

# Medicaid Report to the Developmental Disabilities Council July 2010

## Waiver/ICF Updates

### New Opportunities Waiver

Opportunities Allocated: 8,682  
Opportunities Filled: 7,641

- Resource Allocation has been approved by CMS.
- 2025 slots funded by the NOW trust fund are now being offered and 815 are filled as of 9/25/2009.
- Effective 2/1/2009 rates for NOW were reduced by 3.5% (excluding professional services, nursing services, PERS, environmental modifications and transition services).
- Impact on future rates changes are being evaluated based on current fiscal situation.

### Children's Choice Waiver

Opportunities Allocated: 1,050  
Opportunities Filled: 1,021

- 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.
- Impact on future rates changes are being evaluated based on current fiscal situation.

### Supports Waiver

Opportunities Allocated: 2,050  
Opportunities Filled: 1,823

- 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.
- Impact on future rates changes are being evaluated based on current fiscal situation.

## **Residential Options Waiver (ROW)**

Opportunities Allocated: 210

Opportunities Filled: 0

- CMS has approved the ROW waiver.
- OCDD and Medicaid staffs are working with Unisys to implement the programming needed for claims payment.
- Implemented July 1, 2010.

## **Money Follows the Person Update**

- Approximately sixty (60) 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.
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## **Intermediate Care Facilities (ICF)**

- Effective February 20, 2009 payments to ICFs were reduced by 3.5%
- Effective 9/1/2009 the rates were raised 1.59% to offset some of the February decrease.
- Leave day payments were reduced from 100% of the daily rate to 75% of the rate.

## **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 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 will include all facilities and all hospital lengths of stay. Phase 2 is scheduled for June 1, 2010 implementation.

### **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.