



State of Louisiana
Louisiana Department of Health
Office for Citizens with Developmental Disabilities

July 27, 2020

Caroline Meehan
Executive Director
Community Provider Association

Dear Ms. Meehan,

Thank you for your letter of July 2, 2020. Louisiana Department of Health (LDH), Louisiana Medicaid, and the Office for Citizens with Developmental Disabilities (OCDD) understand the unique challenges that providers are facing during the COVID-19 pandemic, and we remain committed to helping our providers navigate this difficult time. The Secretary has asked us to reply on her behalf to address your concerns.

To assist providers with the financial challenges that face providers during this time, LDH continues to advise providers to apply for all available funding that might be available to them (such as Provider Relief fund, Payroll Protection Program, or for business interruption payments). The Centers for Medicare and Medicaid Services (CMS) has advised that payments from state Medicaid agencies cannot be duplicated from another source. It should also be noted that since Medicaid is a state/federal partnership, reporting requirements around use of state matching dollars to draw down any federal funding increases related to COVID will have corresponding reporting and oversight requirements similar to the requirements of the direct federal funding available to providers. The funding we have available has been utilized to implement retainer payments and we are currently in the process of implementing hazard payments to help home and community-based providers financially during this time.

Rate increases have been suggested and reviewed, but are not an available option at this time. LDH and the rest of the State is facing an unprecedented revenue shortfall as a result of COVID-19. This has a corresponding impact on the state budget and LDH cannot currently raise rates, using scarce state funding resources, while other federal funding sources remain available to providers. Additionally, LDH does not believe that giving a temporary rate increase, only to remove it after a couple of months, is the best long term solution to assist providers. Unfortunately, the revenue from the 6.2% increased FMAP as a result of the Families First Coronavirus Response Act (FFCRA), due to the budget shortfall, are not available as supplemental funding to Louisiana Medicaid. The Louisiana Legislature appropriated the enhanced 6.2% FMAP to pay for the current, pre-existing costs of the Medicaid program in order to reallocate \$107.7 million in state general fund

from the Medicaid budget to pay for other state agency expenditures during the economic downturn projected in FY 21.

In regards to the COVID-19 flexibilities enacted through Medicaid authorities (Appendix K, 1135 emergency waivers, disaster State Plan Amendment (SPA) and corresponding emergency rules), unfortunately, the timing of most of these flexibilities is determined by federal regulation and not in the control of the State. While CMS is allowing states to explore the possibility of extending certain flexibilities beyond the end of the declared Public Health Emergency, this is limited mostly to items in the Appendix K (with some exclusions) and the SPA. Below is more detail on the timelines associated with the different types of authorities and where each of your specific requests fall in this federal framework.

- Appendix K authority is currently set to end on January 27, 2021, however, CMS has just issued guidance that the State can extend it through March 2021. We will assess in November the continuation of any Appendix K provisions in our regular waivers beyond March 2021, however, there are limitations on what is allowable for permanent waiver changes beyond the public health emergency period.
- 1135 waivers can only last for the duration of the declared public health emergency.
- Disaster State Plan Amendments are only available through the end of the declared public health emergency; however, states do have options for continuation of certain provisions through the regular State Plan process.
- The emergency rules associated with the above changes are currently set to expire with the corresponding federal authority (i.e., appendix K, 1135 or SPA); however, we are exploring what flexibilities exist within state policy that should be extended.

In reviewing your specific requests, I can offer the following information:

Flexibility Requested	Authority	Timeline
Allowing HCBS providers and SCAs to substitute face-to-face contact with virtual check-ins for participants/families who are uncomfortable with in-person contact	Appendix K 1135 waiver (for electronic signatures)	1/27/21 to be extended through March 2021 Terminates with PHE
Allowing payment to legally responsible relatives for IFS in-home services and Companion Care services	1135 waiver	Terminates with PHE
Allowing DSPs to work beyond 16 hours when necessary	State rule	Terminates with PHE, but can be reviewed for continuation
Allowing recipients to temporarily reside with workers if necessary	Appendix K	1/27/21 to be extended through March 2021
Allowing SCAs to utilize verbal or electronic signatures for CPOC revisions	1135 waiver	Terminates with PHE

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Allowing families to keep ICF residents at home during this pandemic	Disaster SPA	Terminates with PHE
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Thank you for the work you, and all providers, have done during this challenging time. We remain committed to working to help you through the COVID-19 pandemic and beyond.

Sincerely,



Julie Foster Hagan
Assistant Secretary
OCDD



Ruth Johnson
Medicaid Executive Director
Louisiana Department of Health