

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



AUG 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 12-59

Dear Ms. Kennedy:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-59. The purpose of this amendment is to revise the criteria for non-rural, non-state hospitals to qualify for inpatient hospital supplemental payments. The effect of this change is that two hospitals, Terrebonne General Medical Center and Lane Memorial Medical Center, will now qualify to receive inpatient hospital supplemental payments.

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 12-59 is approved effective October 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 box redacting the signature of Cindy Mann.

Cindy Mann
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 12-59	2. STATE Louisiana
FOR: HEALTH CARE FINANCING ADMINISTRATION		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 October 1, 2012	
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: 42 CFR 447, Subpart C		7. FEDERAL BUDGET IMPACT: a. FFY <u>2012</u> \$2,270.20 b. FFY <u>2013</u> \$10,908.45	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Item 1, Page 8c(3)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 12-54)	
10. SUBJECT OF AMENDMENT: The SPA proposes to revise the qualifying criteria for inpatient hospitals that receive supplemental Medicaid payments to qualifying non-rural, non-state governmental hospitals.			
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:		16. RETURN TO:	
13. TYPED NAME: Kathy H. Kliebert		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	
14. TITLE: Interim Secretary			
15. DATE SUBMITTED: May 31, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: AUG 02 2013	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: OCT 01 2012		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, Policy & Financial Mgt., CMES	
23. REMARKS: This is a revised Form 179. The original Form 179 was dated November 15, 2012 and submitted November 16, 2012.			

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

e. **Non-Rural Non-State Government Hospitals**

Effective for dates of service on or after May 15, 2011, quarterly supplemental payments will be issued to qualifying non-rural, non-state governmental hospitals for inpatient services rendered during the quarter. Payment amount shall be up to the Medicare inpatient upper payment limits as determined in accordance with 42 CFR §447.272.

1. **Qualifying criteria:** In order to qualify for the supplemental payment, a non-rural, non-state governmental acute care hospital must:
 - a. be designated as a major teaching hospital by the department in state fiscal year 2011; and have provided at least 17,000 Medicaid acute care and distinct part psychiatric unit paid days for state fiscal year 2010 dates of service; or,
 - b. effective for dates of service on or after January 1, 2014, be located in a city with a population of over 300,000 as of the 2010 U.S. Census.
 - c. effective for dates of service on or after October 1, 2012 through June 30, 2013 be:
 - i. located in a Medicare Metropolitan Statistical Area (MSA) per 42 CFR 413.231(b)(1), and be located within 15 miles of a state-owned hospital scheduled to close in SFY 2013.
 - d. effective for dates of service on or after July 1, 2013 be designated as a non-teaching hospital and:
 - i. located in a Medicare Metropolitan Statistical Area (MSA) per 42 CFR 413.231(b)(1), and
 - ii. provide inpatient obstetrical and Neonatal Intensive Care Unit services, and
 - iii. per the cost report period ending in SFY 2012, have a Medicaid inpatient day utilization percentage in excess of 21% and a Medicaid newborn day utilization percentage in excess of 65% as documented on the as filed cost report.

2. **Reimbursement methodology:**

- a. Each qualifying hospital shall receive quarterly supplemental payments for the inpatient services rendered during the quarter. Quarterly payments shall be the difference between each qualifying hospital's inpatient Medicaid billed charges and Medicaid payments the hospital receives for covered inpatient services provided to Medicaid recipients. Medicaid billed charges and payments will be based on a 12 consecutive month period for claims data selected by the Department.
- b. With respect to qualifying hospitals that are enrolled in Medicaid after January 1, 2014, actual Medicaid utilization and claims data for the hospital for the preceding quarter per the Department's paid claims data will be used as the basis for making quarterly supplemental payments during the hospital's start-up period.
 - For purposes of these provisions, the start-up period shall be defined as the first three years of operation.
 - During the start-up period, each quarterly supplemental payment shall be made no later than the 60th day of the subsequent quarter to allow the Department sufficient time to compile actual inpatient Medicaid claims data for the new hospitals to calculate the actual quarterly. Inpatient charge differential. These retroactive quarterly payments shall be applicable to service dates in the preceding quarter.
- c. Payments in the aggregate will not exceed the UPL for all hospitals included in the non-state government owned group.

A	
STATE Louisiana	
DATE REC'D 5-31-2013	
DATE APP'VD AUG 02 2013	
DATE EFF 10-1-2012	
OFF 179	12-59

TN# 12-59 Approval Date AUG 02 2013 Effective Date 10-1-2012
Supersedes

TN# 12-54