

Regular Session, 2010

SENATE BILL NO. 806 (Substitute of Senate Bill No. 766 by Senator McPherson)

BY SENATOR MCPHERSON

HEALTHCARE. Provides to develop a reimbursement methodology for community mental health centers. (8/15/10)

1 AN ACT

2 To enact Part II of Chapter 58 of Title 46 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 46:2745 and 2746, relative to reimbursement methodology for
4 mental health services; to direct the Department of Health and Hospitals to establish
5 a reimbursement methodology for community mental health centers; to direct the
6 department to promulgate rules and regulations relative to the reimbursement
7 methodology; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Part II of Chapter 58 of Title 46 of the Louisiana Revised Statutes of
10 1950, comprised of R.S. 46:2745 and 2746, is hereby enacted to read as follows:

11 **PART II. REIMBURSEMENT METHODOLOGY FOR**
12 **COMMUNITY MENTAL HEALTH CENTERS**

13 **§2745. Legislative findings and purpose**

14 **A.(1) It is in the best interest of the state that behavioral health services**
15 **for all Louisiana residents should be based on the following guiding principles:**

16 **(a) Recipients shall have freedom of choice of provider for services.**

17 **(b) Timely and easy access to covered services.**

1 (c) Behavioral health recipient and family driven services.

2 (d) Locally-delivered care and services, which minimize the need for out
3 of home placement and residential placement.

4 (e) Effective innovation and use of clinical outcomes, evidence-based and
5 best practices.

6 (f) Collaboration with the greater community.

7 (g) Cultural competency.

8 (h) Recruitment of providers trained and evaluated based on established
9 credentialing criteria that include qualifications and related clinical,
10 administrative, and cultural competencies.

11 (2) In order for the department to meet the goals set forth above, the
12 Department of Health and Hospitals is currently implementing the process by
13 which all publically funded behavioral health services be organized in such a
14 way that screening, assessment, treatment planning and treatment are provided
15 in a recovery-oriented fashion that utilizes evidence-based and/or best practice
16 methodologies in order to improve outcomes and quality of life for individuals
17 served, while reducing the need for more restrictive services and out of home
18 placements. All services and programs should be evaluated using standardized
19 procedures and instruments to provide reliable and valid data about service
20 outcome. Further, the department should provide administrative service
21 oversight to establish a comprehensive, well-coordinated, measured approach
22 to the management of publically-funded behavioral health services within the
23 state.

24 (3) The Patient Protection and Affordable Care Act, hereinafter referred
25 to as the "Act", provides that beginning April 1, 2011, in order to meet the
26 definition of a community mental health center, forty percent of the services
27 provided by such centers must be provided to non-Medicare recipients.
28 Currently, Louisiana's community mental health centers serve a Medicare
29 insured clientele that receives approximately ninety percent of their total

1 services and generates in excess of eighty-five million dollars for our state's
2 economy. If Louisiana's community mental health centers cannot meet the forty
3 percent threshold mandated by the Act, that funding could be substantially
4 reduced or entirely lost.

5 (4) The Act also expands Medicaid eligibility income limits to one
6 hundred and thirty-three percent of the federal poverty limit beginning in 2014.
7 The Department of Health and Hospitals estimates that may add as many as six
8 hundred thousand Louisiana residents to the Medicaid program, meaning that
9 almost forty percent of our population will be insured by Medicaid, making it
10 virtually impossible for Louisiana-based community mental health centers to
11 meet the payor mix threshold mandated by the Act if they are not permitted to
12 provide services to our Medicaid population.

13 (5) Louisiana currently has fifty-seven certified Community Mental
14 Health Centers. Due to the number of Community Mental Health Centers, the
15 state seeks to continue offering these mental health services at the highest
16 standards, but in a prudent manner.

17 (6) The Department of Health and Hospitals has a mental health
18 rehabilitation program which Community Mental Health Centers currently
19 may enroll and participate in to meet the mental health services needs in the
20 state.

21 B. The purpose of this part is to develop criteria and a reimbursement
22 methodology for Community Mental Health Centers.

23 §2746. Reimbursement methodology; rules and regulations

24 A. The Department of Health and Hospitals shall obtain input from
25 mental health providers and mental health advocates to develop a
26 reimbursement methodology, which methodology shall be subject to approval
27 by the Centers for Medicare and Medicaid Services, which would allow
28 freestanding Community Mental Health Centers to obtain reimbursement for
29 treatment of persons who are Medicaid eligible. Such methodology shall

1 require that Community Mental Health Centers meet certification standards
 2 required by the department and be nationally accredited as required by the
 3 department.

4 B. No later than January 20, 2011, the department shall issue a notice
 5 of intent to promulgate rules and regulations, in accordance with the
 6 Administrative Procedure Act, to provide for a reimbursement methodology for
 7 freestanding Community Mental Health Centers and to provide for certification
 8 standards as required by the department.

9 C. Subject to appropriation by the legislature, the Department of Health
 10 and Hospitals shall provide for the inclusion of qualified Community Mental
 11 Health Centers as providers for the purposes of Medicaid reimbursement.

12 Section 2. The Louisiana State Law Institute is hereby directed to place the
 13 provisions of R.S. 46: 2741 through 2744 in their entirety within Part I of Chapter 58 of Title
 14 46 of the Louisiana Revised Statutes of 1950, and to designate Chapter 58 as
 15 "Reimbursement Methodology" and Part I as "Reimbursement Methodology of Nursing
 16 Homes".

The original instrument was prepared by Greg Waddell. The following
 digest, which does not constitute a part of the legislative instrument, was
 prepared by Dawn Romero Watson.

DIGEST

McPherson (SB 806)

Proposed law, regarding community mental health centers, requires the Dept. of Health and Hospitals (DHH) to obtain input from mental health providers and mental health advocates to develop a reimbursement methodology which allows freestanding Community Mental Health Centers to obtain reimbursement for treatment of person who are Medicaid eligible. Requires that the reimbursement methodology require that Community Mental Health Centers meet certification standards required by DHH and be nationally accredited as required by DHH. Provides that such methodology shall be subject to approval by the Centers of Medicare and Medicaid Services (CMMS).

Proposed law provides that no later than January 20, 2011, DHH shall issue a notice of intent to promulgate rules and regulations in accordance with the Administrative Procedure Act regarding the proposed law reimbursement methodology.

Proposed law provides that, subject to appropriation by the legislature, DHH shall provide for the inclusion of qualified Community Mental Health Centers as providers for the purposes of Medicaid reimbursement.

Directs the Louisiana Law Institute to re-designate present law regarding reimbursement methodology of nursing homes as Part 1 of Chapter 58 of Title 46 of the Louisiana Revised Statutes of 1950.

Effective August 15, 2010.

(Adds R.S. 46:2745 - 2746)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Changes legislative findings and purpose.
2. Removes "community mental health clinics" from proposed law.
3. Changes deadline for rules notice from January 1, 2010, to January 20, 2011.
4. Adds appropriation by the legislature as qualification for DHH providing for the inclusion of qualified Community Mental Health Centers as providers for the purposes of Medicaid reimbursement.