

Table of Contents

State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 14-25 NIRT

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

DEC 23 2014

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 14-25

Dear Ms. Kennedy:

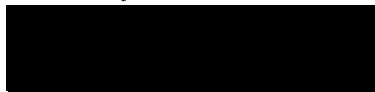
We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-25. This amendment proposes to amend the provisions governing Disproportionate Share Hospital (DSH) payments in order to establish payments to Louisiana Low-Income Academic Hospitals. The effect of this amendment is that six private acute care hospitals, which have entered into Cooperative Endeavor Agreements (CEAs) with Louisiana State University, will qualify for DSH 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 funding of the State share of expenditures under Attachment 4.19-A.

Based upon your assurances, Medicaid State plan amendment 14-25 is approved effective May 24, 2014. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,



Timothy Hill
Director

A handwritten signature in black ink, appearing to be 'TH', written over the printed name and title.

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

14-25

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

May 24, 2014

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ 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 E

7. FEDERAL BUDGET IMPACT:

a. FFY **2014** **\$400,914.85**

b. FFY **2015** **\$369,399.31**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Item 1, Page 10d

Attachment 4.19-A, Item 1, Page 10k (4)

Attachment 4.19-A, Item 1, Page 10k (5)

9. PAGE NUMBER OF THE SUPERSEDED PLAN
SECTION OR ATTACHMENT (If Applicable):

Same (TN 10-26)

Same (TN 13-01)

Same (TN 13-01)

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to amend the provisions governing DSH payments in order to establish payments to Louisiana Low-Income Academic Hospitals.**

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

The Governor does not review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Kathy H. Kliebert

14. TITLE:

Secretary

15. DATE SUBMITTED:

May 23, 2014

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

May 23, 2014

18. DATE APPROVED:

DEC 23 2014

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

May, 24, 2014

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Kristin FAN

22. TITLE:

Deputy Director, FMG

23. REMARKS: **The State request a pen and ink change to blocks: 7, 8 and 9**

Please note: Block 7 has been revised from the first submission on 6/17/14.

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- e. Meet the definition of a public non-rural community hospital as defined in I.D.3.e. below; **or**
- f. Effective September 15, 2006, be a private non-rural community hospital as defined in I.D.3.f. below; **or**
- g. Effective November 3, 1997, be a small rural hospital as defined in I.D.3.b.; **or**
- h. Effective for dates of service on or after January 1, 2008, be a Medicaid enrolled non-state acute care hospital that expands their existing distinct part psychiatric unit or that enrolls a new distinct part psychiatric unit, and signs an addendum to the Provider Enrollment form (PE-50) by April 3, 2008 with the Department of Health and Hospitals, Office of Mental Health; **or**
- i. Effective for dates of service on or after April 7, 2008, be a Medicaid-enrolled non-state acute care hospital that establishes a Mental Health Emergency Room Extension (MHERE), and signs a Provider Enrollment form (PE-50) by June 1, 2008 with the Department of Health and Hospitals, Office of Mental Health; **or**
- j. Effective for dates of service on or after January 21, 2010, be a hospital participating in the Low Income and Needy Care Collaboration; **or**
- k. Effective for dates of service on or after May 24, 2014, meet the definition of a Louisiana Low-Income Academic Hospital; **and**
- l. In addition to the qualification criteria outlined in I.D.1.a.-k. above, effective July 1, 1994, the qualifying disproportionate share hospital must also have a Medicaid inpatient utilization rate of at least one percent (1%).

2. General Provisions for Disproportionate Share Payments

- a. Total cumulative disproportionate share payments under any and all DSH payment methodologies shall not exceed the federal disproportionate share state allotment for Louisiana for each federal fiscal year. The Department shall make necessary downward adjustments to hospitals' disproportionate share payments to remain within the federal disproportionate share allotment.

State: Louisiana
Date Received: May 23, 2014
Date Approved: DEC 23 2014
Date Effective: May 24, 2014
Transmittal Number: 14-25

TN# 14-25 Approval Date **DEC 23 2014**
Supersedes
TN# 10-26

Effective Date 05/24/14

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

DSH REIMBURSEMENT METHODOLOGIES (continued)

f. Louisiana Low-Income Academic Hospitals

Qualifying Criteria

State: Louisiana
Date Received: May 23, 2014
Date Approved: DEC 23 2014
Date Effective: May 24, 2014
Transmittal Number: 14-25

A. Hospitals Located Outside of the Lake Charles Metropolitan Statistical Area

Effective for dates of service on or after May 24, 2014, a hospital may qualify for this category by:

- a. being a private acute care general hospital that is located outside of the Lake Charles Metropolitan Statistical Area (MSA);
- b. having uninsured patient utilization, as measured by allowable uninsured inpatient and outpatient charges, greater than 20 percent. Qualification shall be based on uninsured utilization data per the prior state fiscal year date of service time period; and
- c. maintaining at least 15 unweighted intern and resident full-time equivalent positions, as reported on the Medicare Cost Report Worksheet E-4, Line 6.

B. Hospitals Located In the Lake Charles Metropolitan Statistical Area

Effective for dates of service on or after May 24, 2014, a hospital may qualify for this category by:

- a. being a private acute care general hospital that is located in the Lake Charles MSA;
- b. having uninsured patient utilization, as measured by allowable uninsured inpatient and outpatient charges, greater than 10 percent. To determine qualification in state fiscal year 2014, the first six month dates of service time period (July 1, 2013 through December 31, 2013) shall be used. In subsequent state fiscal years, qualification shall be based on uninsured utilization data per the prior state fiscal year date of service time period; and
- c. maintaining at least 20 unweighted intern and resident full-time equivalent positions, as reported on the Medicare Cost Report Worksheet E-4, Line 6.

Payment Methodology

- a) Each qualifying hospital shall be paid DSH adjustment payments equal to 100 percent of allowable hospital specific uncompensated care costs subject to the Appropriations Act. DSH payments to qualifying hospitals shall not exceed the disproportionate share limits as defined in Section 1923(g)(1)(A) of the Social Security Act for the state fiscal year to which the payment is applicable.
- b) For the initial year's payment calculation, each qualifying hospital shall submit interim actual cost data calculated utilizing Medicaid allowable cost report principles, along with actual Medicaid and uninsured patient charge data. Annual Medicaid costs shortfalls and

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

unreimbursed uninsured patient costs are determined based on review and analysis of these submissions. For subsequent year's payment calculations, the most recent Medicaid filed cost report along with actual Medicaid and uninsured patient charge data annualized from the most recent calendar year completed quarter is utilized to calculate hospital specific uncompensated care costs.

- c) The Department shall review cost data, charge data, lengths of stay and Medicaid claims data per the MMIS system for reasonableness before payments are made.
- d) The first payment of each fiscal year will be made by October 15 and will be 80 percent of the annual calculated uncompensated care costs. The remainder of the payment will be made by June 30 of each year. Reconciliation of these payments to actual hospital specific uncompensated care costs will be made when the cost report(s) covering the actual dates of service from the state fiscal year are filed and reviewed. Additional payments or recoupments, as needed, shall be made after the finalization of the CMS mandated DSH audit for the state fiscal year.
- e) No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.

State: Louisiana Date Received: May 23, 2014 Date Approved: DEC 23 2014 Date Effective: May 24, 2014 Transmittal Number: 14-25

TN# 14-25
Supersedes
TN# 13-01

Approval Date **DEC 23 2014** Effective Date 05/24/14