



**State of Louisiana**  
Department of Health and Hospitals  
Office of Aging and Adult Services

**MEMORANDUM**

**OAAS-P-11-004**

**TO:** Adult Day Health Care Providers

**FROM:** Don Gregory  
Medicaid Director

Hugh Eley  
Office of Aging and Adult Services Assistant Secretary

**DATE:** June 27, 2011

**SUBJECT:** Change in Adult Day Health Care (ADHC) Medicaid Reimbursement Methodology

Effective July 1, 2011 the Department of Health and Hospitals will implement a change in how Adult Day Health Care (ADHC) services are reimbursed by the Medicaid Program. ADHC providers will be reimbursed at a quarter hour (15-minute) rate of pay instead of a "per diem" or daily rate. Refer to the attachment entitled "Service Procedure Codes/Rates" (OAAS-PC-06-001) reflecting this change.

This means that instead of ADHC providers receiving a daily payment for each day of attendance, ADHC providers will now receive payment based on each quarter hour the recipient is at the facility. For example, if a recipient attended the facility from 8:00 a.m. to 2:00 p.m. for a total of six hours, the billing should reflect 24 units (*e.g.*, 6 hours x 4 quarter units = 24 units) on the actual day of attendance.

Transportation time to and from the facility is not billable. For example, if a recipient is picked up at 7:30 a.m. and does not arrive at the facility until 8:00 a.m., billing would start at 8:00 a.m. Likewise, if the recipient departs the facility at 2:00 p.m. and arrives home at 2:30 p.m., billing would end at 2:00 p.m. Time spent accompanying a recipient to medical and social activities is a billable ADHC service.

Billable services cannot exceed 10 hours (40 units) each day and 50 hours (200 units) each prior authorized week. The prior authorized week begins on Sunday at 12:00 a.m. and ends on the following Sunday at 12:00 a.m. Unused portions of the prior authorized weekly allocation cannot be saved or borrowed from one week for use in another week. ADHC providers can now provide services to individuals on weekends and bill for attendance on weekends should they choose to do so, provided that services billed do not exceed 10 hours per day and 50 hours per week.

With the exception of the 36 days per quarter attendance requirement, all reimbursement and policy changes reflected in this memorandum will likewise apply to the provision of ADHC services in the Elderly and Disabled Adult Waiver. ADHC Waiver recipients are still required to attend a minimum of 36 days per calendar quarter unless they have an approved exception by OAAS or its designee to attend less often.

ADHC providers will continue to bill electronically using the 837I or on the UB-04 claim form. However, please note the following:

- In form locator #39 or loop 2300, for Value Code 80, providers should enter the total number of quarter hour units billed (total hours of attendance x 4 quarter units = Total Units), not the total number of days;
- Units billed will now be in increments of 15 minutes, not individual days.

Statistical Resources Incorporated (SRI) has changed all prior authorizations for dates of service July 1, 2011 forward to reflect quarter hour billing instead of per-day billing. Each per diem unit is being converted to 40 units (10 hours). ADHC providers must only bill for time that the recipient is signed in and out for ADHC services. SRI will forward to all ADHC providers detailed information on what changes have been made in the Louisiana Statistical Tracking (LAST) software.

If you have any questions, please contact OAAS regional office.

DG/HE/RH

Attachment

cc: OAAS Staff  
Support Coordination Agencies  
Medicaid Waiver Assistance and Compliance Section  
Medicaid Policy Development and Implementation Section  
Medicaid Rate and Audit Section  
Medicaid Health Standards Section  
Statistical Resources Incorporated