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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 16-0019

This file contains the following documents in the order listed:

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

September 15, 2017

Our Reference: SPA LA 16-0019

Ms. Jen Steele, State Medicaid Director
Department of Health
628 North 4th St.
Post Office Box 91030
Baton Rouge, LA 70821-9030

Attention: Karen Barnes

Dear Ms. Steele:

We have reviewed the State's proposed amendment to the Louisiana State Plan submitted under Transmittal Number 16-0019 dated September 27, 2016. This state plan amendment amends the provisions to establish enhanced Medicaid reimbursements through the Supplemental Payment program for qualifying emergency ground ambulance service providers.

Based on the information submitted, we have approved the amendment for incorporation into the official Louisiana State Plan with an effective date change of August 1, 2016. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Cheryl Rupley at (214) 767-6278 or by email at Cheryl.Rupley@cms.hhs.gov.

Sincerely,

 for

Bill Brooks
Associate Regional Administrator

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

16-0019

2. STATE

Louisiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

August 1, 2016

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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 **2016**

\$2,763,921

b. FFY **2017**

\$2,451,767

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Item 24a, Page 1b (3) – 1b (6)

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 PAGE NUMBER OF THE SUPERSEDED PLAN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

None – New pages

10. SUBJECT OF AMENDMENT **The SPA adopts the provisions to establish enhanced Medicaid reimbursements through the Supplemental Payment program for qualifying emergency ground ambulance service providers.**

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:

Rebekah E. Gee MD, MPH

14. TITLE:

Secretary

15. DATE SUBMITTED:

September 27, 2016

16. RETURN TO:

Jen Steele, Medicaid Director

State of Louisiana

Department of Health

628 N. 4th Street

P.O. Box 91030

Baton Rouge, LA 70821-9030

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

September 27, 2016

18. DATE APPROVED:

September 15, 2017

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

August 1, 2016

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Bill Brooks

22. TITLE: Associate Regional Administrator

Division of Medicaid & Children's Health

23. REMARKS:

STATE OF LOUISIANA

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:

Enhanced Reimbursements for Qualifying Emergency Ground Ambulance Service Providers

A. Effective for dates of service on or after August 1, 2016, the following emergency ambulance service providers qualify for payment:

1. A Med Ambulance Inc
2. Acadian Ambulance New Orleans
3. Acadian Ambulance Service
4. Advanced Emergency Medical Services
5. Balentine Ambulance Services
6. Med Express Ambulance Service
7. Med Life Emergency Medical Services
8. Metro Ambulance Service
9. Miss-Lou Ambulance Service
10. Northeast Louisiana Ambulance
11. Northshore Emergency Medical Services
12. Pafford Emergency Medical Service
13. St. Landry Emergency Medical Services
14. West Jefferson Medical Center

B. Calculation of Average Commercial Rate

1. The enhanced reimbursement shall be determined in a manner to bring the payments for these services up to the average commercial rate level as described in Subparagraph C.3.h. The average commercial rate level is defined as the average amount payable by the commercial payers for the same service.
2. The Department shall align the paid Medicaid claims with the Medicare fees for each healthcare common procedure coding system (HCPCS) or current procedure terminology (CPT) code for the ambulance provider and calculate the Medicare payment for those claims.

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3. The Department shall calculate an overall Medicare to commercial conversion factor for each ambulance provider by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims.
4. The commercial to Medicare ratio for each provider will be re-determined at least every three years.

C. Payment Methodology

1. The enhanced reimbursement to each qualifying emergency ground ambulance service provider shall not exceed the sum of the difference between the Medicaid payments otherwise made to these providers for the provision of emergency ground ambulance transportation services and the average amount that would have been paid at the equivalent community rate.
2. The enhanced reimbursement shall be determined in a manner to bring payments for these services up to the community rate level. Community Rate-the average amount payable by commercial insurers for the same services.
3. The specific methodology to be used in establishing the enhanced reimbursement payment for ambulance providers is as follows:
 - a. The Department shall identify Medicaid ambulance service providers that qualify to receive enhanced reimbursement Medicaid payments for the provision of emergency ground ambulance transportation services.
 - b. For each Medicaid ambulance service provider identified to receive enhanced reimbursement Medicaid payments, the Department shall identify the emergency ground ambulance transportation services for which the provider is eligible to be reimbursed.

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- c. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the reimbursement paid to the provider for the provision of emergency ground ambulance transportation services identified under Subparagraph C.3.b.
- d. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the provider's equivalent community rate for each of the provider's services identified under Subparagraph C.3.b.
- e. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall subtract an amount equal to the reimbursement calculation for each of the emergency ground ambulance transportation services under Subparagraph C.3.c. from an amount equal to the amount calculated for each of the emergency ground ambulance transportation services under Subparagraph C.3.d.
- f. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the sum of each of the amounts calculated for emergency ground ambulance transportation services under Subparagraph C.3.e.
- g. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate each provider's upper payment limit by totaling the provider's total Medicaid payment differential from Subparagraph C.3.f.
- h. On a quarterly basis, the Department shall reimburse providers identified in Subparagraph C.3.a., up to 100 percent of the provider's average commercial rate.

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4. 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.
5. Supplemental payments will occur within 180 days of the close of a quarter; however, in the year in which the average commercial rate is being set or updated, payment will be made within 180 days from the computation and final review of the average commercial rate.

D. Effective Date of Payment

1. The enhanced reimbursement payment shall be made effective for emergency ground ambulance transportation services provided on or after August 1, 2016. This payment is based on the average amount that would have been paid at the equivalent community rate.
2. After the initial calculation for fiscal year 2015-2016, the Department will rebase the equivalent community rate using adjudicated claims data for services from the most recently completed fiscal year. This calculation may be made annually but shall be made no less than every three years.

E. Maximum Payment

The total maximum amount to be paid by the Department to any individually qualified Medicaid ambulance service provider for enhanced reimbursement Medicaid payments shall not exceed the total of the Medicaid payment differentials calculated under Subparagraph C.3.f.

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