013 ) =      \$13,500,000      X      63.61%      =      \$8,587,350

STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED  
LIMITATIONS OF THE AMOUNT, DURATION AND SCOPE OF CERTAIN ITEMS OF PROVIDED  
MEDICAL AND REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

CITATION                      Medical and Remedial Care and Services  
42 CFR                         Item 16  
440.160  
42 CFR 441  
Subpart D  
42 CFR 483                    Inpatient Psychiatric Facility Services for individuals under 21 years of age are limited as  
(Subpart G)                    follows:

Coverage is limited to services provided in Title XVIII certified psychiatric hospitals enrolled in Title XIX and psychiatric facilities which are accredited by the Joint Commission on Accreditation of Healthcare Organizations, the Council on Accreditation of Services for Families and Children, the Commission on Accreditation of Rehabilitation Facilities, or by any other accrediting organization, with comparable standards, that is recognized by the State.

Providers must comply with Federal regulations and policies and any Standards for Payment and licensure and certification standards promulgated by the State.

For psychiatric hospitals providing this service:

- Effective November 1, 1994, providers of these services will be subject to the uniform admission criteria and exclusionary criteria.
- Effective for services December 2, 1994 and after providers must comply with pre-admission process, length of stay assignment, extension –of-stay, and discharge criteria in order to be reimbursed by the Medicaid program.
- Effective for services December 2, 1994 and after, there will be no Medicaid payment for reservation of a bed for a recipient who is temporarily absent from the facility.

For psychiatric facilities providing this service:

- All services will be certified consistent with federal requirements through a prior authorization process.
- Must comply with all active treatment requirements including developing a plan of care based on a diagnostic evaluation that includes examination of the medical, psychological, social, behavioral and developmental aspects of the recipient's situation and reflects the need for inpatient psychiatric care.
- Must continue to meet Medicaid certification requirements for continuation of stay.

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:

I. Psychiatric Residential Treatment Facility (PRTF) Reimbursement

- A. Covered inpatient psychiatric residential treatment facility (PRTF) activities for individuals under twenty-one years of age shall be reimbursed by Medicaid.
  - 1. Free-standing PRTF services will be reimbursed using a per diem reimbursement rate, which includes the following activities when provided by and in the PRTF when included on the patient's inpatient psychiatric active treatment plan of care:
    - a. Occupational Therapy / Physical Therapy / Speech Therapy
    - b. Laboratory
    - c. Transportation
  - 2. For hospital-based Medicaid PRTF the per diem rate will also include the following activities provided by and in the PRTF when included in the inpatient psychiatric active treatment plan of care:
    - a. Dental
    - b. Vision
    - c. Diagnostics/radiology (x-ray)
- B. Pharmaceutical and physician, when provided by and in the PRTF and on the active treatment plan of care, are components of the Medicaid covered PRTF service. These activities will be paid directly to the treating pharmacy or physician, using Medicaid pharmacy and physician fee schedule rates excluded from the psychiatric residential treatment facility (PRTF) State of Louisiana Medicaid per diem fee schedule rates.
  - 1. The Medicaid PRTF per diem rates shall exclude such costs other than pharmaceutical and physician activities on the inpatient psychiatric active treatment plan unrelated to providing inpatient psychiatric care for individual less than twenty-one years of age including, but not limited to the following:
    - a. Group education including elementary and secondary education.
    - b. Medical services provided outside the PRTF.
    - c. Activities not on the inpatient psychiatric active treatment plan

II. In-State Publicly Owned and Operated Psychiatric Residential Treatment Facility (PRTF) Reimbursement Rates

Publicly owned and operated psychiatric residential treatment facilities (PRTF) will be reimbursed for all reasonable and necessary costs of operation. These PRTFs will receive an interim State of Louisiana Medicaid fee schedule rate for activities provided in and by the facility on the active treatment plan. The interim rate will be subject to retroactive cost settlement in accordance with Medicare allowable cost principles contained in the Provider Reimbursement Manual CMS Publication 15-1. In-State publicly owned and operated PRTF's will not be subject to language contained in Section III below.

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:

III. In-State Privately Owned or Operated Psychiatric Residential Treatment Facility (PRTF) Reimbursement Rates

- A. Medicaid certified providers will be reimbursed for covered PRTF services using a per diem rate consistent with the principles in I above. The fee schedule rate paid to the provider will be determined by the following ownership and service criteria:
1. Free-Standing privately owned and operated PRTF specializing in sexually-based treatment programs.
  2. Free-Standing privately owned and operated PRTF specializing in substance abuse treatment programs.
  3. Hospital-based privately owned or operated PRTF specializing in sexually-based treatment programs.
  4. Hospital-based privately owned or operated PRTF specializing in substance abuse treatment programs.

Except as otherwise noted in the Plan, the State-developed fee schedule is the same for both governmental and private individual practitioners and the fee schedule and any annual/periodic adjustments to the fee schedule are published in the Louisiana Register. The Agency's fee schedule rate was set as of January 1, 2012 and is effective for services provided on or after that date. All rates are published on the agency's website at [www.lamedicaid.com](http://www.lamedicaid.com).

