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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 12-64

This file contains the following documents in the order listed:

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- 3) CMS 179 Form
- 4) Approved SPA Page

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



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

July 23, 2013

Our Reference: SPA LA 12-64

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 12-64. This SPA establishes a supplemental payment for outpatient hospital services associated with Our Lady of the Lake Hospital to encourage the takeover and management of state-owned and operated outpatient hospital services.

Transmittal Number 12-64 is approved with an effective date of April 15, 2013 as requested. A copy of the HCFA-179, Transmittal No. 12-64 dated November 2, 2012 is enclosed along with the approved 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,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

Enclosures

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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July 23, 2013

Our Reference: SPA 12-64

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) 12-064, which establishes a supplemental payment for outpatient hospital services associated with Our Lady of the Lake Hospital to encourage the takeover and management of state-owned and operated outpatient hospital services.

CMS reviewed the submitted reimbursement pages and the corresponding coverage pages for this service. In reviewing the state plan pages, CMS found a companion page issues in Attachment 3.1-A, Item 2a, Page 1 and 1a. 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 applicable to all outpatient services. Because this SPA is directly related to LA SPA 13-21, this companion letter is also applicable to the approval of LA SPA 13-21.

Outpatient Hospital Services

1. The state limits emergency room services to three visits per calendar year per recipient. Please note that pursuant to 42 CFR 440.230(c), a Medicaid agency may not arbitrarily deny or reduce the amount, duration and scope for a mandatory service solely because of the diagnosis, type of illness or condition. Emergency room services are a subset of the outpatient hospital benefit and therefore, if the state wanted to place such a limit, the limit would have to apply to the overall outpatient hospital benefit, not be based

on condition, etc. Additionally, the state must demonstrate that these limits meet the sufficiency requirements at 42 CFR 440.230(b). Specifically,

- i. Are beneficiaries billed and expected to pay for any care that may not be covered? Or, instead are the providers or practitioners expected to absorb the costs of the provided services?
- ii. How is this limitation tracked?
- iii. Are both providers and beneficiaries informed in advance so they know if they have reached the limit? Please summarize the process.
- iv. Based on the limit indicated and 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 limit. Please provide this information for the following eligibility groups:
 - a. Aged, Blind and Disabled
 - i. Non-Dually Eligible Adults (for analyses of primary services for which Medicare would be primary payer)
 - ii. Dually Eligible
 - b. Pregnant Women
 - c. Parents/Caretakers /Other Non-Disabled Adults
- v. Are there any exemptions to the limitations? If so, how were these exemptions determined to be appropriate?
- vi. If you're unable to provide the data analysis requested above, please indicate support for this scope of services through clinical literature or evidence-based practice guidelines, or describe your consultation with your provider community that resulted in assurance that this scope of services has clinical merit to achieve its intended clinical purpose.

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 (214) 767-6381 or by e-mail at ford.blunt@cms.hss.gov.

Sincerely,



Bill Brooks
Associate Regional Administrator



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

FOR: HEALTH CARE FINANCING ADMINISTRATION

| | | | |
|--|--|--|------------------------------|
| TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES | | 1. TRANSMITTAL NUMBER: 12-64 | 2. STATE Louisiana |
| 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) | | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |
| 6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447, Subpart F | | 4. PROPOSED EFFECTIVE DATE April 15, 2013 | |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Item 1, Page 10 ** Attachment 4.19-B, Item 2a, Page 9 | | 7. FEDERAL BUDGET IMPACT: a. FFY <u>2013</u> \$1,637,75 b. FFY <u>2014</u> \$6,257,58 | |
| 10. SUBJECT OF AMENDMENT: The purpose of this SPA is to revise the reimbursement methodology for outpatient hospital services to establish supplemental Medicaid payments to encourage them to take over the operation and management of state-owned and operated hospitals that have terminated or reduced services. | | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): None (New Pages) None (New Page) | |
| 11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL | | <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review state plan material. | |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL: Kathy H. Kliebert | | 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 | |
| 13. TYPE: Interim Secretary | | 14. TITLE: Interim Secretary | |
| 15. DATE SUBMITTED: * April 25, 2013 | | 17. DATE RECEIVED: 11-2-12 | |
| 17. DATE RECEIVED: 11-2-12 | | 18. DATE APPROVED: 7-23-13 | |
| FOR REGIONAL OFFICE USE ONLY | | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: 4-15-13 | | 20. PLAN APPROVED - ONE COPY ATTACHED | |
| 21. TYPED NAME: Bill Brooks | | 22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health | |
| 23. REMARKS: * This is a revised 179, the original 179 was submitted on 11-2-12. ** As per pen and ink change email dated 7-2-13. | | | |

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN AS DESCRIBED AS FOLLOWS:

Supplemental Payments for Private Hospitals

A. Baton Rouge Area

Qualifying Criteria

Effective for dates of service on or after April 15, 2013, a quarterly supplemental payment shall be made to Our Lady of the Lake Hospital, Inc.

Reimbursement Methodology

Payments shall be made quarterly based on the annual upper payment limit calculation per state fiscal year. For SFY 2013, this payment shall be \$2,109,589, and for each state fiscal year starting with SFY 2014, this payment shall be \$10,000,000, not to exceed the upper payment limits pursuant to 42 CFR 447.321. Maximum payments shall not exceed the upper payment limit pursuant to 42CFR 447.321.

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|-------------|------------------|
| STATE | <u>LOUISIANA</u> |
| DATE REC'D | <u>11-2-12</u> |
| DATE APPV'D | <u>7-23-13</u> |
| DATE EFF | <u>4-15-13</u> |
| NOFA 179 | <u>12-64</u> |

A

TN# 12-64 Approval Date 7-23-13 Effective Date 4-15-13
Supersedes
TN# NONE - NEW PAGE SUPERSEDES: NONE - NEW PAGE