



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

March 1, 2013

The Honorable John A. Alario, Jr., President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Charles E. Kleckley, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

The Honorable David Heitmeier, Chairman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Scott Simon, Chairman
House Health and Welfare Committee
Louisiana State House of Representatives
P.O. Box 4486, Capitol Station
Baton Rouge, LA 70804-4486

Re: Act 299 (SR 156 and HR 164) of the 2012 Regular Session

Dear President Alario, Speaker Kleckley, and Honorable Chairs:

In response to Act 299 of the 2012 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. Act 299 requires DHH to develop a comprehensive plan to address the delivery of quality services provided to individuals receiving home and community based services (HCBS) and to submit a report to the House and Senate Health and Welfare Committees.

Thank you for allowing us to present information to you regarding our comprehensive plan for improving HCBS. Laura Brackin, DHH's Assistant Secretary for OCDD, and Hugh Eley, DHH's Assistant Secretary for OAAS, are available to discuss this report with you should you have any questions or comments. Please feel free to contact Laura at (225) 342-0095 or Hugh at (225) 219-0223 with any questions or comments that you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Kliebert".

Kathy Kliebert
DHH Deputy Secretary

Enclosure

cc: The Honorable Members of the House Health and Welfare Committee
The Honorable Members of the Senate Health and Welfare Committee
David R. Poynter Legislative Research Library

DEPARTMENT OF HEALTH AND HOSPITALS

Update – Improving Home and Community-Based Services

Report Prepared in Response to Act 299 (SR 156
and HR 164) of the 2012 Regular Session

February 2013

Contact:

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EXECUTIVE SUMMARY

On January 16, 2012, the Department of Health and Hospitals (the Department or DHH) submitted its comprehensive plan to the House and Senate Health and Welfare Committees in response to Act 299. The Department reported on the following areas identified in the Act: (1) compliance of providers, (2) accreditation of providers, (3) streamlined billing procedures, (4) mandatory cost reporting and rate reimbursement, (5) streamlined delivery of support coordination, (6) use of technology, (7) Medicaid enrollment and (8) Medicaid delivery options.

In Senate Resolution No. 156 and House Resolution No. 164 of the Regular Session of 2012, the Louisiana Legislature requested that DHH provide a status update of initiatives outlined in the report. In response, DHH has provided the following update to address the progress of the comprehensive plan's implementation:

1. **Compliance.** DHH conducts surveys of Home and Community-Based Services (HCBS) providers which include complaint surveys, routine licensing surveys, and follow-up surveys, based upon new licensing standards which went into effect in October 2011. In the past year, the Department has had to impose sanctions against twelve HCBS providers.
2. **Accreditation and Licensing.** The new consolidated licensing standards contain rigorous requirements to renew HCBS licenses. Over the past twelve months, an average of five HCBS providers per month has failed to complete licensing renewal requirements. Additionally, from January 2011 through September 2012, another 33 HCBS providers have voluntarily closed. Currently, there are 676 HCBS-licensed active providers, a 55% decrease from late 2005. The decrease can be attributed to the merger to one license, the number of non-renewals of licenses, and the voluntary closures of some HCBS providers. Although accreditation is an option for HCBS providers, it is recommended that accreditation not be mandated for all providers because of time and costs associated with achieving such status, and because not all programs or services align well with existing accreditation options. However, to encourage the accreditation process, it is recommended that HCBS providers be incentivized to receive and retain full accreditation.
3. **Billing.** The Louisiana Service Tracking System (LAST) remains in use by the Department. Improvements made to LAST in 2012 are working, with fewer provider billing problems being reported. Improvements to provider claims and billing are part of contract deliverables through CNSI. The project is scheduled to conclude in 2014. The Office of Aging and Adult Services (OAAS) and Office for Citizens with Developmental Disabilities (OCDD) will continue to explore the effective implementation of electronic visit verification (EVV) system.
4. **Cost Reporting and Rate Reimbursement.** An Emergency Rule was published on June 29, 2012 to establish the requirement that HCBS providers file cost reports. Based on feedback from providers, DHH has elected to postpone implementation of mandatory cost reporting until

Fiscal Year 2013. The Department remains committed to implementing cost reporting for HCBS providers and using the collected data to set rates. However, further research is needed to ensure an effective implementation.

