



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

MEMORANDUM

DATE: January 10, 2022

TO: Nursing Home Facilities
Intermediate Care Facilities
OAAS Support Coordinators
OCDD Support Coordinators

FROM: Louisiana Medicaid

SUBJECT: CMS issues guidance related to patient liability income and reductions

On October 28, 2020, the Centers for Medicare & Medicaid Services (CMS), the Department of Labor, and the Treasury Department issued a joint Interim Final Rule with Comment (IFC) implementing additional COVID-19 flexibilities during the public health emergency with an effective date of November 2, 2020.

The IFC outlines new flexibilities under the Families First Coronavirus Response Act's maintenance of effort and continuous enrollment requirements for states utilizing the 6.2% enhanced federal medical assistance percentage (FMAP), including changes related to patient liability income (PLI). To read the CMS guidance in its entirety, click [here](#).

PLI Requirements Prior to IFC

Before this IFC, CMS prohibited Medicaid from increasing the PLI of individuals enrolled as of March 18, 2020, and before the last day of the month in which the public health emergency ends. Louisiana Medicaid could not modify a beneficiary's PLI amount unless the change were beneficial to the beneficiary. In other words, the beneficiary's PLI could be decreased but not increased.

New PLI Requirements under the IFC

States may now make programmatic changes to coverage, cost-sharing, and beneficiary liability without violating the requirements for receiving the temporary FMAP increase. In other words, if a change in circumstance (e.g., income increases or decreases or new deductions arise) should increase the beneficiary's PLI, then Louisiana Medicaid must act on that change and adjust the PLI accordingly.

CMS issues guidance related to patient liability income

November 25, 2020

Page 2

All changes in circumstances that result in increases to PLI will become effective the first day of the month after the change is processed, with an earliest effective date of January 1, 2021. Medicaid must provide proper advance notice and comply with applicable statutory and regulatory requirements before making changes.

Important Information about Changes to Patient Liability

Previous guidance issued on November 25, 2020, described actions Louisiana Medicaid would take to ensure a beneficiary's PLI is not increased during the Families First Coronavirus Response Act (FFCRA) period.

To continue those efforts, Louisiana Medicaid will notify approximately 9,000 beneficiaries that they are entitled to retroactive patient liability adjustments. Facilities are responsible for remitting the reimbursements. Adjustments are scheduled to begin January 8, 2022, to repeat every three months until all impacted months have been addressed. The planned timeline for the 2022 calendar year includes:

- January 2022 – for dates ranging from March 2020 through May 2020.
- April 2022 – for dates ranging from March 2020 through August 2020
- July 2022 – for dates ranging from March 2020 through November 2020
- October 2022 – for dates ranging from March 2020 through February 2021. This will run until all impacted months have been addressed.

Upon receipt of notices, providers must submit a 148 PLI Form and reimburse the beneficiary within the timelines dictated by state rule. Louisiana Medicaid will continue to review patient liability and make adjustments where necessary for the duration of the public health emergency and beyond based on federal guidance.

If you have any questions about changes to income or PLI, please reach out to your assigned Medicaid analyst.