

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-01-16
Baltimore, Maryland 21244-1850



Children and Adults Health Programs Group

Ms. Ruth Kennedy
Medicaid Director
State of Louisiana
Department of Health and Hospitals
628 North 4th Street
Baton Rouge, LA 70802

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MEDICAID DIRECTOR

Dear Ms. Kennedy:

Thank you for your recent request to extend Louisiana's Greater New Orleans Community Health Connection (GNOCHC) section 1115 demonstration (Project No. 11-W-00252/6). The Centers for Medicare & Medicaid Services (CMS) received your initial extension request on July 1, 2014, and the updated extension request addressing our questions on July 25, 2014. We have completed a preliminary review of the application and have determined that the state's extension request has met the requirements for a complete application as specified under section 42 CFR §431.412(a).

In accordance with section 42 CFR §431.416(a), CMS acknowledges receipt of the state's application. The application documents will be posted on the Medicaid.gov website for a 30-day federal comment period, as required under 42 CFR §431.416(b). The documents will be available at: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/Waivers.html>.

If you have additional questions, please contact your assigned project officer, Mehreen Hossain. Ms. Hossain can be reached at (410)786-0938 or Mehreen.Hossain1@cms.hhs.gov.

Communications regarding program matters and official correspondence concerning the demonstration should be submitted to Ms. Hossain at the following address:

Centers for Medicare & Medicaid Services
Centers for Medicaid & CHIP Services
Mail Stop: S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850

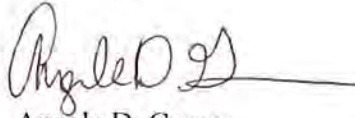
Official communications regarding program matters should be sent simultaneously to Ms. Hossain and to Mr. Bill Brooks, Associate Regional Administrator, in our Dallas Regional Office.

Mr. Brook's contact information is as follows:

Mr. Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children Health Operations
1301 Young Street, Room 714
Dallas, TX 75202

We look forward to working with your staff on the state's demonstration extension.

Sincerely,

A handwritten signature in black ink, appearing to read "Angela D. Garner", with a horizontal line extending to the right.

Angela D. Garner
Acting Director
Division of State Demonstrations and Waivers

cc: Eliot Fishman, Director, Children and Adults Health Programs Group
Bill Brooks, CMS, Region VI
Andrea Casart, CMCS
Mehreen Hossain, CMCS

Greater New Orleans Community Health Connection Section 1115 Demonstration Waiver

Renewal Application

Louisiana Department of Health and Hospitals

Initial Submission: July 1, 2014 Updated: July 25, 2014



**Louisiana Greater New Orleans Community Health Connection
Section 1115 Demonstration Renewal Application to the
Centers for Medicare & Medicaid Services**

I. Background, Goals and Objectives

In the aftermath of Hurricanes Katrina and Rita, the Louisiana Department of Health and Hospitals (DHH) was awarded a \$100 million Primary Care Access Stabilization Grant (PCASG) for July 2007 through September 2010 for the Greater New Orleans area to restore and expand access to primary care, mental health, and dental services without regard to a patient's ability to pay. In 2010, DHH submitted a proposal to CMS for a Medicaid section 1115 demonstration to continue funding of the PCASG provider organizations, propose a reduction in discretionary disproportionate share hospital (DSH) funding, and increase support for primary care medical homes (PCMH). CMS approved the Greater New Orleans Community Health Connection (GNOCHC) 1115 demonstration effective October 1, 2010 through December 31, 2013. In September 2013, CMS approved a 12-month extension of the program to December 31, 2014, changes to the eligibility criteria and reimbursement methodology, and on March 27, 2014, CMS approved an increase to the expenditures permitted under the budget neutrality limit for 2014.

The Greater New Orleans area comprised of Orleans, Jefferson, St. Bernard, and Plaquemines parishes is the largest population center in the state and is home to over 800,000 individuals, representing roughly 20 percent of the state's population. According to the 2012 U.S. Census Bureau's American Community Survey estimate for the GNOCHC service area, 16.5 percent of the residents aged 18-64 had incomes below poverty, nearly 20 percent of that age group who were employed were uninsured, 53 percent of the unemployed were uninsured, and 22.5 percent of those not in the labor force were uninsured. According to the Louisiana Health Insurance Survey, 124,904 individuals in the GNOCHC service area are under 100 percent of the Federal Poverty Level (FPL) and uninsured rates are highest for adults at this income level. Nine years since Hurricane Katrina, the Greater New Orleans area continues to be significantly impacted. As reiterated by commenters at the public hearings for the waiver renewal, the lives and health, both mental and physical, of residents are still overwhelmingly impacted by the devastation from the storms. Patients are still dealing with the trauma of losing their homes, jobs, and essentially the life they had prior to the storm. The GNOCHC program has been essential to not only restoring and building the primary care and behavioral health infrastructure in the community but also to building back lives. **The GNOCHC 1115 demonstration is a critical program for these residents to continue receiving primary care and mental health services in the community.**

DHH is requesting a three-year renewal of the GNOCHC 1115 demonstration waiver. An extension of this waiver program continues access to critical physical and behavioral health care in the Greater New Orleans area, avoiding the need for more costly care in an emergency setting, while permitting participating providers to continue on a path toward self-sustainability.