5. **Support Coordination.** OCDD began implementation of the modified plan approval for support coordinators in December 2012. The plan approval will feature a modified Individual Support Review Tool, a streamlined approval with fewer steps needed to obtain final approval, and a single plan for both providers and support coordinators. OAAS is working with University of Louisiana Lafayette (ULL) to develop an electronic plan of care that also supports a single plan for both providers and support coordinators. This new plan of care will improve processes and provide meaningful real-time data for use in the quality monitoring system. The OCDD is currently developing an electronic plan of care featuring an automated budget and prior authorization for both providers and support coordinators. OAAS and OCDD have both implemented person-centered thinking activities surrounding plan development. OCDD has worked in partnership with Support Development Associates (SDA) to implement person-centered thinking activities in the Developmental Disabilities Services System. OAAS and OCDD have fully implemented the Support Coordination Monitoring Tool. Efforts are underway to develop an online training core curriculum that is competency based in all areas of plan development. OCDD will continue to utilize such organizations as Families Helping Families and the Louisiana Developmental Disabilities Council to educate and train families and support coordination agencies on service delivery options.
6. **Technology.** Acumen, a fiscal agent for persons participating in self-direction for the New Opportunities Waiver (NOW) and Community Choices Waiver, has developed and begun providing on-line training in the New Opportunities Waiver (NOW). Acumen will provide a similar curriculum to consumer-directed workers in the Long-Term Personal Care Services (LTPCS) program in the very near future. Three web-based Learning Management Systems (LMS) have been reviewed for delivery of training to provider agency workers. Launch of the OAAS electronic plan of care will occur in spring 2013. OCDD has been developing a participant tracking system/system registry, electronic plan of care, and electronic case management monitoring system. Full implementation is scheduled for mid-year 2014. OAAS has moved forward in making remote in-home sensor monitoring an available technology option in the Community Choices Waiver. OAAS is also making a wider array of TeleHealth solutions available under the waiver starting in spring 2013.
7. **Medicaid Enrollment.** Changes were made to the provider enrollment application, allowing DHH to capture more provider information which includes general liability insurance and workers compensation insurance. By March 2013, DHH will begin implementing an electronic provider enrollment application. Upon full implementation, DHH will have the ability to run the ownership information against all state and federal sanction and exclusion lists, ensure licensing information is accurate and current, and capture criminal background check

information about any provider in the network. From 2005 to current, the Program Integrity-Surveillance Utilization Review (SUR) unit has excluded 18 providers from further participation in the Louisiana Medicaid program, identified a total of \$9,300,000.00 in overpayments, and issued a total of 834 educational letters. Program Integrity has also made 775 referrals to the Attorney General's office, which resulted in several arrests and convictions.

8. Medicaid Delivery Options. OAAS has researched the feasibility of using an Organized Health Care Delivery Systems (OHCDS) in its Community Choices Waiver and concluded that it is a beneficial service option. OAAS has submitted an informal waiver amendment to the Centers for Medicare & Medicaid Services (CMS) for feedback; once received and discussions held with CMS the Office will formally submit the amendment for approval. Anticipated implementation for an OHCDS service delivery option is summer 2013.

INTRODUCTION

On January 16, 2012, DHH submitted its comprehensive plan to the House and Senate Health and Welfare Committees in response to Act 299. Within the plan document, DHH reported on the following areas identified in the Act: (1) compliance of providers, (2) accreditation of providers, (3) streamlined billing procedures, (4) mandatory cost reporting and rate reimbursement, (5) streamlined delivery of support coordination, (6) use of technology, (7) Medicaid enrollment and (8) Medicaid delivery options.

After submission of the report, subcommittees formed in response to Act 299 met regularly to address the specific initiatives and action steps. In Senate Resolution No. 156 and House Resolution No. 164 of the Regular Session of 2012, the Louisiana Legislature requested that DHH provide a status update of initiatives outlined in the report. In response, DHH has provided the following update to address the progress of the comprehensive plan's implementation.

