




## State of Louisiana

Louisiana Department of Health  
Bureau of Health Services Financing

### MEMORANDUM

**DATE:** March 27, 2017

**TO:** HSIC Members, SUD Providers

**FROM:** Jen Steele, Medicaid Director  
James Hussey, Assistant Secretary, Office of Behavioral Health 

**SUBJECT:** Timeline for Compliance with Federal Institutions of Mental Disease Requirements

On March 13, 2017, the Louisiana Department of Health (LDH) Bureau of Health Services Financing (Medicaid) received a letter from the Centers for Medicare & Medicaid Services (CMS) approving an amendment to the Healthy Louisiana Managed Care Organization contracts to append the rate certification letter for the period July 1, 2016 through January 31, 2017. The letter states:

“While CMS is approving these contracts, CMS has determined that terms of the contract are not in compliance with provisions in 42 CFR 438.3(e)(2) for in lieu of services, in particular as this provision relates to Institutions of Mental Disease (IMD) pursuant to 42 CFR 438.6(e). However, given the mid-year effective and compliance dates of these provisions contained in the final Medicaid managed care rule, CMS is providing the state an opportunity to bring these Medicaid managed care contracts into compliance with these requirements by the next rating period after receipt of this letter.”

The next Healthy Louisiana Managed Care Organization rating period after March 13, 2017 is February 1, 2018. LDH is actively working with CMS towards compliance with the IMD requirements by the February 1, 2018 deadline. Specifically, LDH is preparing a Section 1115 waiver proposal to CMS to preserve the SUD services currently provided by Healthy Louisiana plans on an in lieu of basis. LDH anticipates public notice of the waiver in April and submission to CMS in May.

Should you have any questions about this matter, you may contact James Hussey, Assistant Secretary, LDH Office of Behavioral Health, via e-mail at [James.Hussey@la.gov](mailto:James.Hussey@la.gov) or Jen Steele, Medicaid Director, via email at [Jen.Steele@la.gov](mailto:Jen.Steele@la.gov).