

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



JUL 23 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 12-50

Dear Ms. Kennedy:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-50. The purpose of this amendment is to reduce the reimbursement rates for inpatient non-rural non-state and children's specialty hospitals by 3.7 percent.

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 access to care issues and the funding of the State share of expenditures under Attachment 4.19-A.

Based upon your assurances, Medicaid State plan amendment 12-50 is approved effective August 1, 2012. We are enclosing the HCFA-179 and the amended plan page.

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

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

12-50

2. STATE

Louisiana

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

4. PROPOSED EFFECTIVE DATE

August 1, 2012

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

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

(\$2,153.59)

b. FFY 2013

(\$8,147.89)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Item 1, Page 7c

Attachment 4.19-A, Item 1, Page 10 I (1)(b)1

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 PAGE NUMBER OF THE SUPERSEDED PLAN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

Same (TN 11-08)

Same (TN 10-73)

New Page X

10. SUBJECT OF AMENDMENT: The purpose of this SPA is reduce the reimbursement rates for inpatient, non-rural, non-state and children's specialty hospitals 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: -

13. TYPED NAME:

Bruce D. Greenstein

14. TITLE:

Secretary

15. DATE SUBMITTED:

September 12, 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:

12 September, 2012

18. DATE APPROVED:

JUL 23 2013

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1 August, 2012

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, Policy & Financial Mgt., PMS

23. REMARKS:

* pen and ink change
Requested By the State
on 6/28/2013

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

2. Qualifying NICU Level III regional services with current per diem rates that are less than 85 percent of the NICU Level III regional specialty group rate shall have their per diem rates adjusted to equal 85 percent of the specialty group rate.
3. Qualifying PICU Level I services with current per diem rates that are less than 77 percent of the PICU Level I specialty peer group rate shall have their per diem rates adjusted to equal 77 percent of the specialty peer group rate.
4. Qualifying PICU Level II services with current per diem rates that are less than the PICU Level II specialty peer group rate shall have their per diem rates adjusted to equal 100 percent of the specialty group rate.

Effective for dates of service on or after February 3, 2010, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 5 percent of the per diem rate on file as of February 2, 2010.

Effective for dates of service on or after August 1, 2010, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 4.6 percent of the per diem rate on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 2 percent of the per diem rate on file as of December 31, 2010.

Effective for dates of service on or after August 1, 2012, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 3.7 percent of the per diem rate on file as of July 31, 2012.

NICU Rate Adjustment

Effective for dates of service on or after March 1, 2011, the per diem rates for Medicaid inpatient services rendered by NICU Level III and NICU Level III regional units, recognized by the Department as such on December 31, 2010, shall be adjusted to include an increase that varies based on the following five tiers:

Tier 1. The qualifying hospital's average percentage exceeds 10 percent, the additional per diem increase shall be \$601.98;

Tier 2. The qualifying hospital's average percentage is less than or equal to 10 percent, but exceeds 5 percent, the additional per diem increase shall be \$624.66;

Tier 3. The qualifying hospital's average percentage is less than or equal to 5 percent, but exceeds 1.5 percent, the additional per diem increase shall be \$419.83;

A	
STATE <u>Louisiana</u>	
DATE REC'D <u>9-12-2012</u>	
DATE APP'D <u>JUL 23 2013</u>	
DATE EFF <u>8-1-2012</u>	
REF <u>179</u>	<u>12-50</u>

TN# 12-50
Supersedes
TN# 1108

Approval Date JUL 23 2013

Effective 8-1-2012

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

ATTACHMENT 4.19-A
Item 1, Page 101 (1)(b)1

STATE OF LOUISIANA
PAYMENT 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:

Effective for dates of service on or after August 1, 2012, the per diem rates paid to children's specialty hospitals shall be reduced by 3.7 percent. Final payment shall be the lesser of allowable inpatient acute care and psychiatric costs as determined by the cost report or the Medicaid discharges or days as specified for the period, multiplied by 85.53 percent of the target rate per discharge or per diem limitation as specified for the period.

STATE <u>Louisiana</u>	A
DATE REC'D <u>9-12-2012</u>	
DATE APPV'D <u>JUL 23 2013</u>	
DATE EFF <u>8-1-2012</u>	
INDEX 179 <u>12-50</u>	

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Supersedes

TN# NONE - new page