COMPLIANCE

DHH conducts surveys of HCBS providers which include complaint surveys, routine licensing surveys and follow-up surveys based upon new licensing standards which went into effect in October 2011. Of the three survey types, complaint surveys continue to be the most predominant. The Health Standards Section conducts approximately 50 complaint surveys of HCBS providers per month. The survey findings most commonly cited are:

- Failure to follow the individual's comprehensive plan of care (CPOC) or the individual's service plan (ISP);
- Failure to train the direct service worker (DSW) and lack of the DSW competency;
- Lack of training on abuse and neglect policies and procedures;
- Failure to report allegations of abuse and neglect;
- All aspects of medication administration including findings of negative outcomes related to medication administration; and
- Lack of provider oversight.

Within the past year, the Department has had to impose sanctions against twelve HCBS providers. The sanctions have included: (1) the change of provider license from full license to provisional; (2) the revocation of license; or (3) civil monetary penalties (CMPs) for non-compliance with licensing regulations. In 2011, CMPs levied against HCBS providers totaled \$187,200. As of October 25, 2012, the amount is \$129,150.

Efforts are continuing to establish training tools for instructing DSWs on medication administration. The Department has initiated a forum to provide updates and discuss policy issues

as well as answer questions and address concerns. It is the intent of the Department to hold these provider forums on a quarterly basis. Health Standards will participate in these forums to provide clarification on regulatory issues.

ACCREDITATION AND LICENSING

In the Act 299 Report, the subcommittee reported on the Minimum Licensing Standards for HCBS which consolidated licensing of all HCBS under one license, effective October 2011. The new consolidated licensing standards contain rigorous requirements to renew HCBS licenses.

The subcommittee has closely followed the status of the new consolidated licensing regulation for HCBS providers. In 2011, 46 HCBS providers failed to renew their license. As of the end of September 2012, an additional 35 HCBS providers failed to renew their licenses. Over the past twelve months, an average of five HCBS providers per month has failed to complete licensing renewal requirements. Additionally, from January 2011 through September 2012, an additional 33 HCBS providers have voluntarily closed. The reason for closure is not always known. However, explanations given include health issues of owners or family, dissolution of partnerships, divorce, IRS liens, and providers no longer wishing to operate.

Currently, there are 676 HCBS-licensed active providers, a 55% decrease from approximately 1500 HCBS providers that the Health Standards Section acquired in late 2005. The decrease can be attributed to the merger to one license, the number of non-renewals of licenses, and the voluntary closures of HCBS providers.

Also in the Act 299 report, two recommendations were made related to accreditation: (1) develop performance measures to determine whether accreditation correlates with quality of services and (2) incentivize HCBS provider accreditation.

Although accreditation is an option for HCBS providers, presently, there are very few HCBS providers with accreditation. The few accredited HCBS providers report that obtaining accreditation status is a worthwhile undertaking. Other HCBS providers are slowly progressing toward accreditation.

It is recommended that accreditation not be mandated for all providers because of time and costs associated with achieving such status, and because not all programs or services align well with existing accreditation options. However, to encourage the accreditation process, it is recommended that HCBS providers be incentivized to receive and retain full accreditation.

BILLING

The Louisiana Service Tracking System (LAST) remains in use by the Department. Improvements made to LAST in 2012 are working, with fewer provider billing problems being reported. Improvements to provider claims and billing are part of contract deliverables through CNSI. The project is scheduled to conclude in 2014.

The department is currently in negotiations with a contractor to implement an Electronic Visit Verification (EVV) system. Once operating, an EVV system will enable providers to review timesheets in real time and allow them to bill without having to go through the current process which is burdensome. The Office of Aging and Adult Services (OAAS) and Office for Citizens with Developmental Disabilities (OCDD) will continue to explore the effective implementation of an EVV system.

RATE REIMBURSEMENT AND COST REPORTING

As a follow-up to the Act 299 Report, a cost reporting format has been developed by DHH. An Emergency Rule was published on June 29, 2012 to establish the requirement that HCBS providers file cost reports. The intent was to require reports for Fiscal Year 2012. Training for providers in cost reporting was held on September 10, 2012 and September 24, 2012. DHH provided four training sessions including webcast for those who were unable to attend in person.

Based on feedback obtained from providers in response to the proposed rule, the proposed cost reporting format, and the training, DHH has elected to postpone implementation of mandatory cost reporting until Fiscal Year 13. In the interim, DHH is exploring simplifying the cost reporting format. A revised format will be developed by March 1, 2013. Additional training will be provided when the report is finalized.