- B. Risk Sharing: In-state privately owned and operated PRTF covered services provided during the time period from January 1, 2012 through June 30, 2013 will also receive risk sharing payments. These payments will be made as part of a transitional plan to include these services within the Medicaid program. The risk sharing payments will be determined as follows:
1. The facilities allowable per diem cost will be determined from the Medicaid cost report submitted in accordance with subsection V cost reporting requirements. The provider will receive a risk sharing payment (or recoupment of Medicaid payments) equal to 50% of the difference between the actual Medicaid allowable per diem cost and the Medicaid fee schedule for each covered PRTF patient day.

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TN No. \_\_\_\_\_ Approval Date \_\_\_\_\_ Effective Date January 1, 2012  
Supersedes  
TN No. New Page

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:

2. The risk sharing payment will not recognize provider allowable cost beyond the threshold of 150% of the per diem fee schedule amount paid during each fiscal year. For example: If the fee schedule rate is \$200, the maximum allowable cost recognized for risk sharing payments would be \$300.

C. Effective July 1, 2013, no risk-sharing will be paid. All covered inpatient psychiatric residential treatment facility activities for non-public facilities will be reimbursed using the State of Louisiana Medicaid Fee Schedule reimbursement rates as noted in I and III.A above. All rates are published on the agency's website at [www.lamedicaid.com](http://www.lamedicaid.com).

IV. Out-of-State Psychiatric Residential Treatment Facility (PRTF) Reimbursement Rates

- A. Out of state psychiatric residential treatment facilities will be reimbursed in accordance with the State of Louisiana Medicaid Fee Schedule by applicable provider type. Any publically owned and operated PRTF outside of Louisiana will not receive cost settlements, nor will they receive risk sharing payments as addressed in subsections II and III.

V. Psychiatric Residential Treatment Facility (PRTF) Cost Reports

- A. All in-state Medicaid-participating psychiatric residential treatment facility (PRTF) providers are required to file an annual Medicaid cost report. The cost report fiscal year must correspond to the state fiscal year of July 1 through June 30.
  1. All providers shall submit the uniform cost report form prescribed by the Department on an annual basis. Financial information shall be based on the provider's financial records. When records are not kept on an accrual basis of accounting, the provider shall make the adjustments necessary to convert the information to an accrual basis for reporting.
  2. Cost reports shall be submitted on or before the last day of the fifth month after the end of the provider's fiscal year end.
  3. Separate cost reports must be submitted by central/home offices when costs of the central/home office are reported in the PRTF provider's cost report.
  4. Failure to maintain records to support the cost report, or failure to file a timely cost report may result in penalties determined solely by DHH. Only those cost that are reported, document and allowable per the Medicare and Medicaid provider reimbursement manual will be recognized as cost by DHH.
  5. All cost reports may be subject to an audit or desk review by the DHH audit contractor.

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STATE OF LOUISIANA

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SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER  
THE PLAN ARE DESCRIBED AS FOLLOWS:

6. If the PRTF provider experiences unavoidable difficulties in preparing the cost report by the prescribed due date, a filing extension may be requested. A filing extension request must be submitted to DHH prior to the cost report due date. Facility filing a reasonable extension request will be granted an additional 30 days to file their cost reports.
- VI. New Psychiatric Residential Treatment Facilities 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 State of Louisiana Medicaid Fee Schedule.
  - B. New providers are those entities whose beds have not previously been certified to participate in the Medicaid program.
    1. For dates of service January 1, 2012 – June 30, 2013, reimbursement shall be in accordance with Section III (A).
    2. For dates of service beginning on or after July 1, 2013, new providers shall be paid in accordance with Section III (B).
- VII. Initial and On-going PRTF Rate Setting Methodology:
- A. Per diem PRTF rates effective July 1, 2011, will be developed as follows:
    1. Comparable PRTF rates from other Medicaid programs will be examined.
    2. These rates will be adjusted for cost of living variances between Louisiana and state from which they came.
    3. The adjusted rates will be indexed (inflated used the inflation factor) from the home state's rate effective date to July 1, 2011.
    4. These rates will then be average or other measures of central tendency will calculated.
    5. The rate may be further adjusted to reflect ownership cost variances anticipated, or to recognize PRTF specialization. Additional adjustment to the average rates may be made as deem necessary.
    6. The initial rates will be subject to the risk-sharing provision contained in subsection III to mitigate financial risk for both the Medicaid program and its PRTF providers.
  - B. The Louisiana Medicaid program will collect cost information from providers participating in the PRTF program as indicated in subsection V. This cost information will be utilized to monitor PRTF rates effective July 1, 2013 to ensure our fee schedule payments continue to be adequate to attract provider participation in the program, while also ensuring that rates are not excessive.

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TN No. \_\_\_\_\_

Approval Date \_\_\_\_\_

Effective Date January 1, 2012

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