

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Supplemental Payments for Emergency Ambulance Services

Effective for dates of service on or after September 21, 2011, quarterly supplemental payments shall be issued to qualifying land ambulance and air ambulance providers for emergency medical transportation services rendered during the quarter.

A. Qualifying Criteria

Ambulance service providers must meet the following requirements in order to qualify to receive supplemental payments. The ambulance service provider must be:

1. Licensed by the State of Louisiana;
2. Enrolled as a Louisiana Medicaid provider;
3. Be a provider of emergency medical transportation or air ambulance services as defined in 42 CFR 440.170 and Medical and Remedial Care and Services Item 24.a; and

B. Calculation of Average Commercial Rate.

The supplemental payment will be determined in a manner to bring the payments for these services up to the average commercial rate level as described in C8. The average commercial rate level is defined as the average amount payable by the commercial payers for the same services.

The state will align the paid Medicaid claims with the Medicare fees for each HCPCS or CPT code for the ambulance provider and calculate the Medicare payment for those claims. The state will then calculate an overall Medicare to commercial conversion factor for each ambulance provider by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. The commercial to Medicare ratio for each provider will be re-determined at least every three years.

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C. **Payment Methodology**

The supplemental payment to each qualifying ambulance service provider will not exceed the sum of the difference between the Medicaid payments otherwise made to these qualifying providers for emergency medical transportation and air ambulance services and the average amount that would have been paid at the equivalent community rate. The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level. The community rate is defined as the average amount payable by commercial insurers for the same services.

The specific methodology to be used in establishing the supplemental payment for ambulance providers is as follows:

1. The Department of Health and Hospitals (DHH) shall identify Medicaid ambulance service providers that were qualified to receive supplemental Medicaid reimbursement for emergency medical transportation services and air ambulance services during the quarter.
2. For each Medicaid ambulance service provider identified to receive supplemental payments, the Department shall identify the emergency medical transportation and air ambulance services for which the Medicaid ambulance service providers were eligible to be reimbursed.
3. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the reimbursement paid to the Medicaid ambulance service providers for the emergency medical transportation and air ambulance services identified under (C2).
4. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the Medicaid ambulance service provider's equivalent community rate for each of the Medicaid ambulance service provider's services identified under (C2).
5. For each Medicaid ambulance service provider described in (C1), the Department shall subtract an amount equal to the reimbursement calculation for each of the emergency medical transportation and air ambulance services under (C3) from an amount equal to the amount

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calculated for each of the emergency medical transportation and air ambulance services under (C4).

6. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the sum of each of the amounts calculated for emergency medical transportation and air ambulance services under (C5).
7. For each Medicaid ambulance service provider described in (C1), the Department shall calculate each emergency ambulance service provider's upper payment limit by totaling the provider's total Medicaid payment differential from (C6).
8. The Department will reimburse providers based on the following criteria:
 - a. For ambulance service providers identified in (C1) located in large urban areas and owned by governmental entities, reimbursement will be up to 100% of the provider's average commercial rate calculated in (C7).
 - b. For all other ambulance service providers identified in (C1) reimbursement will be up to 80% of the provider's average commercial rate calculated in (C7).

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D. Effective Date of Payment

The supplemental payment will be made effective for emergency medical transportation and air ambulance services provided on or after September 21, 2011. This payment is based on the average amount that would have been paid at the equivalent community rate. After the initial calculation for fiscal year 2011-2012, the State will rebase the equivalent community rate using adjudicated claims data for services from the most recently completed fiscal year. This calculation may be made annually but shall be made no less than every three years.

E. Maximum Payment

The total amount to be paid by the state to any individual qualified Medicaid ambulance service providers for supplemental Medicaid payments shall not exceed the total of the Medicaid payment differentials calculated under (C6).