II. GNOCHC Successes To Date

The GNOCHC demonstration accomplished its Phase I goals that focused on access preservation and evolution planning by enrolling thousands of eligible, low-income, uninsured adults into basic health care coverage; transforming PCASG awardees into coverage model-driven health care providers with routine Medicaid enrollment and billing processes and encounter rate payments; and substantially completing program start up, paving the way for routine program operations and further evolution in Phase 2.

In Phase 2, DHH continued to enroll thousands of eligible adults into the GNOCHC demonstration; finalized the remaining key elements of the terms and conditions of the demonstration; and established and maintained routine operations to enable providers to move further toward the goal of self-sustainability into 2014. Below are examples of the GNOCHC demonstration's progress to date.

Preserving Primary and Behavioral Health Care Access

The demonstration has been successful in preserving access to primary and behavioral care, as the percentage of eligible, participating providers who participated in the PCASG and who continue to participate in GNOCHC has remained at over 80 percent (18 organizations). The number of enrolled sites remains at 42, but FFY14 will show an increase due to planned clinic expansions. Also of note:

- Clinics are working together to offer a greater array of services.
- Some GNOCHC clinics have contracted with other medical entities such as Louisiana State University to offer specialty care like mammography and endocrinology services.

Sustaining and Advancing the Medical Home Model

- The GNOCHC clinics continue to serve as the "medical home" and the provider of choice for area-underserved residents.
- Funding from GNOCHC has helped many providers attain and keep National Committee for Quality Assurance (NCQA) Primary Care Medical Home (PCMH) recognition. The percentage of participating provider sites with NCQA PCMH recognition is at 45.2 percent (19 sites). Thirteen of the sites are at Level 3, and six sites are at Level 2. One additional site is actively pursuing recognition.

Provider Financial Sustainability Through Diverse Means of Financing

GNOCHC providers were challenged to carefully evaluate their current GNOCHC utilization, and, based on a data-driven analysis of expenditures, future utilization, and estimated revenue projections through 2014, to develop realistic strategies for future financial sustainability and to provide a clear vision of an organization moving decisively toward self-sufficiency. Observations include:

- There remains significant variation among providers in their ability to perform and respond to this assessment.
- With the advent of Medicaid managed care in Louisiana Medicaid, most GNOCHC providers are enrolled providers with all five Bayou Health managed care plans, which increases their non-GNOCHC patient count and provides another source of revenue. Most have increased staff to allow for a rise in the number of patients.
- Most providers have made improvements/upgrades to billing/claims systems and have (or will) transitioned to a new Electronic Medical Record/billing system; GNOCHC funding has provided computer equipment, servers, and funds for training.
- Providers have engaged in outreach to diversify their patient base to include non-GNOCHC Medicaid patients and patients with private insurance.
- Most GNOCHC providers receive funding from federal and non-federal grants. Other sources of revenue are private contributions, payment from non-GNOCHC Medicaid recipient claims, funds raised through community events, enhanced reimbursement from Medicaid and Medicare as a result of Federally Qualified Health Center (FQHC) status, and private insurance. All continue to seek sources of additional funding; **however funding continues to be a concern, particularly for smaller clinics.**
- All are looking forward to the changes the Affordable Care Act will bring, such as more private insurance payments through the Exchange and more patients.

Increasing Access to Health Care Coverage

- From the inception of the GNOCHC demonstration in October 2010 to September 2013, the GNOCHC demonstration grew to serve approximately 63,000 individuals. With the new income limit of 100 percent of the FPL effective January 1, 2014 to align with availability of subsidized coverage in the Marketplace, the demonstration currently serves approximately 49,000 individuals.

Assessing Behavioral Health Care Needs of Enrollee Sub-Populations

DHH is gaining experience through the GNOCHC demonstration on behavioral health utilization and costs of the GNOCHC adult population. For example, evaluation measures that track utilization of behavioral health services by enrollee subpopulation indicate that the average payment for behavioral health care for childless enrollees is \$147 per month, which is 12.2 percent higher than payment for enrollees with a child in the home, which average \$131 per month. Also, the average payment per month for enrollees with incomes of 133 percent of the FPL or less was \$145 per month, which is 9.8 percent higher than the average of \$132 per month for enrollees earning 134 – 200 percent of the FPL.

