

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-13-15
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations, CMSO

Mr. Jerry Phillips, Director
Bureau of Health Services Financing
Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

AUG 27 2009

Attention: Sandra Victor

RE: Louisiana 09-22

Dear Mr. Phillips:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-22. This amendment revises the state appropriation for Small Rural Hospitals for state fiscal year 2009 as a result of supplemental appropriations by the 2009 Regular Session of the Legislature.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding funding of the State share of expenditures under Attachment 4.19-A. Based upon your assurances we are pleased to inform you that Medicaid State plan amendment 09-22 is approved effective June 26, 2009. We are enclosing the HCFA-179 and the amended plan page.

If you have any questions, please call Sandra Dasheiff, CPA at (214) 767-6490.

Sincerely,

Cindy Mann
Director
Center for Medicaid and State Operations (CMSO)

Enclosures

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

- than 3,100; and is located in a parish with a population of less than 15,800 as measured by the 2000 census.
- 2) Payment is based on uncompensated cost for qualifying small rural hospitals in one of the following pools:
 - a) Public (non-state) Small Rural Hospitals are small rural hospitals as defined above which are owned by a local government; OR
 - b) Private Small Rural Hospitals are small rural hospitals as defined above that are privately owned; OR
 - c) Small Rural Hospitals as defined above in sections 1)i) through 1)k).
 - d) Small Rural Hospitals as defined above in section 1)l).
 - 3) DSH payments to small rural hospitals are prospective and paid once per year for the federal fiscal year. Payment to hospitals included in 2)a) through 2)d) above is equal to each qualifying hospital's pro rata share of net uncompensated costs from the hospital's latest filed cost report for all hospitals meeting these criteria multiplied by \$66,858,483 which is the state appropriation for disproportionate share payments allocated for this pool of hospitals for SFY 2008 - 2009. Net Uncompensated Cost is the cost of furnishing inpatient and outpatient hospital services, net of Medicare costs, Medicaid payments (excluding disproportionate share payments), costs associated with patients who have insurance for services provided, and all other inpatient and outpatient payments received from patients. If the cost reporting period is not a full period (twelve months), actual uncompensated cost data for the previous cost reporting period may be used on a pro rata basis to equate to a full year.
 - 4) A pro rata decrease necessitated by conditions specified in I.D.2.a. above for hospitals described in this section will be calculated based on the ratio determined by dividing the hospital's uncompensated costs by the uncompensated costs for all qualifying hospitals in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment. No additional payments shall be made after the final payment for the state fiscal year is disbursed by the Department. Recoupment shall be initiated upon completion of an audit if it is determined that the actual uncompensated care costs for the state fiscal year for which the payment is applicable is less than the actual amount paid.
 - 5) Qualifying hospitals must meet the definition for a small rural hospital

TN# 09-22
Supersedes
TN# 08-24

Approval Date AUG 27 2009

Effective Date 6-26-09