



LNHA State Regulatory Update: July 2018

Emergency Rule

Medicaid Program- Repeal of Reimbursement Rate Reductions and Program and Services Termination

In May 2018, the Louisiana Department of Health (LDH) adopted emergency rules which reduced the reimbursement rates for designated services and terminated certain services and programs covered in the Medicaid program. The rules were slated to go into effect on July 1, 2018. This action was taken as a precaution to the anticipated shortfall which would have occurred if the Legislature failed to fully fund LDH.

In the 2018 Third Extraordinary Session, the Legislature passed additional revenue which fully funded LDH. As a result, the department now rescinds the emergency rules which proposed to reduce the Medicaid reimbursement rates for designated services and terminated certain programs and services. Included in the rescinded emergency rules were the following: Medicaid Eligibility – Medically Needy Program Termination; Medicaid Eligibility – Provisional Medicaid Program Termination; Medicaid Eligibility – Special Income Level Eligibility Termination; Nursing Facilities – Reimbursement Methodology Reduction; and Nursing Facilities – Reimbursement Methodology – Leave of Absence Days Revision. The effective date for rescinding the rules was July 16, 2018. The full text of the proposed amendment can be found [here](#) on page 33 of the PDF.

Notice of Intent

Managed Care for Physical and Behavioral Health – Skilled Nursing Facilities (LAC 50:I.3507)

The proposed rule amends the provisions governing managed care for physical and behavioral health. The proposed rule allows managed care organizations (MCOs) to continue to utilize long-term care facilities, namely skilled nursing facility providers, to provide transitional health care/rehabilitation services as an “in lieu of” service to MCO members who are no longer in need of acute care hospital services. The proposed rule is also designed to align the governing authorities with current operations and practices. Managed care members who transition from acute care hospital may benefit from this proposed rule since it allows skilled nursing facilities services as a step-down continuum of care. This proposed rule may be beneficial to skilled nursing facility providers since they will be reimbursed sooner for services rendered to managed care members.

Nursing facility services will continue to be reimbursed by the Medicaid Program on a fee-for-service basis. The proposed rule simply creates a limited exception for MCO members who transition from acute care hospital services as a step-down continuum of care. The full text of the proposed amendment can be found [here](#) on page 175-177 of the PDF.

Home and Community-Based Service Waivers – Community Choices Waiver – (LAC 50:XXI.Chapters 81-87 and 93)

LDH and the Office of Aging and Adult Services (OAAS) propose to amend the provisions governing the Community Choices Waiver (CCW). Included in the proposal is a provision to amend the criteria for CCW priority offers to specify priority for individuals admitted to or residing in nursing facilities for whom Medicaid is the sole payer source.

Currently, the regulation states, “Community Choice Waiver opportunities shall be offered to individuals on the registry according to priority groups. The following groups shall have priority for CCW opportunities, in the order listed.” The fourth group listed is “individuals admitted to a nursing facility who are approved for a stay of more than 90 days.” The amendment changes the language to “individuals admitted to *or residing in* a nursing facility who *have Medicaid as the sole payer source for the nursing facility stay.*” The full text of the proposed amendment can be found [here](#) on page 168-175 of the PDF.

If you have comments regarding the proposed rules above, please submit them to Jen Steele at MedicaidPolicy@la.gov or mail to Bureau of Health Services Financing, Attn: Jen Steele, P.O. Box 91030,

Baton Rouge, LA 70821. A public hearing of these proposed rules will be held on August 29, 2018, at 9:30 a.m. in Room 118 of the Bienville Building located at 628 North Fourth St., Baton Rouge, LA.

If you have comments or concerns regarding this update, contact LNHA's Legal and Policy Director, Wes Hataway at whataway@lnha.org. View the full text of the final rule [here](#).