The GNOCHC demonstration as of June 28, 2014 is serving approximately 49,000 individuals in the Greater New Orleans Area through the network of 18 GNOCHC clinics (42 sites) that provide access to primary and behavioral health services. These clinics are not without remaining challenges and funding continues to be a concern, particularly for some of the smaller clinics

that rely more heavily on GNOCHC and Medicaid and lack the resources to perform the same level of self-assessment and improvement as some of the larger clinics. The continued support from the GNOCHC demonstration remains critical to the provision of services to the GNOCHC adult population as well as to the clinics' ability to further evolve as 2014 brings the introduction of new, private payer sources as a result of the Federally Facilitated Marketplace.

III. Waiver Renewal Support

Attachment 1 contains seven letters from a variety of public and provider stakeholders demonstrating unanimous support for the renewal of the GNOCHC demonstration.

IV. Demonstration Renewal Request

The goal of the renewal is to preserve and further increase access to healthcare in the Greater New Orleans area, support providers in their efforts to transform and become self-sustainable, and reduce the need for more costly emergency care. **DHH is requesting to make incremental revisions to GNOCHC in this renewal request while planning for additional new initiatives that will benefit enrollees and providers over the next three years.**

Summary of Changes

DHH intends to discontinue the requirement that eligible individuals be uninsured for at least six months and modify provider reimbursement to transition provider incentive payments from incentives for NCQA PCMH status to incentives that more closely align with quality and outcomes. Details of these proposed changes follow.

V. Eligibility

For this renewal, DHH proposes to remove the requirement that eligible individuals be uninsured for at least six months. Removal of this enrollment barrier received strong support from commenters during our public notice period and is expected to help improve access and continuity of care. **All other eligibility requirements remain unchanged.** Individuals enrolled in GNOCHC must:

- Live in Jefferson, Orleans, St. Bernard or Plaquemines parish;
- Not be pregnant;
- Be uninsured;
- Have family income up to 100 percent of the FPL;
- Meet U.S. citizenship requirements under the Deficit Reduction Act of 2008 and the Children's Health Insurance Program Reauthorization Act of 2009;
- Be age 19 through 64 years old; and
- Not be eligible for Medicaid, CHIP or Medicare. Applicants will continue to be pre-screened to determine possible eligibility in a full benefit program prior to determining eligibility for GNOCHC, a limited benefit program. Applicants may still qualify for the Tuberculosis Infected Program or the TAKE CHARGE Family Planning Waiver or

succeeding State Plan Family Planning services. Coverage for retroactive eligibility is not available under GNOCHC.

Recipients will continue to undergo an eligibility redetermination at least annually. Each redetermination will include a review of the individual's eligibility for coverage in other Medicaid or CHIP programs.

VI. Services

DHH proposes no changes to covered services. The following services paid for and provided directly or indirectly by referral by a participating GNOCHC provider would continue to be covered:

- Care coordination;
- Immunizations and influenza vaccines;
- Laboratory and radiology;
- Behavioral health care;
- Primary health care;
- Preventive health care;
- Substance disorder treatment; and
- Specialty care (as provided by the GNOCHC provider or through referral agreement by the GNOCHC provider).

As a result of public comments, DHH is actively exploring the addition of a dental benefit for the GNOCHC enrollees under the demonstration and researching the connection between dental conditions and avoidable emergency room visits in GNOCHC enrollees. DHH anticipates this will be a future change requested during the renewal period.

Currently, DHH does not impose cost sharing for GNOCHC enrollees, but retains flexibility to do so under the approved demonstration. DHH is requesting the ability to preserve this option through the renewal period. If imposed, the enrollee's share of the cost would be restricted to a 5 percent aggregate limit per family.

VII. Participating Providers

Currently, there are 42 GNOCHC participating provider sites in the 4-parish area. Providers are disproportionately located in Orleans parish, while Plaquemines, St. Bernard, and to a lesser extent, Jefferson parish, are relatively underserved. **All participating requirements (as listed below) will remain unchanged.**

- Be a GNOCHC enrolled provider;
- Be an original Primary Care Access Stabilization Grant (PCASG)-participating provider, operational and serving GHOCHC demonstration participants on October 1, 2010;
- Be a public or private not-for-profit entity that meets the following conditions:
 - the entity must not be an individual practitioner in private solo or group practice;

- the provider shall be currently licensed, if applicable;
 - either the provider or its licensed practitioners shall be currently enrolled in the Louisiana Medicaid Program; and
 - all health care practitioners affiliated with the provider that provide health care treatment, behavioral health counseling, or any other type of clinical health care services to patients shall hold a current, unrestricted license to practice in Louisiana within the scope of that licensure.
- Provide full disclosure of ownership and control, including but not limited to any relative contractual agreements, and partnerships;
 - Have a statutory, regulatory or formally established policy commitment (*e.g.* through corporate bylaws) to serve all people, including patients without insurance, at every income level regardless of their ability to pay for services, and be willing to accept and serve new publicly insured and uninsured individuals;
 - Maintain one or more health care access points or service delivery sites for the provision of health care services which may include medical care, behavioral health care and substance disorder treatment services, either directly on-site or through established contractual arrangements;
 - Continue to collect all data on services rendered and maintain such data at the provider level; and
 - Continue to submit required reports on patient population and revenue.

