## Table of Contents

**State/Territory Name: Louisiana**

**State Plan Amendment (SPA) #: 12-46**

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202

CENTERS FOR MEDICARE & MEDICAID SERVICES
CONSORTIUM FOR MEDICAID & CHILDREN'S HEALTH OPERATIONS

**DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI**

October 16, 2013

Our Reference: SPA LA 12-46

Ms. Ruth Kennedy, State Medicaid Director
Department of Health and Hospitals
Bienville Building
628 North 4th Street
Post Office Box 91030
Baton Rouge, LA 70821-9030

Attn: Darlene Adams
Jodie Hebert

Dear Ms. Kennedy:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 12-46. The state plan amendment reduces the reimbursement rates for laboratory and radiology services by 3.7 percent.

Section 1915(f) of the Social Security Act requires CMS to either approve or disapprove a State plan amendment within 90 days of receipt unless a request for additional information is transmitted to the State within this timeframe. If a request for additional information is issued, the 90-day timeframe ceases until a response from the State is received, at which time a new 90-day period commences. If CMS does not respond within either timeframe, the State plan amendment is deemed approved and accepted. Since the 90-day period to act on the LA SPA 12-46 response to our request for additional information lapsed on October 15, 2013, LA SPA 12-46 was deemed approved by function of the law.

We have incorporated TN #12-46 into the official Louisiana State plan, effective July 1, 2012. We have enclosed a copy of the CMS-179, Transmittal No. 12-46 dated July 27, 2012, and the amended plan pages.

If you have any questions, please contact Ford Blunt III at ford.blunt@cms.hhs.gov or by phone at (214) 767-6381.

Sincerely,

Bill Brooks
Associate Regional Administrator

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202

CENTERS FOR MEDICARE & MEDICAID SERVICES
CONSORTIUM FOR MEDICAID & CHILDREN'S HEALTH OPERATIONS

**DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI**

October 16, 2013

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Ms. Ruth Kennedy, State Medicaid Director
Department of Health and Hospitals
Bienville Building
628 North 4th Street
Post Office Box 91030
Baton Rouge, LA 70821-9030

Attn: Darlene Adams
Jodie Hebert

**Subject: Companion Letter**

Dear Ms. Kennedy:

This letter is being sent as a companion to our approval of Louisiana State Plan Amendment (SPA) 12-046, which reduces the reimbursement rates for laboratory and radiology services by 3.7 percent.

CMS has reviewed the submitted reimbursement pages and the corresponding coverage pages for this service. In reviewing the state plan pages, CMS found a companion page issue. Please address the following issues below and if necessary revise the state plan pages accordingly to include the following information:

***Please note: This companion letter is also applicable to the approval of LA SPA 12-39.***

Implementing regulations at 42 CFR 440.230(b) require a state plan to "specify the amount, duration, and scope of each service that it provides," and "each service must be sufficient in amount, duration, and scope to reasonable achieve its purpose." While states may place "appropriate limits on a service based on such criteria as medical necessity or utilization control procedures" under 42 CFR 440.230(d), we also need to be sure that any limitation on a mandatory service is not arbitrary as required under 42 440.230(c).

During the pendency of LA 12-39, we conducted a corresponding coverage review of prenatal clinics. In the course of our review, we learned that the state imposes a limitation of one postpartum visit at the prenatal clinic. If a woman requires additional medical care postpartum, she may exceed that limitation and receive additional care from her physician. During the course of our follow-up questions about the additional postpartum care, however, we also learned that the

state imposes a 12-visit limitation on physician services. The state plan does not include language indicating this limitation on physician services, or whether it can be exceeded based on medical necessity.

Furthermore, we are unsure if this 12-visit limitation applies to physician services rendered at the prenatal clinics, and therefore, crosses benefit categories. A state may not place a "hard-cap" limit on a combination of services/benefit categories, regardless of whether the services/ categories are mandatory or optional. In other words, states wishing to place limits on different kinds of services/benefit categories must develop a separate limit for each section 1905(a) benefit they wish to cover. A state could use the aggregate approach if the state had an authorization procedure in place that would override any combined limit based on a determination of medical necessity this is referred to as a "soft-cap" limit and is provided for in 42 CFR 440.230(d).
Moreover, since physician services are a mandatory state plan service, we need to be assured that the limitation fully meets the needs of at least 90% of the beneficiaries receiving physician services and is not arbitrary.

Since 42 CFR 430.10 requires state plans to be comprehensive written statements describing the nature and scope of a state's Medicaid program and requires that the plans contain all information necessary for CMS to determine whether the plans can be approved to serve as the basis for Federal financial participation (FFP), please revise LA 12-39 in accordance with the following:

1. Please add the 12 visit limitation on physician services to the state plan and include whether the limitation can be exceeded based on medical necessity.

2. If the limitation cannot be exceeded based on medical necessity, please discuss whether this limit fully meets the needs of at least 90% of the beneficiaries by answering the following. Using claims data within the last 12 months, what percentage of Medicaid beneficiaries would be fully served (i.e., receive all the services they require) under the limitation on physician services. Please provide this information for the following eligibility groups:
    (a) Aged, Blind and Disabled
        1. Non-Dually Eligible Adults (for analyses of primary services for which Medicare would be primary payer)
        2. Dually Eligible
    (b) Pregnant Women
    (c) Parents/Caretakers /Other Non-Disabled Adults

3. Does the 12-visit limitation on physician services apply to physician services at prenatal clinics? Since this would result in a combination limit, can the limitation be exceeded base on medical necessity?

4. Aside from the limitations on item 9, page 1 of Attachment 3.1-A, on prenatal and postpartum visits, are there other limitations on the "prenatal clinics" benefit? If so, please include any other limitations to item 9, page 1 of Attachment 3.1-A. Please add if the limitation can be exceeded based on medical necessity.

