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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 13-03

This file contains the following documents in the order listed:

- 1) Approval Letter
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- 3) Approved SPA Pages

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

September 20, 2013

Our Reference: SPA LA 13-03

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 13-03. The state plan reduces the reimbursement rates paid for outpatient hospital services rendered in non-rural, non-state and Children's Specialty hospitals by 1 percent.

Transmittal Number 13-03 is approved with an effective date of February 1, 2013 as requested. A copy of the HCFA-179, Transmittal No. 13-03 dated February 7, 2013 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 13-03	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 February 1, 2013	
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 2013 (\$521.24) b. FFY 2014 (\$684.54)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 2a, Page 1, 1a, 1a(1), 2, 6a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Pending (TN 12-51)	
10. SUBJECT OF AMENDMENT: The SPA proposes to revise the reimbursement methodology for outpatient hospital services to further reduce the reimbursement rates paid to non-rural, non-state and Children's Specialty hospitals by 1 percent.			
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: 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. TYPED NAME: Bruce D. Greenstein			
14. TITLE: Secretary			
15. DATE SUBMITTED: February 6, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 7 February, 2013		18. DATE APPROVED: 20 September, 2013	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 February, 2013		20. 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

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:

CITATION Medical and **OUTPATIENT HOSPITAL SERVICES**

42 CFR Remedial

447.321 Care and Services Item 2.a.

Clinical diagnostic laboratory services are reimbursed at the lower of:

- 1) billed charges;
- 2) the State maximum amount for CPT codes based on the 2008 Medicare fee schedule. These amounts are published on the Medicaid provider website at www.lamedicaid.com; or
- 3) Medicare Fee Schedule amount.

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Reimbursement for clinical diagnostic laboratory services complies with UPL requirements for these services.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

Effective for the dates of service on or after February 3, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 5 percent of the fee schedule on file as of February 2, 2010.

Effective for the dates of service on or after August 1, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 4.6 percent of the fee schedule on file as of July 31, 2010.

Effective for the dates of service on or after January 1, 2011, the reimbursement paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 2 percent of the fee schedule on file as of December 31, 2010.

Effective for dates of service on or after August 1, 2012, the reimbursement paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 3.7 percent of the fee schedule on file as of July 31, 2012.

Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 1 percent of the fee schedule on file as of January 31, 2013.

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:

State-owned Hospitals

Effective for dates of services on or after July 1, 2008, state-owned hospitals shall be reimbursed for outpatient clinical laboratory services at 100 per cent of the current Medicare Clinical Laboratory Fee Schedule.

Outpatient hospital facility fees for office/outpatient visits are reimbursed at the lower of:

- 1) billed charges; or
- 2) the State maximum amount (70% of the Medicare APC payment rates as published in the 8/9/02 Federal Register). The fee schedule is published on the Medicaid provider website at www.lamedicaid.com.

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Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

Effective for the dates of service on or after February 3, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 5 percent of the fee schedule on file as of February 2, 2010.

Effective for the dates of service on or after August 1, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 4.6 percent of the fee schedule on file as of July 31, 2010.

Effective for the dates of service on or after January 1, 2011, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 2 percent of the fee schedule on file as of December 31, 2010.

Effective for dates of service on or after August 1, 2012, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 3.7 percent of the fee schedule on file as of July 31, 2012.

Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 1 percent of the fee schedule on file as of January 31, 2013.

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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:

Outpatient hospital surgery facility fees are reimbursed at the lower of:

- 1) billed charges; or
- 2) established Medicaid payment rates assigned to each Healthcare Common Procedure Coding System (HCPCS) code based on the Medicare payment rates for ambulatory surgery center services. These rates are published on the Medicaid provider website at www.lamedicaid.com.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient surgery shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility surgery fees shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

Effective for the dates of service on or after February 3, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital surgery facility fees shall be reduced by 5 percent of the fee schedule on file as of February 2, 2010.

Effective for the dates of service on or after August 1, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient surgery facility fees shall be reduced by 4.6 percent of the fee schedule on file as of July 31, 2010.

Effective for the dates of service on or after January 1, 2011, the reimbursement paid to non-rural, non-state hospitals for outpatient surgery facility fees shall be reduced by 2 percent of the fee schedule on file as of December 31, 2010.