DHH proposed for public comment to remove the requirement that GNOCHC providers also have participated as PCASG providers prior to the 1115 demonstration. Due to limited budget resources for GNOCHC, DHH has decided to continue this requirement in the renewal. However, DHH will consider requests from additional provider organizations and, as necessary to comply with any CMS requirements, request revision in the waiver to include additional sites on the list of participating providers.

VIII. Quality Assurance

DHH prepares quarterly and annual GNOCHC reports that summarize the results of monitoring and quality assurance activities. Attachments 2.1, 2.2, and 2.3 contain the annual reports for demonstration Years 1 – 3. DHH initially focused on implementing the demonstration internally with system readiness, setting policy and procedures, and staff training and externally with providers and recipients to process claims and educate the public about the program. By year 2, routine program operations were in place, but the State continued to finalize the terms and conditions of the program and made changes to the funding protocol to assure providers were correctly reimbursed. Year 3 showed a continued enrollment of thousands of individuals as in years past and the providers working toward self-sustainability. The demonstration was extended for 12 months (to December 31, 2014) and changes were put into place to assure the continued availability of funding.

The quality of data collection by the providers has been an issue, but DHH continues to collaborate with them to improve data collection. Utilization is being monitored as well as application and renewal case processing as a result of delays caused by the implementation of the Affordable Care Act.

IX. Payment Methodology

GNOCHC providers currently receive encounter rates unique to the demonstration and DHH is proposing to continue those rates for the renewal period.

Providers also receive quarterly incentive payments for National Committee for Quality Assurance (NCQA) Patient Centered Medical Homes (PCMH) recognition. During the initial waiver period, achieving NCQA PCMH status was an important building block in building the clinic infrastructure and capacity. For the renewal, the goal is to now move to the next phase of practice transformation that help increase access to care and utilization within a primary care medical home. DHH is proposing to transition to incentive payments over the renewal period that are based on active and provider practice outcomes as measured by PCMH Core Elements. Initially, the payments will continue but we are working with the GNOCHC providers to determine that transition plan which will include potential availability of the incentive to all GNOCHC providers. When a plan is in place, we will request to CMS an update to the approved GNOCHC Funding and Reimbursement Protocol.

These incentives will be outcome based and shall be awarded to providers successfully meeting certain standards, *e.g.*, increase access to services:

- Extended business hours such as weekends, early morning, and evening hours; and
- Availability of same day appointments.

DHH is also proposing to continue the Louisiana Inter-Pregnancy Care (LA-IPC) Project payments that are currently authorized under the demonstration and approved in the Funding and Reimbursement Protocol.

X. Source of Non-Federal Share

The source of funding for the non-federal share of expenditures under the GNOCHC demonstration continues to be a U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) award (Number ILOC-00032) with DHH as the sub-recipient of CDBG funds from the Office of Community Development (OCD) Disaster Recovery Unit (DRU) who administers the state's CDBG disaster recovery program through the Louisiana Local Government Emergency Infrastructure program.

A "Cooperative Endeavor Agreement (CEA)" between DHH and DOA implementing the grant award affirms HUD's permitted use of CDBG funds as the matching non-federal share of funds for the demonstration. DHH and DOA executed an amendment to the CEA on November 12,

2013, to extend the term of the agreement through December 31, 2014 and an updated agreement for the waiver renewal period is under development.

Receipt of the grant funds by DHH will continue to be accomplished by an Interagency Transfer (IAT) from DOA. Authority for expenditure of the IAT funds was first granted to DHH by the Joint Legislative Committee on the Budget on September 17, 2010, and continues to be appropriated annually. Louisiana DHH received an appropriation from the Legislature. The initial appropriation for the waiver renewal was appropriated via HB 1¹ (incorporated into Act 15). DHH does not have legislative appropriations for GNOCHC for the full three years, since we do budgets once a year. However, we do anticipate annual appropriations from the Legislature. DHH is requesting a three-year waiver renewal with annual updates (or more frequently, as needed) via the Funding and Reimbursement Protocol to CMS on the source of the non-federal share and the amount available to DHH.

