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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 13-21

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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 13-21

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 13-21. This plan amendment changes the base payments for outpatient hospital services for Our Lady of the Lake Hospital, Inc. to equal 95 percent of allowable Medicaid costs.

Transmittal Number 13-21 is approved with an effective date of April 15, 2013 as requested. A copy of the HCFA-179, Transmittal No. 13-21 dated May 22, 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 redaction box covering 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

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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) 13-021, which changes the base payments for outpatient hospital services for Our Lady of the Lake Hospital, Inc. to equal 95 percent of allowable Medicaid costs.

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 12-64, this companion letter is also applicable to the approval of LA SPA 12-64.

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,


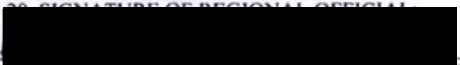
- i. Are beneficiaries billed and expected to pay for any care that may not be covered? Or, instead are the providers or practitioners expected to absorb the costs of the provided services?
- ii. How is this limitation tracked?
- iii. Are both providers and beneficiaries informed in advance so they know 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	
1. TRANSMITTAL NUMBER: 13-21	2. STATE Louisiana
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 April 15, 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 F	7. FEDERAL BUDGET IMPACT: a. FFY <u>2013</u> \$646.87 b. FFY <u>2014</u> \$1,330.47
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 2a, Page 10	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): None (New Page)
10. SUBJECT OF AMENDMENT: The SPA proposes to provide Medicaid payments for outpatient services rendered by private major teaching hospitals participating in public-private partnerships which assume the provision of services that were previously delivered and terminated, or reduced, by a state owned and operated facility.	
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: Kathy Kliebert	
14. TITLE: Interim Secretary	
15. DATE SUBMITTED: May 16, 2013	
FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 5-22-13	18. DATE APPROVED: 7-23-13
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 4-15-13	20. SIGNATURE OF REGIONAL OFFICIAL: 
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:

Reimbursement for Our Lady of the Lake Hospital, Inc.

Effective for dates of service on or after April 15, 2013, Our Lady of the Lake Hospital, Inc. shall be reimbursed as follows:

1. **Outpatient Surgery:** The reimbursement amount for outpatient hospital surgery services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement will be cost settled using the final audited cost report CMS-2552-10 to 95 percent of allowable Medicaid costs.
2. **Clinic Services:** The reimbursement amount for outpatient clinic services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement will be cost settled using the final audited cost report CMS-2552-10 to 95 percent of allowable Medicaid costs.
3. **Laboratory Services:** The reimbursement amount for outpatient clinical diagnostic laboratory services shall be the Medicaid fee schedule amount on file for each service.
4. **Rehabilitative Services:** The reimbursement amount for outpatient clinic services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement will be cost settled using the final audited cost report CMS-2552-10 to 95 percent of allowable Medicaid costs.
5. **Other Outpatient Hospital Services:** Outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reimbursed a hospital specific cost to charge ratio calculation based on the latest filed cost report. The final reimbursement will be cost settled using the final audited cost report CMS-2552-10 to 95 percent of allowable Medicaid costs.

STATE	<u>LOUISIANA</u>
DATE REC'D	<u>5-22-13</u>
DATE APPV'D	<u>7-23-13</u>
DATE EFF	<u>4-15-13</u>
HOFA 179	<u>13-21</u>

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SUPERSEDES: NONE - NEW PAGE

TN# 13-21 Approval Date 7-23-13 Effective Date 4-15-13
Supersedes
TN# NONE - NEW PAGE