Effective for dates of service on or after August 1, 2012, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery facility fees shall be reduced by 3.7 percent of the fee schedule on file as of July 31, 2012.

Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery facility fees shall be reduced by 1 percent of the fee schedule on file as of January 31, 2013.

Current HCPCS codes and modifiers shall be used to bill for all outpatient hospital surgery services.

TN#	<u>13-03</u>	Approval Date	<u>9/20/13</u>
Supersedes		Effective Date:	<u>2/1/13</u>
TN#	<u>12-51</u>		

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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:

Outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation services, and outpatient hospital facility fees for office/outpatient visits are paid as follows:

In-state private hospital outpatient services are reimbursed on a hospital specific cost to charge ratio calculation based on the latest filed cost reports. Updated cost to charge ratios will be calculated as filed cost reports are received. Cost to charge ratios for the hospitals on which a filed cost report was received will be adjusted at the beginning of the next quarter. Final reimbursement is adjusted to 83% of allowable cost through the cost report settlement process. The allowable costs are determined from the Medicare/Medicaid cost report for each hospital. The costs and charges on these cost reports are reported in accordance with the instructions in the HIM-15 (Medicare Reimbursement Manual).

Effective for dates of services on or after August 1, 2006, the outpatient rates paid to private hospitals for cost-based services are increased by 3.85% of the rates in effect on July 31, 2006. Final reimbursement will be 86.2% of allowable cost through the cost report settlement process.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 3.5 percent of the rates effective as of February 19, 2009. Final reimbursement will be 83.18% of allowable cost through the cost settlement process.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 5.65 percent of the rates effective as of August 3, 2009. Final reimbursement shall be at 78.48 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after February 3, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 5 percent of the rates effective as of February 2, 2010. Final reimbursement shall be at 74.56 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after August 1, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 4.6 percent of the rates effective as of July 31, 2010. Final reimbursement shall be at 71.13 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after January 1, 2011, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 2 percent of the rates effective as of November 30, 2010. Final reimbursement shall be at 69.71 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after August 1, 2012, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 3.7 percent of the rates in effect on July 31, 2012. Final reimbursement shall be at 67.13 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 1 percent of the fee schedule in effect on January 31, 2013. Final reimbursement shall be at 66.46 percent of allowable cost through the cost settlement process.

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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:

- (4) Effective for the dates of service on or after August 1, 2010, the reimbursement paid to children's specialty hospitals for outpatient surgery services, and outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services, and outpatient hospital facility fees shall be reduced by 4.6 percent of the fee schedule on file as of July 31, 2010. Final reimbursement shall be 87.91 percent of allowable cost as calculated through the cost report settlement process.

Effective for the dates of service on or after August 1, 2010, the reimbursement paid to children's specialty hospitals for outpatient hospital clinic services shall be reduced by 4.6 percent of the fee schedule on file as of July 31, 2010.

- (5) Effective for the dates of service on or after January 1, 2011, the reimbursement paid to children's specialty hospitals for outpatient hospital services other than clinical diagnostic laboratory services, rehabilitation services, and outpatient hospital facility fees shall be reduced by 2 percent of the fee schedule on file as of November 30, 2010. Final reimbursement shall be 86.15 percent of allowable cost as calculated through the cost report settlement process.
- (6) Effective for dates of service on or after August 1, 2012, the reimbursement rates paid to children's specialty hospitals for outpatient surgery, outpatient clinic services and outpatient clinical diagnostic laboratory services shall be reduced by 3.7 percent of the fee on file as of July 31, 2012.
- (7) Effective for dates of service on or after August 1, 2012, the reimbursement fees paid to children's specialty hospitals for outpatient hospital services other than rehabilitation services and outpatient hospital facility fees shall be reduced by 3.7 percent of the rates in effect on July 31, 2012. Final reimbursement shall be 82.96 percent of the allowable cost as calculated through the cost report settlement process.
- (8) Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to children's specialty hospitals for outpatient surgery, outpatient hospital clinic services, outpatient clinical diagnostic laboratory services shall be reduced by 1 percent of the fee schedule on file as of January 31, 2013.
- (9) Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to children's specialty hospitals for outpatient hospital services other than rehabilitation services and outpatient hospital facility fees shall be reduced by 1 percent of the fee schedule in effect on January 31, 2013. Final reimbursement shall be 82.13 percent of allowable cost as calculated through the cost report settlement process.