The Department remains committed to implementing cost reporting for HCBS providers and using the collected data to set rates. The workgroup established under Act 299 will continue to meet as needed to advance this process. However, the Department feels further research is needed to ensure an effective implementation for next year.

SUPPORT COORDINATION

Five areas of focus for Support Coordination were identified in the Act 299 Report: (1) streamline the approval process; (2) implement person-centered thinking and tools; (3) improve monitoring; (4) improve training; and (5) develop training and tools to improve assistance of participant/family choice.

DHH has made strides in streamlining the approval and documentation process. OCDD began implementation of the modified plan approval for support coordinators in December 2012. The plan approval will feature a modified Individual Support Review Tool, a streamlined approval with fewer steps needed to obtain final approval, and a single plan for both providers and support coordinators. In addition, OAAS is working with University of Louisiana Lafayette (ULL) to develop an electronic plan of care featuring an automated budget and prior authorization for both providers and support coordinators. The modules in the data system will allow for more efficient processes and will provide meaningful real-time data for use in quality monitoring. It will positively impact access, choice, and cost-effectiveness while supporting the availability of assessment, care-planning, and service delivery data from an integrated platform. Participants, providers, support coordinators, regional office staff, and management will all benefit from the gains in effectiveness, productivity, accuracy, and cost savings. The decrease in errors, delays, duplicated data collection, and fragmentation of service delivery also add to the value of an information data system. The Department also completed a streamlining of paper documentation project in October 2012. Also, OCDD is currently developing an electronic plan of care featuring an automated budget and prior authorization for both providers and support coordinators.

OCDD has worked in partnership with Support Development Associates (SDA), a nationally recognized consulting group, to implement person-centered thinking activities into the Developmental Disabilities Services System. This collaboration has successfully resulted in seven statewide staff being certified as trainers in person-centered thinking and the partnering of two private community organizations and one state-operated center to complete more in depth person-centered organization activities. OAAS has successfully implemented person-centered planning through extensive training of state office staff, regional office staff, support supervisors, and support coordinators. OAAS's training has resulted in approximately 350 Support Coordinators trained to assist participants to plan their services and supports in a way that is personally meaningful.

OAAS and OCDD have fully implemented the Support Coordination Monitoring Tool. The new tool will better allow OAAS and OCDD to specifically measure outcomes rather than paper compliance.

Efforts are underway to develop an online training core curriculum in the support coordination areas of person-centered thinking, Individual Supervisory Review Tool, Support Coordination Monitoring, and Plan Development. A competency-based core curriculum on assessment and care planning was developed by OAAS. OAAS continues to provide semi-annual training to build knowledge, skills, and competency in core competencies.

OCDD has opted to continue working with Families Helping Families and the Developmental Disability Council to educate and train families and support coordination agencies on service provision options. This has included options such as Employment First and person-centered planning.

The Department remains committed to transforming Support Coordination through a data-driven outcome-based monitoring system and continuous quality improvement. The workgroup established under Act 299 will continue to meet as needed to advance this process.

TECHNOLOGY

Four areas of focus for technology were identified in the Act 299 Report: (1) implementation of a web-based system for provider training; (2) improvement of business processes through implementation of electronic participant tracking and plan of care; (3) implementation of electronic visit verification and billing for community-based services; and (4) implementation of pilots in the use of TeleHealth and TeleCare technology.

Acumen, a fiscal agent for persons participating in self-direction for the New Opportunities Waiver (NOW) and Community Choices Waiver, has developed and begun providing on-line training in the New Opportunities Waiver (NOW). OAAS and OCDD are working with Acumen to refine the training. Acumen will provide a similar curriculum to consumer-directed workers in the Long-Term Personal Care Services (LTPCS) in the very near future. Three web-based Learning Management Systems (LMS) have been reviewed for delivery of training to provider agency workers with the current recommendation being to further explore the use of the Essential Learning LMS.

In October 2011, OAAS implemented an electronic participant tracking system and has an electronic plan of care in place for the LTPCS program. Launch of the OAAS electronic plan of care is targeted for spring 2013. OCDD has been working to develop a participant tracking system/system registry, an electronic plan of care, and an electronic case management monitoring system since October 2012.

