

Medicaid Report to the Developmental Disabilities Council

December 2010

Waiver/ICF Updates

New Opportunities Waiver

Opportunities Allocated: 8,682
Opportunities Filled: 7,850

- Resource Allocation has been approved by CMS.
- Effective 8/1/2010 rates for NOW were reduced by 2% (excluding professional services, nursing services, PERS, environmental modifications and transition services). Programming for rate reductions is complete and have been implemented. Some recoupment may be necessary.
- Impact on future rates changes are being evaluated based on current fiscal situation and success of Resource Allocation.

Children's Choice Waiver

Opportunities Allocated: 1,050
Opportunities Filled: 1,078

- 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.
- Effective 8/1/2010 rates for CC were reduced by 2% and the individual cap was reduced accordingly. Programming for rate reductions is complete and have been implemented. Some recoupment may be necessary.
- Impact on future rates changes are being evaluated based on current fiscal situation.

Supports Waiver

Opportunities Allocated: 2,050
Opportunities Filled: 1,939

- 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.
- Effective 8/1/2010 rates for Supports Waiver were reduced by 2%. Programming for rate reductions is complete and have been implemented. Some recoupment may be necessary.
- Impact on future rates changes are being evaluated based on current fiscal situation.

Residential Options Waiver (ROW)

Opportunities Allocated: 210
Opportunities Filled: 14

- Effective 8/1/2010 rates for Supports Waiver were reduced by 2%. Programming for rate reductions is complete and have been implemented. Some recoupment may be necessary.

Money Follows the Person Update

- Approximately seventy-six (76) recipients have transitioned through MFP.
- Programming and procedural issues are complete.
- Section 2403 of the Healthcare Reform Act appropriated an additional \$2.25 billion and extended the demonstration grant until 2016. Final close-out is scheduled for 2020. CMS anticipate more states joining

the demonstration, especially since some of this funding will focus on infrastructure grant opportunities to address challenges encountered in state MFP programs.

- MFP received verbal approval last month of a \$14 million funding request to assist the state in meeting its benchmarks. Funding will now be available for additional staff, for contractual support with information management and quality of life survey administration, and for training development in the areas of community living, family training in direct care, and support coordination.
- MFP staff are working with the East Baton Rouge Parish Housing Authority as they apply for housing vouchers which would be available for non-elderly persons with disabilities, a population targeted by the MFP program. There are only 1,000 vouchers available nation-wide and these will probably be awarded by lottery. While we are unsure if this will come to be, the groundwork we are laying by working with PHAs is valuable for future opportunities.

Intermediate Care Facilities (ICF)

- Effective 8/1/2010 rates for ICF providers were reduced by 2%.
- Impact on future rates changes are being evaluated based on current fiscal situation and success of Resource Allocation.

General Medicaid Issues Affecting the DD Population

Budget Reductions

Continued budget deficit may result in further budget cuts to all Medicaid providers. This may result in additional rate reductions to waiver and ICF providers in SFY 10-11.

ASO Contract

Act 343 of the 2007 Regular Legislative Session directed DHH to establish an Administrative Services Organization (ASO) to oversee all behavioral health services. An ASO contract will allow Medicaid to better utilize the services which exist, cut costs per individual served, reduce fraud, increase the use of evidence-based interventions among providers and increase the availability of qualified mental health providers throughout the state. An ASO contract also has the potential to reduce redundancies throughout state agencies.

Update Medical Criteria for Inpatient Hospital Admissions and Length of Stay of Phase 2 of InterQual

Louisiana Medicaid is updating our standards used for determining length of stay approved for inpatient hospital stays. InterQual Criteria is nationally recognized and based on current standards of medical practice individualized to patient needs. The implementation of this process would overall improve efficiencies and effectiveness to include improving the quality of care, decrease the cost of admissions, decrease the number of inappropriate admissions, facilitate appropriate discharge planning, automate manual process and assist in determining medical appropriateness for healthcare with an overall cost reduction expected.

This may affect recipients since we estimate that updating this criteria will result in shorter hospital stays and may require more in home care services provided for this population after discharge. Phase 1 of this project was

implemented on November 16, 2009 and only applies to extension request in non state owned hospitals. Phase 2 includes all facilities and all hospital lengths of stay. Phase 2 was implemented in August 2010.

Early Steps Rate Increase

The increase was funded by the 2008 LA Legislature with an effective date of September 1, 2008. The rate increase is necessary to ensure access to medically necessary services in the natural environment for children with developmental delays and provide a more equitable reimbursement to providers to continue their participation in this program. CMS finally approved the rate increase for Support Coordination and retroactive payments have been made.

La Health Care Quality Forum

This supports a comprehensive data warehouse across all medical benefit payers. It is designed to collect healthcare information which can then be utilized to improve and enhance the quality of health care to all patients. The Health Care Quality Forum's Medical Home Committee will assist the Medicaid program in enhancing coordinated care networks and establishing benchmarks by which the Medical Homes initiative will be measured.