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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 12-06 NIRT

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

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

APR 27 2012

Attention: Darlene York

RE: Louisiana 12-06

Dear Mr. Gregory:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-06. The purpose of this amendment is to continue medical education payments to state hospitals, children's specialty hospitals and acute care hospitals classified as teaching hospitals when the hospitals are reimbursed by prepaid risk-bearing managed care organizations (MCOs) for inpatient hospital services.

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, Medicaid State plan amendment 12-06 is approved effective February 1, 2012. We are enclosing the HCFA-179 and the amended plan pages.

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

Sincerely,

A black rectangular redaction box covering the signature of Cindy Mann.

Cindy Mann
Director
Center for Medicaid and CHIP Services

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

**TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

1. TRANSMITTAL NUMBER:

12-06

2. STATE

Louisiana

**3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)**

4. PROPOSED EFFECTIVE DATE

February 1, 2012

5. TYPE OF PLAN MATERIAL (Check One):

☐ **NEW STATE PLAN**

☐ **AMENDMENT TO BE CONSIDERED AS NEW PLAN**

☒ **AMENDMENT**

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT:

a. FFY 2012 **\$ 0**

b. FFY 2013 **\$ 0**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 4.19-A, Item 1, Page 1
Attachment 4.19-A, Item 1, Page 1a
Attachment 4.19-A, Item 1, Page 7d**

**9. PAGE NUMBER OF THE SUPERSEDED PLAN
SECTION OR ATTACHMENT (If Applicable):**

Same (TN 10-36)

None (New Page)

Same (TN 09-46)

10. SUBJECT OF AMENDMENT: The purpose of this amendment is to amend the provisions governing the reimbursement methodology for inpatient hospital services in order to continue medical education payments to state hospitals, children's specialty hospitals and acute care hospitals classified as teaching hospitals when the hospitals are reimbursed by prepaid risk-bearing managed care organizations (MCOs) for inpatient hospital services.

11. GOVERNOR'S REVIEW (Check One):

☐ **GOVERNOR'S OFFICE REPORTED NO COMMENT**

☐ **COMMENTS OF GOVERNOR'S OFFICE ENCLOSED**

☐ **NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL**

☒ **OTHER, AS SPECIFIED:**

The Governor does not review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:
Bruce D. Greenstein

14. TITLE:
Secretary

15. DATE SUBMITTED:
February 14, 2012

16. RETURN TO:

**Don Gregory, Medicaid Director
Department of Health and Hospitals
628 N. 4th Street
PO Box 91030
Baton Rouge, LA 70821-9030**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 17 February, 2012

18. DATE APPROVED: **APR 27 2012**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1 February, 2012

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:
Penny Thompson

22. TITLE:
Deputy Director, CMCS

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

ATTACHMENT 4.19-A
Item 1, Page 1

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES
METHODS AND STANDARDS FOR ESTABLISHING RATES - INPATIENT HOSPITAL CARE

CITATION

42 CFR 413.30
and 413.40

Inpatient hospital services (other than those provided in an institution for Tuberculosis or mental disease) are reimbursed as follows:

I. Reimbursement Methodology

Medicaid uses the Medicare (Title XVIII) principles of reimbursement in accordance with HIM 15 requirements as a guide to determine Medicaid (Title XIX) reimbursement.

A. Methods of Payment for State-operated hospitals.

1. For all hospitals participating as a Title XVIII/XIX provider, the State agency shall apply:
 - a. Medicare standards for reporting.
 - b. Medicare cost reporting periods for the ceiling on the rate of increase in operating costs under 42 CFR 413.40. The base year cost reporting period to be used in determining the target rate shall be the hospital's fiscal year ending on or after September 30, 1982.
2. Inpatient hospital services provided by state acute hospitals shall be reimbursed at allowable costs and shall not be subject to per discharge or per diem limits.
3. Effective for dates of service on or after October 16, 2010, a quarterly supplemental payment up to the Medicare upper payment limits will be issued to qualifying state-owned hospitals for inpatient acute care services rendered.

Qualifying Criteria: State-owned acute care hospitals located in DHH Administrative Region 8 will receive a quarterly supplemental payment.

4. Effective for dates of service on or after October 16, 2010, the Medicaid payments to state hospitals that do not qualify for the supplemental payment in #3 above as paid through interim per diem rates and final cost settlements shall be 60 percent of allowable Medicaid costs.
5. Effective for dates of service on or after February 1, 2012, medical education payments for inpatient services which are reimbursed by a prepaid risk-bearing managed care organization (MCO) shall be paid monthly by Medicaid as interim lump sum payments.
 - a. Hospitals with qualifying medical education programs shall submit a listing of inpatient claims paid each month by each MCO. Qualifying medical education programs are defined as graduate medical education, paramedical

TN# 12-06

Supersedes

Approval Date

APR 27 2012

Effective Date 02-01-12

TN# 10-56

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

ATTACHMENT 4.19-A
Item 1, Page 1a

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

- education, and nursing schools.
- b. Monthly payments shall be calculated by multiplying the number of qualifying inpatient days times the medical education costs included in each state hospital's interim per diem rate as calculated per the latest filed Medicaid cost report.
 - c. Final payment shall be determined based on the actual MCO covered days and allowable inpatient Medicaid medical education costs for the cost reporting period per the Medicaid cost report.

TN# 12-06 Approval Date APR 27 2012 Effective Date 02-01-12
Supersedes

TN# New Page

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES
METHODS AND STANDARDS FOR ESTABLISHING RATES - INPATIENT HOSPITAL CARE

Qualification for teaching hospital status or to receive reimbursement for GME costs shall be reestablished at the beginning of each fiscal year.

To be reimbursed as a teaching hospital or to receive reimbursement for GME costs, a facility shall submit the following documentation to the Bureau within thirty days of the beginning of each state fiscal year:

1. a copy of the executed affiliation agreement for the time period for which the teaching hospital status or GME reimbursement applies;
2. a copy of any agreements with non-hospital facilities; and
3. a signed Certification For Teaching Hospital Recognition.

Each hospital which is reimbursed as a teaching hospital or receives reimbursement for GME costs shall submit the following documentation to the Bureau within 90 days of the end of each state fiscal year

1. a copy of the Intern and Resident Information System (IRIS) report that is submitted annually to the Medicare intermediary; and
2. a copy of any notice given to the Accreditation Council for Graduate Medical Education (ACGME) that residents rotate through a facility for more than one sixth of the program length or more than a total of six months.

Effective for dates of service on or after February 1, 2012, medical education payments for inpatient services which are reimbursed by a prepaid risk-bearing managed care organization (MCO) shall be paid monthly by Medicaid as interim lump sum payments.

1. Hospitals with qualifying medical education programs shall submit a listing of inpatient claims paid each month by each MCO. Qualifying medical education programs are defined as graduate medical education, paramedical education, and nursing schools.
2. Qualifying hospitals must have a direct medical education add-on component included in their prospective Medicaid per diem rates as of January 31, 2012 which was carved-out of the per diem rate reported to the MCOs.
3. Monthly payments shall be calculated by multiplying the number of qualifying inpatient days submitted by the medical education costs component included in each hospital's fee-for-service prospective per diem rate. Monthly payment amounts shall be verified by the Department semi-annually using reports of MCO covered days generated from encounter data. Payment adjustments or recoupment shall be made as necessary based on the MCO encounter data reported to the Department.

TN# 12-06
Supersedes

Approval Date APR 27 2012 Effective Date 02-01-12

TN# 09-46