Please respond to this letter within 90 days of its receipt to address the issues described above. Within that period, the State may submit SPAs to resolve these issues or submit a corrective action plan describing in detail how the State will resolve the issues identified above in a timely manner. Failure to respond will result in the initiation of a formal compliance process. During the 90 days, CMS will provide any required technical assistance. If you have any questions, please contact Ford Blunt III at ford.blunt@cms.hhs.gov or by phone at (214) 767-6381.

Sincerely,

[redacted]

Bill Brooks
Associate Regional Administrator

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER: **12-46**

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)*:

☐ 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 F**

7. FEDERAL BUDGET IMPACT:
a. FFY 2012 (**$238.21**)
b. FFY 2013 (**$901.26**)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
**Attachment 4.19-B, Item 3, Page 1**
**Attachment 4.19-B, Item 3, Page 2**
**Attachment 4.19-B, Item 9, Page 1.b**

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
**Same (TN 10-61)**
**Same (TN 10-61)**
**Same (TN 10-61)**

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to revise the reimbursement methodology for laboratory and radiology services to reduce reimbursement rates by 3.7 percent in order to avoid a budget deficit.**

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:
[redacted]

13. TYPED NAME: **Bruce D. Greenstein**

14. TITLE: **Secretary**

15. DATE SUBMITTED: **July 25, 2012**

16. RETURN TO:
**J. Ruth Kennedy, Medicaid Director**
**State of Louisiana**
**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: 27 July, 2012

18. DATE APPROVED: 16 October, 2013

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 July, 2012

20. SIGNATURE OF REGIONAL OFFICIAL:
[redacted]

21. TYPED NAME: Bill Brooks

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

FORM HCFA-179 (07-92)

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:

| CITATION | Medical and Remedial Care and Services Item 3 | Other Laboratory and Radiology Services in a Setting Other Than a Hospital Outpatient Department or Clinic are Reimbursed as Follows: |
|---|---|---|
| 42 CFR 447 Subpart F | | |

I. Method of Payment

The state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and any annual/periodic adjustments to the fee schedule are published on the Medicaid provider website at www.lamedicaid.com.

A. Laboratory Services

Reimbursement for clinical laboratory procedures shall not exceed 100 percent of the current year's Medicare allowable. Reimbursement of clinical laboratory services shall be paid at the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Those services not subject to the Medicare fee schedule shall continue to be reimbursed to physicians and independent laboratories based on the published Medicaid fee schedule or billed charges, whichever is lower.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for laboratory services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement rates for laboratory services shall be reduced by 4.7 percent of the fee amounts on file as of August 3, 2009.

Effective for dates of service on or after January 22, 2010, the reimbursement rates for laboratory services shall be reduced by 4.42 percent of the fee amounts on file as of January 21, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement rates for laboratory services shall be reduced by 4.6 percent of the fee amounts on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the reimbursement rates for laboratory services shall be reduced by 2 percent of the fee amounts on file as of December 31, 2010.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for laboratory services shall be reduced by 3.7 percent of the fee amounts on file as of June 30, 2012.



State: Louisiana
Date Received: 7/27/12
Date Approved: 10/16/13
Date Effective: 7/1/12
Transmittal Number: LA 12-46

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:

B. Radiology Services

Reimbursement of radiology services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for radiology services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement rates for radiology services shall be reduced by 4.7 percent of the fee amounts on file as of August 3, 2009.

Effective for dates of service on or after January 22, 2010, the reimbursement rates for radiology services shall be reduced by 4.42 percent of the fee amounts on file as of January 21, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement rates for radiology services shall be reduced by 4.6 percent of the fee amounts on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the reimbursement rates for radiology services shall be reduced by 2 percent of the fee amounts on file as of December 31, 2010.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for radiology services shall be reduced by 3.7 percent of the fee amounts on file as of June 30, 2012.

C. Portable Radiology Services

Reimbursement of portable radiology services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for portable radiology services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement rates for portable radiology services shall be reduced by 4.7 percent of the fee amounts on file as of August 3, 2009.

Effective for dates of service on or after January 22, 2010, the reimbursement rates for portable radiology services shall be reduced by 4.42 percent of the fee amounts on file as of January 21, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement rates for portable radiology services shall be reduced by 4.6 percent of the fee amounts on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the reimbursement rates for portable radiology services shall be reduced by 2 percent of the fee amounts on file as of December 31, 2010.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for portable radiology services shall be reduced by 3.7 percent of the fee amounts on file as of June 30, 2012.

II. Standards for Payment

Payment as indicated above will be made for services provided by physicians, portable radiology providers, and by independent laboratories (other than a hospital outpatient department or clinic) Providers of these services must meet all provider enrollment criteria.



State: Louisiana
Date Received: 7/27/12
Date Approved: 10/16/13
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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:

(b) Radiation Therapy Centers.

Radiation Therapy Centers are reimbursed fee for service according to the procedure code. Reimbursement of radiation therapy center services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay. These services are included on the professional services fee schedule which was set as of January 1, 2008 and is published on the agency's provider website at www.lamedicaid.com.

State: Louisiana
Date Received: 7/27/12
Date Approved: 10/16/13
Date Effective: 7/1/12
Transmittal Number: LA 12-46

Effective for dates of service on or after February 26, 2009, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 4.7 percent of the fee amounts on file as of August 3, 2009.

Effective for dates of service on or after January 22, 2010, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 4.42 percent of the fee amounts on file as of January 21, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 4.6 percent of the fee amounts on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 2 percent of the fee amounts on file as of December 31, 2010.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 3.7 percent of the fee amount on file as of June 30. 2012.