XI. Budget Neutrality

DHH is requesting a maximum of approximately \$49.2 million in federal funding for the demonstration renewal term. Total demonstration expenditures (including GNOCHC expenditures and DSH expenditures) will not exceed Louisiana's DSH allotment. Attached are updated budget neutrality spreadsheets in support of this request, Attachment 3.

DHH is requesting continued discretion to take measures to remain within the allotted budget. **DHH proposes to keep the following measures, which may be taken to manage eligibility** to ensure that expenditures do not exceed funding allocations. DHH may:

- Employ a first come, first served reservation list to manage the number of applications received;
- Limit the number of applications provided to potential recipients;
- Impose enrollment limits; or
- Reduce encounter rates and/or modify other payments.

As of June 28, 2014, enrollment totals 49,124, and is expected to grow at a rate of 2 percent per year under the renewal, consistent with 2013 enrollment growth for GNOCHC eligible individuals under 100 percent of the FPL. Annual expenditures for the most recent calendar year (2013) totaled \$27,827,737. It is anticipated that total annual expenditures under the renewal would not exceed historic annual expenditures due to the income eligibility limit of 100 percent of the FPL effective January 1, 2014.

XII. Evaluation of Program (Updated July 25, 2014)

To date, the GNOCHC demonstration has successfully met its goal of preserving access to primary and behavioral health care. Data for the evaluation is obtained from semi-annual

¹ HB1 can be viewed on the Louisiana Legislative website at www.legis.la.gov/legis/ViewDocument.aspx?d=915624&n=HB1. Refer to page 125.

reports received from the GNOCHC providers and from the Louisiana Medicaid Database each quarter. From the database, DHH personnel retrieve the GNOCHC certifications by category (adult parent and childless adult) and type case along with the procedure codes for primary care, basic behavioral health, and SMI behavioral health to report payments, number of claims by procedure code, rate of access, and number of recipients receiving each type of service. The providers report revenue, patient demographics, and the number of insured and uninsured patients served. Using this data, DHH staff is able to analyze the program and develop the annual and quarterly reports for CMS. See Attachment 8.

Since the implementation of the demonstration, the number of GNOCHC sites remains at over 80 percent. All four parishes have an adequate number of sites to serve their residents, but access could be an issue for some enrollees. Many GNOCHC providers report financial stability continues to be an issue. The providers continue to look for alternative sources of funding. In addition to GNOCHC, the GNOCHC providers accept commercial insurance, Medicaid, and the uninsured. Most of the patients are adults (86.7 percent), but they do offer services for the entire family. Children under the age of 19 are served at the GNOCHC sites and the majority (12.1 percent of the 13.3 percent served) are Medicaid and CHIP patients. The Affordable Care Act has slowly brought another revenue stream from commercial insurance plans, but several sites say should the GNOCHC program end, they may have to reduce staff or as a drastic measure, close down. Overall, GNOCHC revenue accounts for 41 percent of total patient revenue, but 21 percent of providers report GNOCHC is more than 75 percent of their total patient revenue and 25 percent of their patient number. They report that nearly 28 percent of patients are uninsured adults and 30 percent are GNOCHC enrollees, illustrating the great impact GNOCHC is as a source of revenue.

GNOCHC enrollment has decreased because of the change in income requirements on January 1, 2014 and has remained relatively steady since that time.

Behavioral health usage is low as compared to primary care, 10.5 percent to 1.5 percent average per month, but the need continues due to the impact Hurricanes Katrina and Rita still have on the region. Behavioral health usage has always been slightly higher for childless adults, but that correlates to the number of childless enrollees far outweighing the number with children in the home. Integration of primary and behavioral health care services has been a goal of providers, which supports the medical home model and addresses the medical needs of the entire individual. The percentage of enrollees receiving both primary care and behavioral is slowly improving; and we are pleased to report that the number of enrollees receiving both a primary care and behavioral health service on the same day has increased this calendar year to 79 percent (previously 30 percent). This is a plus for patients with transportation issues.

The utilization rate for all GNOCHC services was 40 percent for 2013, meaning 40 percent of GNOCHC enrollees (or 31,431 of the 78,017 enrolled) received at least one GNOCHC service. DHH will be looking to increase this percentage for the renewal period. Discussions are now underway with providers determine the reason(s). As stated previously, even though it appears that there are a sufficient number of GNOCHC providers, there may be other issues for enrollees like transportation or simply not knowing where to go to receive GNOCHC services.