Medicaid staff and DHH program offices have met with contractors to develop much of the design for an EVV system, and providers have also provided input. The Department is still exploring options for EVV system implementation.

Finally, in regards to piloting of TeleHealth and TeleCare technology with HCBS participants, OAAS partnered with the Intel-GE joint venture, Care Innovations, and others in applying for a CMS innovations grant to fund such a pilot. The application was not awarded, but OAAS has moved forward in making remote in-home sensor monitoring an available technology option and alternative to one-on-one personal care in the Community Choices Waiver. Providers have been enrolled, and field staff is being asked to identify appropriate cases and situations for the use of this technology. OAAS is also in the process of making a wider array of TeleHealth solutions available under the waiver starting in spring 2013.

MEDICAID ENROLLMENT

In keeping with action steps outlined in the Act 299 Report, changes were made in March 2012 to the provider enrollment application, allowing DHH to capture more provider information which includes general liability insurance and workers compensation insurance. By March 2013, DHH will begin implementing an electronic provider enrollment application. DHH's goal is to re-enroll every Medicaid provider by December 31, 2013. Upon full implementation, the Department will be able to capture enrollment information electronically, including operating managers and/or managing employees of the providers. DHH will have the ability to compare ownership information against all state and federal sanction and exclusion lists, ensure licensing information is accurate and current, and capture criminal background check information about any provider in the network. The new provider enrollment/program integrity solution will also have access to bankruptcies, liens, judgments, and suspicious owner/manager relationships.

Provider Enrollment has been working closely with the Program Integrity- Surveillance Utilization Review (SUR) unit to monitor this provider population. Program Integrity has performed extensive auditing to identify aberrant billing practices, abuse, and/or possible fraudulent activity. From 2005 to current, the Program Integrity-SUR unit has excluded 18 providers from further participation in the Louisiana Medicaid program. We have also identified a total of \$9,300,000.00 in overpayments, which has resulted in a recovery of \$8,600,000.00, and issued a total of 834 educational letters. Program Integrity has also made 775 referrals to the Attorney General's office, which resulted in several arrests and convictions.

By the end of the first quarter of 2013, DHH Provider Enrollment plans to post a public facing database that contains entities and individuals that DHH has terminated or excluded from participating in the Medicaid program. This will serve as public notice for any person or entity who participates in the program that they are not allowed to participate with or allow any employee to receive direct or indirect funding if the employee is on this exclusion/termination list.

MEDICAID DELIVERY OPTIONS

The use of Organized Health Care Delivery Systems (OHCDS) as a means of improving the quality of services to Medicaid-funded HCBS was recommended in the Act 299 Report. The Office of Aging and Adult Services (OAAS) has researched the feasibility of using an OHCDS in its Community Choices Waiver and concluded that it is a beneficial service option. Accordingly, OAAS has submitted an informal waiver amendment to the Centers for Medicare and Medicaid Services (CMS) for feedback. Once meetings with CMS are held, OAAS will formally submit the amendment for approval. Anticipated implementation for an OHCDS service delivery option will be summer 2013.

CONCLUSION

Home and community-based services provide a crucial resource to assist Louisiana's older adults and persons with disabilities in living in their preferred setting. In the Act 299 Report submitted in January 2012, DHH reported on various initiatives that when implemented would further progress in improving the quality of HCBS.

In this status update, the Department can report that significant technological advances have been made to improve the effective and efficient delivery of services. For example, the OAAS Electronic Plan of Care, which will provide an automated budget and prior authorization for both providers and support coordinators, is expected to be available in spring 2013. By March 2013, the electronic provider enrollment application will allow DHH to run ownership information against all state and federal sanction and exclusion lists, to ensure licensing information is accurate and current, and to capture information regarding general liability insurance, workers compensation insurance and criminal background. Also, remote in-home sensor monitoring will be an available technology option and alternative to one-on-one personal care in the Community Choices Waiver.

Administrative improvements include streamlined plan approval for support coordinators which allows fewer steps to obtain final approval and a single plan for both providers and support coordinators. Moreover, training tools and provider forums will be made available for HCBS owners, administrators and direct service staff to provide updates and discuss policy issues as well as answer questions and address concerns.

As the Department continues to implement the initiatives identified in the Act 299 Report, the quality of services for persons receiving HCBS will continue to be enhanced.

Acknowledgements

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