

Table of Contents

State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 13-30

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 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

January 28, 2014

Our Reference: SPA LA 13-30

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 13-30. The state plan amendment changes the criteria and reimbursement methodology for outpatient hospital services in order to make Terrebonne General Hospital qualify for the supplemental payment that West Jefferson is currently receiving.

Transmittal Number 13-30 is approved with an effective date of July 1, 2013 as requested. A copy of the HCFA-179, Transmittal No. 13-30 dated August 27, 2013 is enclosed along with the approved plan pages.

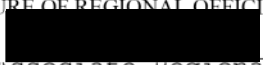
If you have any questions, please contact Ford Blunt III at ford.blunt@cms.hhs.gov or by phone at (214) 767-6381.

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 FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 13-30	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 July 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 F		7. FEDERAL BUDGET IMPACT: a. FFY <u>2013</u> \$9,963.94 b. FFY <u>2014</u> \$7,557.44	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 2a, Page 5 Attachment 4.19-B, Item 2a, Page 5a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 12-60) None (New Page)	
10. SUBJECT OF AMENDMENT: The SPA proposes to amend the provisions governing the reimbursement methodology for outpatient hospital services in order to revise the qualifying criteria and reimbursement methodology for non-rural, non-state public 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: Secretary			
15. DATE SUBMITTED: August 23, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 27 August, 2013		18. DATE APPROVED: 28 January, 2014	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 July, 2013		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS: Please make a pen and ink change to form 179 box 7, 8, and 9 as noted above.			

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 Non-Rural, Non-State Government Hospitals

Effective for dates of service on or after October 1, 2012 through June 30, 2013 quarterly supplemental payments shall be issued to qualifying non-rural, non-state government hospitals for outpatient hospital services.

- a) **Qualifying criteria** – Effective October 1, 2012, the quarterly supplemental payment will be made to West Jefferson Medical Center for SFY 2013.
- b) **Payment 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 \$7,060,008 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.

Effective for dates of service on or after July 1, 2013, quarterly supplemental payments shall be issued to the following qualifying non-rural, non-state government hospitals for outpatient hospital services.

- a) **Qualifying criteria** – Effective July 1, 2013, the quarterly supplemental payment will be made to Terrebonne General Hospital.
- b) **Payment Methodology** – Payments shall be made quarterly based on the annual upper payment limit calculation per state fiscal year not to exceed the upper payment limits pursuant to 42 CFR 447.321. The UPL calculation methodology for outpatient non-state hospitals (governmental and private) is as follows:

- 1. Accumulate Medicaid claims data for outpatient services for each non-state hospital from the previous state fiscal year.
- 2. Separate charges and payments from paid claims between services reimbursed on a percentage of cost basis from services reimbursed at a fee-for-service rate.
- 3. Compile cost to charge ratios for Medicaid outpatient services from latest filed Medicare/Medicaid cost report (Form CMS 2552).
- 4. For services reimbursed at a fee-for-service rate (other than outpatient clinical laboratory services):
 - a. Multiply cost to charge ratio by Medicaid outpatient charges (except for outpatient clinical laboratory services) to determine Medicaid outpatient costs.
 - b. Subtract claims payments from costs.
- 5. For Medicaid outpatient services reimbursed at a percentage of cost:
 - a. Multiply cost to charge ratio by Medicaid outpatient claims charges to determine Medicaid outpatient costs.
 - b. Multiply Medicaid costs by the applicable percentage of allowable cost reimbursed for a period to determine Medicaid payment which would be calculated upon cost settlement.
 - c. Subtract calculated payment from costs.

State: Louisiana
Date Rec'd: 8/27/13
Date Apprd: 1/28/14
Date Eff: 7/1/13
TN #: 13-30

TN# 13-30
Supersedes
TN# 12-60

Approval Date 1/28/14

Effective Date 7/1/13

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:

6. For each hospital, add the differences of the Medicaid costs less Medicaid payments for the cost-based services and the fee-for-service rate services.
7. Trend the difference forward to the midpoint of the current state fiscal year using the CMS Market Basket Index for PPS hospitals.
8. The sum of the difference for each hospital for all hospitals in the group is the upper payment limit for that group of hospitals.

Maximum payments shall not exceed the upper payment limit pursuant to 42CFR 447.321.

Reimbursement for In-State Outpatient Children's Specialty Hospitals

a. Qualifications

In order to qualify to receive Medicaid reimbursement as an in-state children's specialty hospital, a non-rural, non-state acute care hospital must meet the following criteria. The hospital must:

- (1) be recognized by Medicare as a prospective payment system (PPS) exempt children's specialty hospital;

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