All GNOCHC provider sites are application centers. Before a patient is examined, they are screened to determine if they are uninsured. If they are uninsured, specially trained enrollment staff offers a Medicaid application. If the individual applies, the application is submitted to the Medicaid office for a review of all household family members for all Medicaid programs. On October 11, 2013, the State forwarded a list of enrollees with incomes above 100 percent of the FPL to all GNOCHC providers so that they could begin directly communicating with their patients about the income changes and assist them with next steps for continuing healthcare coverage, including an enrollment through the Federally Facilitated Marketplace. The Medicaid office submits renewal and application information to the Marketplace, electronically. Outreach by the providers does occur. Their websites are continually updated with the latest clinic news, contact information, and health related topics. They are involved in the community. They sponsor and participate in community events like health fairs and send out newsletters about activities at the clinics or happening in the community. They have staff to educate and enroll patients into the Marketplace.

As of July 7, 2014, twenty providers are recognized as NCQA Patient-Centered Medical Homes (PCMH). Fourteen sites are at the highest possible recognition level, Level 3, and six sites are at Level 2. An application is in progress for one site. NCQA PCMH incentive payments to the sites for the most recent quarter totaled \$650,000. These funds are used to support the sites to cover the costs of uninsured patients and services not covered by GNOCHC.

The inter-pregnancy care coordination (IPC) component of the demonstration has not been successful. The objective was to provide care coordination in the form of medical and community resources to women who had a prior adverse pregnancy outcome in order to improve health outcomes. Data sharing took time to develop and provide to the contractor. By the time the data was received by the contractor, the individual may have already moved, thereby making the contact information on file, useless. Outreach challenges were not expected. For the renewal period, DHH is considering moving to a more focused approach, beginning the efforts with the GNOCHC provider rather than the contractor, City of New Orleans' Healthy Start agency. Healthy Start was unfamiliar to the recipients who were successfully contacted, so this may have been the cause in the difficulty convincing them to enroll and continuing IPC. It is expected that the GNOCHC providers would be able to continue to work with the IPC enrollee over time as the enrollee would be using this provider for other ongoing medical care, not specifically related to IPC.

As vocalized in the public hearings and in the letters DHH has received supporting the continuation of the demonstration, GNOCHC is vital to the health of area residents. Many attendees expressed that the GNOCHC provider clinic sites continue to be their reliable and sometimes only source of regular medical care. The providers not only provide GNOCHC services, but also provide or help to provide non-covered services like dental and medications. Provider organizations recognize the need for expansion, so they continue to plan to open additional GNOCHC sites. They strive to improve health outcomes by becoming patient centered medical homes, and partnering with other medical facilities to offer more services for their patients.

DHH is not proposing any changes to the evaluation design from what is currently approved. For the final evaluation report, DHH plans to work with GNOCHC providers to develop a survey for GNOCHC enrollees to determine the effect GNOCHC has had on their health and the establishment of a medical home. The survey would be conducted by an independent contractor. At the public hearings, DHH sought feedback from the public on other ways to demonstrate the impact that the program has had on providers and recipients. We received support for our proposal to work with a third party to calculate Healthcare Effectiveness Data and Information Set (HEDIS) measures. All evaluation data will be posted publicly to the DHH website.

XIII. Tribal Notice, Public Notice and Stakeholder Input

A copy of DHH's Tribal Notice is included in Attachment 4. No feedback was received. Providers and other stakeholders were notified using an email distribution list. Additionally, the renewal process and potential changes to the demonstration were discussed in regularly scheduled GNOCHC provider meetings with DHH.

DHH's draft application for public notice was published on DHH's website on May 21, 2014². A copy of the draft application for public notice is included in Attachment 5.

Public notice was also published in 8 major Louisiana newspapers. A copy of the newspaper notice is included in Attachment 6. The public notice comment period ran from May 21, 2014 through June 21, 2014.

DHH held two public hearings in the Greater New Orleans Area, which were each broadcast via statewide webcast and teleconference. The Medicaid Director made a presentation at both hearings. The GNOCHC public hearing PowerPoint presentation is included as Attachment 7. The public were provided the opportunity to submit written comments online or by mail, and/or attend one of the hearings to leave comments and/or speak.

The first hearing was held on May 28, 2014 at 1:00 p.m., at LSU's School of Allied Health and Nursing Building, Tiger Room #138, 1900 Gravier Street, New Orleans, LA, 70112. There were 55 attendees and 17 of those spoke. The second hearing was held on June 2, 2014 at 7:00 p.m., at the Joseph S. Yenni Building, EB Council Chambers room, 1221 Elmwood Park Boulevard, Jefferson, LA, 70123. There were 67 attendees and 11 of those spoke. For those that orally commented at the hearings, many spoke for several minutes recounting their experiences with the GNOCHC program as patients, advocates, area residents, family of GNOCHC enrollees, and medical providers.

The deadline for receipt of all written comments closed on June 21, 2014 at 4:30pm.

