

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



JUL 02 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 12-56

Dear Ms. Kennedy:

We have reviewed the proposed State plan amendment (SPA) to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-56. This amendment proposes to redefine qualifying criteria for Disproportionate Share Hospital (DSH) payments to small rural hospitals.

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 12-56 is approved effective September 1, 2013. We are enclosing the HCFA-179 and the new plan page.

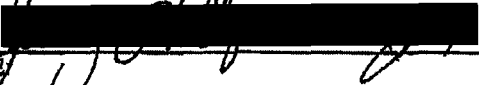
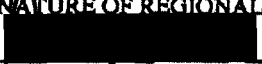
If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A large black rectangular box redacting 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:  <b>12-56</b>	2. STATE  <b>Louisiana</b>
		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  <b>September 1, 2012</b>	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> 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: <b>42 CFR 447, Subpart E</b>		7. FEDERAL BUDGET IMPACT: a. FFY <u>2012</u> \$0 b. FFY <u>2013</u> \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-A, Item 1, Page 10j(2)</b> <b>Attachment 4.19-A, Item 1, page 10j(3)</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>Same (TN 11-18)</b> <b>Same (TN 11-18)</b>	
10. SUBJECT OF AMENDMENT: <b>The purpose of this SPA is to redefine qualifying criteria for DSH payments to small rural hospitals in order to ensure access to health care for uninsured individuals and assure that hospitals are adequately reimbursed for furnishing uncompensated care.</b>			
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 <b>The Governor does not review state plan material.</b> <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:  		16. RETURN TO:  <b>J. Ruth Kennedy, Medicaid Director</b> <b>State of Louisiana</b> <b>Department of Health and Hospitals</b> <b>628 N. 4<sup>th</sup> Street</b> <b>PO Box 91030</b> <b>Baton Rouge, LA 70821-9030</b>	
13. TYPED NAME: <b>Bruce D. Greenstein</b>		17. DATE RECEIVED: <b>12 September, 2012</b>	
14. TITLE: <b>Secretary</b>		18. DATE APPROVED: <b>JUL 02 2013</b>	
15. DATE SUBMITTED: <b>September 12, 2012</b>		FOR REGIONAL OFFICE USE ONLY	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>1 September, 2012</b>		20. SIGNATURE OF REGIONAL OFFICIAL:  	
21. TYPED NAME: <b>Penny Thompson</b>		22. TITLE: <b>Deputy Director, Policy &amp; Financial Mgt, PHS</b>	
23. REMARKS:  <b>Pen + Ink change to Blocks #8 &amp; #9</b>			

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

ATTACHMENT 4.19-A  
Item 1, Page 10 j (2)

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

than 3,100; and is located in a parish with a population of less than 15,800 as measured by the 2000 census;

OR

has no more than 60 hospital beds as of November 1, 2013, and is located in a municipality with a population of less than 33,000 as measured by the 2000 census; and is located in a parish with a population of less than 68,000, as measured in the 2000 census; and is located within 3 miles of Jackson Barracks.

A	
STATE <u>Louisiana</u>	
DATE REC'D <u>9-12-2012</u>	
DATE APP'VD <u>JUL 02 2013</u>	
DATE EFF <u>9-1-2012</u>	
ISSA <u>179</u>	<u>12-56</u>

- 2) Payment is based on uncompensated cost for qualifying small rural hospitals in one of the following pools:
  - a) Public (non-state) Small Rural Hospitals are small rural hospitals as defined above which are owned by a local government; OR
  - b) Private Small Rural Hospitals are small rural hospitals as defined above that are privately owned; OR
  - c) Small Rural Hospitals as defined above in sections 1)i) through 1)k).
  - d) Small Rural Hospitals as defined above in section 1) l).
- 3) DSH payments to small rural hospitals are prospective and paid once per year for the federal fiscal year. Payment to hospitals included in 2)a) through 2)d) above is equal to each qualifying hospital's pro rata share of net uncompensated costs from the hospital's latest filed cost report for all hospitals meeting these criteria multiplied by \$49,775,657 which is the state appropriation for disproportionate share payments allocated for this pool of hospitals for SFY 2010-2011. Net Uncompensated Cost is the cost of furnishing inpatient and outpatient hospital services, net of Medicare costs, Medicaid payments (excluding disproportionate share payments), costs associated with patients who have insurance for services provided, and all other inpatient and outpatient payments received from patients. If the cost reporting period is not a full period (twelve months), actual uncompensated cost data for the previous cost reporting period may be used on a pro rata basis to equate to a full year.
- 4) A pro rata decrease necessitated by conditions specified in I.D.2.a. above for hospitals described in this section will be calculated based on the ratio determined by dividing the hospital's uncompensated costs by the uncompensated costs for all qualifying hospitals in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment. Additional payments shall only be made after finalization of the CMS mandated DSH audit for the state fiscal year.

TN# 12-56  
Supersedes  
TN# 11-18

Approval Date JUL 02 2013

Effective Date 9-1-2012

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

ATTACHMENT 4.19-A  
Item 1, Page 10 j (3)

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

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Payments shall be limited to the aggregate amount recouped from small rural hospitals based on these reported audit results. If the small rural hospitals' aggregate amount of underpayments reported per the audit results exceeds the aggregate amount overpaid, the payment redistribution to underpaid shall be paid on a pro rata basis calculated using each hospital's amount underpaid divided by the sum of underpayments for all small rural hospitals.

- 5) Qualifying hospitals must meet the definition for a small rural hospital contained in I.D.3.b.1). Qualifying hospitals must maintain a log documenting the provision of uninsured care as directed by the Department.

STATE <u>Louisiana</u>	A
DATE REC'D <u>9-12-2012</u>	
DATE APPV'D <u>JUL 02 2013</u>	
DATE EFF <u>9-1-2012</u>	
HLFA 179 <u>12-56</u>	

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TN# 12-56 Approval Date JUL 02 2013 Effective Date 9-1-2012  
Supersedes  
TN# 1118