

**Medicaid Report to the Developmental
Disabilities Council**

March 26, 2009

Waiver/ICF Updates

New Opportunities Waiver

Opportunities Allocated: 8,682
Opportunities Filled: 6,238

- Resource Allocation requires a waiver amendment and CMS approval. OCDD has updated the waiver and is in the process of drafting Guidelines for Support Planning. This document will accompany the waiver amendment to CMS since it contains the specifics of the resource allocation process. It is expected that this will be completed by early April and submitted to CMS. Target date for implementation is July 1, 2009.
- 2025 slots funded by the NOW trust fund are being offered and filled.
- Effective 2/1/2009 rates for NOW waiver were reduced by 3.5% (excluding professional services, nursing services, PERS, environmental modifications and transition services). This was a mid-year reduction for FY '09.
- The NOW waiver expenditures are projected to be reduced an additional 7% in the next state fiscal year

Children's Choice Waiver

Opportunities Allocated: 1,000
Opportunities Filled: 916

- The waiver was up for renewal in 2008/2009. Medicaid and OCDD worked to provide CMS with all requested information. The waiver was renewed on February 10, 2009 and extended for five (5) years.
- Children's Choice rates were not reduced for this fiscal year; the expenditures are projected to be reduced by 7% in the next fiscal year.

Supports Waiver

Opportunities Allocated: 2,188
Opportunities Filled: 1,801

- This waiver is up for renewal. Medicaid and OCDD staff are working together on the renew packet and expect to submit to CMS.
- Supports waiver rates were not reduced for this fiscal year; the expenditures are projected to be reduced by 7% in the next state fiscal year.

Residential Options Waiver (ROW)

Opportunities Allocated: 210
Opportunities Filled: 0

- This waiver is not yet approved by CMS. Medicaid and OCDD staff are working together on the application and answering CMS questions.

Money Follows the Person Update

- In March the first person entered MFP and accepted a Children's Choice Waiver opportunity.
- Programming and procedural issues are still being worked out by Medicaid, OCDD, OAAS, Unisys and SRI.

Intermediate Care Facilities (ICF)

- Effective February 20, 2009 payments to ICFs were reduced by 3.5% (FY '09).
- Leave day payments were reduced from 100% of the daily rate to 75% of the rate.
- ICF rates are projected to be reduced by 3.8% for next fiscal year (FY '10).

Medicaid Budget SFY 09/10

The Commissioner of Administration presented the State's budget to the JLCB on March 13th. The Executive Budget includes a reduction to Medicaid of almost \$519 million with the largest reduction in the private hospital program. The budget includes stimulus funds resulting from an increased FMAP of 80.01% instead of scheduled FMAP of 67.61% in next SFY. The stimulus FMAP is effective from October 1, 2008 through December 31, 2011. DHH estimates that the state will receive approximately \$1.1 billion in stimulus FMAP increase. Current federal projections indicate in FFY 2011 Louisiana Medicaid's FMAP will drop to 63.16%. Consequently on January 1, 2011, Louisiana's state match requirement will increase from 19.99% (FMAP of 80.01%) under stimulus funding to 36.84% (FMAP of 63.16%) under regular FMAP, a change of 16.85%. Each percent change in FMAP costs the state approximately \$50 million in state match on an annual basis.