² Draft application public notice may be viewed on the DHH website at <http://www.dhh.louisiana.gov/index.cfm/newsroom/category/80> and <http://new.dhh.louisiana.gov/index.cfm/page/679>.

Summary of Public Comments and DHH Response:

As demonstrated by the robust attendance of patients, providers, and community members to the public hearings and legislative sessions, as well as the proceedings of the legislative sessions, many people strongly support the GNOCHC program that is vital to the Greater New Orleans area. At the public hearings, patients, GNOCHC providers and other medical providers, patient advocates, and community members provided verbal statements and personal examples that highlighted the effectiveness of this program which provides desperately needed primary care and behavioral health services to enrollees in the Greater New Orleans region. In addition to comments expressing support for the program and stating the need for the program to continue, below is a summary of comments made at the public hearings and received via public input grouped thematically about any requests for changes in the waiver.

1. Dental Benefits

While patients were grateful for the high-quality primary care received, one issue for patients is access to dental services. Currently the waiver does not cover dental services for patients. Patients must pay out of pocket for dental care, and there is limited access to dental services at a reduced cost. For musicians, who make up the heart of New Orleans, this is particularly important because it affects their ability to play instruments and perform. Without dental care, they are unable to work. In addition, without access to dental care and few affordable options, patients present in the emergency room, which is something as a community we wish to avoid.

DHH Response: As a result of public comments, DHH is actively exploring the addition of a dental benefit for the GNOCHC enrollees under the demonstration and researching the connection between dental conditions and avoidable emergency room visits in GNOCHC enrollees. DHH anticipates this will be a future change during the renewal period.

2. Eligibility

Commenters expressed strong support for removing the requirement that patients be uninsured for 6 months before they can be enrolled in the program.

DHH Response: We are proposing this change for this renewal request.

3. Hurricane Katrina Still Affects New Orleans Area Residents

Several patients provided statements regarding how their lives and their health, both mental and physical, are still overwhelmingly impacted by the devastation of Katrina. Patients are still dealing with the trauma of losing their homes, jobs, and essentially lives they had prior to the storm. The GNOCHC program is a critical program for these patients to receive primary care and mental health services. A few commented that without the program, they would not be alive. The GNOCHC program has been essential to not only building the primary care and behavioral health infrastructure in the community but also to building back lives.

DHH Response: DHH appreciates the time that GNOCHC members have taken to participate in the public input process and demonstrate to DHH and CMS the importance of GNOCHC to the continued rebuilding in the Greater New Orleans Area. Hurricane Katrina was 9 years ago and the assumption may be that the area and its residents have fully recovered. Important feedback received through the public testimony is that this is clearly not the case.

4. Behavioral Health Services and Behavioral Health Integration

Several providers commented that without the program, access to important mental health and substance disorder treatment programs would be cut. In a community that is struggling to provide enough services to residents, cuts in this area would be devastating. In addition, the GNOCHC program supports clinics in their efforts to work towards integrating behavioral health in their workflows and practice. Commenters stressed that many factors such as the hurricanes, economy, and personal struggles, have led to the increased (and ongoing) need for behavioral health. Several said they were undiagnosed for years. DHH recognizes the need for more sites to offer or refer for behavioral health services.

DHH Response: We agree that GNOCHC plays a vital role in addressing longstanding unmet needs for behavioral health services.

5. High Quality Care, Care Coordination, and Access to Medications

Several attendees provided comments about the high-quality of care that they receive at the clinics. Providers also noted their ability to provide care coordination and assist patients with enrolling in patient assistance programs to receive needed medications. Without the GNOCHC program and additional financial support of patient centered medical homes, clinics would not be able to provide the same level of coordination and services to patients, including assistance in obtaining medication through manufacturers' pharmacy assistance programs. This would result in inefficiencies in the health care system and increase costs.

DHH Response: One of the goals of the renewal of the GNOCHC demonstration will be continued practice transformation and support of patient-centered medical homes.

6. Cost-Sharing

DHH received a comment in opposition to DHH's request to preserve the ability to introduce cost-sharing up to 5 percent of a recipient's aggregate family income. The commenter noted that GNOCHC is currently provided with no cost sharing and any future cost sharing could present a "significant hurdle" to accessing care.

DHH Response: Although DHH is requesting the ability we have today under the current demonstration to impose cost sharing in accordance with federal rules if determined appropriate, DHH has no plans to impose cost sharing on GNOCHC demonstration participants. Such a fee would require legislative approval by two-thirds vote of the Louisiana Legislature.

