

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



AUG 26 2013

Ms. Ruth Kennedy  
Director  
Bureau of Health Services Financing  
Department of Health and Hospitals  
Post Office Box 91030  
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 12-10

Dear Ms. Kennedy:

We have reviewed the proposed amendment to Attachments 4.19-A and 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 12-10. This amendment implements regulations for provider preventable conditions and related payment adjustments for Medicaid.

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.

Based upon your assurances, Medicaid State plan amendment 12-10 is approved effective July 1, 2012. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

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

Cindy Mann  
Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER:  12-10	2. STATE  Louisiana
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE  July 1, 2012	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> G NEW STATE PLAN <input type="checkbox"/> G AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1866(j) of the Social Security Act 42 CFR 447.26		7. FEDERAL BUDGET IMPACT: a. FFY 2013 (1,304,769) \$304.77 b. FFY 2014 (1,153,062) \$1,265.89	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Pre-print 57(a) Pre-print 58(a)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  None ( New Page) None ( New Page)	
10. SUBJECT OF AMENDMENT: The SPA proposes to comply with the federal requirements of section 2702 of the Affordable Care Act, "Payment Adjustment for Provider-Preventable Conditions" including "Healthcare Acquired Conditions".			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      The Governor does not review state plan material. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:  [Redacted Signature]		16. RETURN TO:  State of Louisiana Department of Health and Hospitals 628 N. 4 <sup>th</sup> Street PO Box 91030 Baton Rouge, LA 70821-9030	
13. TYPED NAME: Bruce D. Greenstein			
14. TITLE: Secretary			
15. DATE SUBMITTED: May 11, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: May 17, 2012		18. DATE APPROVED: AUG 26 2013	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2012		20. SIGNATURE OF REGIONAL OFFICIAL:  [Redacted Signature]	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, Policy & Financial Mgt. CMES	
23. REMARKS:  * pen and ink change requested By the State dated 7-19-2013			

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES – INPATIENT HOSPITAL CARE

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19 (A) of this State Plan.

- ☒ Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19 (A) of this State Plan.

- ☒ Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.
- ☐ Additional Other Provider-Preventable Conditions identified below:  
NOT APPLICABLE

Effective July 1, 2012, reimbursement for services shall be based on the Provider Preventable Conditions (PPC) policy defined in 42 CFR 447.26.

Provider-Preventable Conditions are defined as two distinct categories: Health Care-Acquired Conditions (HCAC) and Other Provider-Preventable Conditions (OPPC).

STATE <u>Louisiana</u>	A
DATE REC'D <u>5-17-2012</u>	
DATE APPV'D <u>AUG 26 2013</u>	
DATE EFF <u>7-1-2012</u>	
SEA 179 <u>12-10</u>	

TN# 12-10

Approval Date AUG 26 2013 Effective Date 7-1-2012

Supersedes

TN# SUPERSEDES: NONE - NEW PAGE

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES – INPATIENT HOSPITAL CARE

Payments for Hospital Acquired Conditions (HACs) shall be adjusted in the following manner. For DRG cases, the DRG payable shall exclude the diagnoses not present on admission for any HAC. For per diem payments or cost-based reimbursement, the number of covered days shall be reduced by the number of days associated with diagnoses not present on admission for any HAC. The number of reduced days shall be based on the average length of stay (ALOS) on the diagnosis tables published by the International Classification of Diseases (ICD) vendor used by the Louisiana Medicaid Program. For example, an inpatient claim with 45 covered days identified with an HAC diagnosis having an ALOS of 3.4, shall be reduced to 42 covered days.

No payment shall be made for inpatient services other than Other Provider Preventable Conditions (OPPCs). OPPCs include the three Medicare National Coverage Determinations: wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

No reduction in payment for provider preventable condition (PPC) will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.

Reductions in provider payment may be limited to the extent that the following apply:

- i. The identified provider-preventable conditions would otherwise result in an increase in payment.
- ii. The state can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider preventable conditions.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

STATE <u>Louisiana</u>	A
DATE REC'D <u>5-17-2012</u>	
DATE APPV'D <u>AUG 26 2013</u>	
DATE EFF <u>7-1-2012</u>	
INDEX 179 <u>12-10</u>	

STATE OF LOUISIANA  
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902 (A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

**Payment Adjustment for Provider Preventable Conditions**

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

**Other Provider-Preventable Conditions**

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19 (B) of this State Plan.

☒ Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

☐ Additional Other Provider-Preventable Conditions identified below:

Effective for dates of service on or after July 1, 2012, the Medicaid Program will not provide reimbursement for healthcare-acquired or provider preventable condition which result in medical procedures performed in error and have a serious adverse impact to the health of the Medicaid recipient as defined in 42 CFR 447.26 in the following:

- Ambulatory Surgical Centers (ASCs);
- Outpatient hospital setting; and
- Professional Services Program,

STATE <u>Louisiana</u>	A
DATE REC'D <u>5-17-2012</u>	
DATE APPV'D <u>AUG 26 2013</u>	
DATE EFF <u>7-1-2012</u>	
INFA 179 <u>12-10</u>	

Provider Preventable conditions are defined in two distinct categories:

- Healthcare Acquired Conditions (HCACs) and
- Other Provider Preventable Conditions (OPPCs).

No payment shall be made for Other Provider Preventable Conditions (OPPCs). OPPCs include the three Medicare National Coverage Determinations:

- Wrong surgical or other invasive procedure performed on a patient;
- Surgical or other invasive procedure performed on the wrong body part; and
- Surgical or other invasive procedure performed on the wrong patient.

No reduction in payment for provider preventable condition (PPC) will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.

TN# 12-10  
Supersedes

Approval Date AUG 26 2013

Effective Date 7-1-2012

SUPERSEDES: NONE - NEW PAGE

TN# \_\_\_\_\_

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

ATTACHMENT 4.19-B  
Page ii

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:

Reductions in provider payment may be limited to the extent that the following apply:

- i. The identified provider-preventable conditions would otherwise result in an increase in payment.
- ii. The state can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider preventable conditions.

Non-payment of provider preventable conditions shall not prevent access to services for Medicaid beneficiaries.

STATE <u>Louisiana</u>	A
DATE REC'D <u>5-17-2012</u>	
DATE APPV'D <u>AUG 26 2013</u>	
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INDEX 179 <u>12-10</u>	

TN# 12-10

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SUPERSEDES: NONE - NEW PAGE

TN# \_\_\_\_\_