7. Changes in the Payment Methodology

In the draft application for public notice, DHH proposed to modify how GNOCHC providers are paid under the demonstration. Instead of the current encounter payment rates, DHH proposed to instead reimburse GNOCHC providers for GNOCHC covered services based on the Medicaid rate payable for the service according to the GNOCHC provider's Medicaid provider type (FQHC, physician group, or behavioral health clinic). Several commenters expressed concern that the reduction in payment rates would result in cuts to existing services available to patients. According to commenters, access to both primary care and behavioral health services available in the community would decrease. This would exacerbate the issue individuals currently are facing of insufficient behavioral health resources in the community leaving patients without care. In addition, commenters stated that it will be absolutely impossible for GNOCHC patients to receive the existing scope of services under the program with these additional proposed cuts, particularly in regards to care coordination, lab work, x-rays, diagnostics, any specialty care, assisting patients with enrolling in medication access programs, patient navigation, and maintaining PCMH activities.

DHH also proposed changes to the payments designed to incentivize quality under GNOCHC. Regarding the payment methodology for quality payments, providers discussed the need for working with DHH to ensure the restructuring of the payments is done in the most effective way possible to reach the goals of improving quality and increasing access to care. The restructuring needs to be done in a way that would not sacrifice steps already taken to achieve the goals of advancing and sustaining the medical home model and demonstrating financial sustainability. Providers proposed developing a small work group of GNOCHC providers and DHH staff to further explore this issue together to develop the details and determine the most effective way at reaching the mutual goals.

DHH Response: Upon further consideration of these proposed changes in response to the public input received, DHH is requesting authority from CMS to continue current encounter rate payments to GNOCHC providers. DHH is working with providers to develop a revised plan for incentive payments.

XIV. Statutory Waivers and Expenditure Authority Requests

Louisiana requests the following waiver and expenditure authorities for the GNOCHC demonstration renewal:

Expenditure Authority:

1. Effective January 1, 2015, expenditures for health care costs for individuals who are non-pregnant, adults ages 19 through 64 years with family incomes that do not exceed 100 percent of the federal poverty level (FPL), are not otherwise eligible under the Medicaid state plan, and who do not have other health insurance coverage and are residents of the Greater New Orleans region (which includes Orleans, St. Bernard, Plaquemines, and Jefferson parishes).

2. Expenditures for infrastructure costs related to providing healthcare services under the GNOCHC demonstration are not to exceed 10 percent of the budget limit. Allowable infrastructure costs will be defined in the funding and reimbursement protocol. These costs include expenditures to support actual provider practices to increase access and improve outcomes.

Requests for Title XIX Requirements Not Applicable to the Demonstration Population:

1. Reasonable Promptness Section 1902(a)(3) and 1902(a)(8)

To the extent necessary to enable Louisiana to implement a reservation list as a tool to manage enrollment for the demonstration-eligible population.

2. Amount, Duration, and Scope Section 1902(a)(10)(B)

To the extent necessary to enable Louisiana to offer a different benefit package to the demonstration-eligible population that varies in amount, duration, and scope from the benefits offered under the state plan.

3. Freedom of Choice Section 1902(a)(23)

To the extent necessary to enable Louisiana to restrict freedom-of-choice of provider for the demonstration-eligible population.

4. Retroactive Eligibility Section 1902(a)(34)

To the extent necessary to relieve Louisiana from the obligation to provide coverage for the demonstration-eligible population for any time prior to the date of enrollment into the GNOCHC.

5. Eligibility Standards Section 1902(a)(17)

To the extent necessary to enable Louisiana to apply different eligibility methodologies and standards to the demonstration-eligible population than are applied under the state plan.

6. Early and Periodic Screening, Diagnostic, and Treatment services Section 1902(a)(43)

To the extent necessary to relieve Louisiana from the obligation to provide coverage of early and periodic screening, diagnostic and treatment services to 19- and 20-year-old individuals in the demonstration-eligible population.

7. Statewideness/Uniformity Section 1902(a)(1)

To the extent necessary to enable Louisiana to operate the demonstration only in the Greater New Orleans region.

8. Comparability Section 1902(a)(10)(B) and 1902(a)(17)

To the extent necessary to enable Louisiana to provide different benefits to the demonstration-eligible population receiving services at GNOCHC clinics.

9. Methods of Administration: Transportation Section 1902(a)(4), insofar as it incorporates 42 CFR 431.53

To the extent necessary to relieve Louisiana from the obligation to assure transportation to and from GNOCHC providers for the demonstration-eligible population.

Attachments (described above):

1. Letters of Support
2. GNOCHC Annual Reports for Demonstration Years 1 – 3 (attachments 2.1, 2.2, 2.3)
3. Budget Neutrality
4. Tribal Notice
5. Draft Application for Public Notice
6. Public Notice from Newspaper (2 examples)
7. GNOCHC DHH Public Hearing Presentation
8. Evaluation Data

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