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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 18-0009

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
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Mrs. Jen Steele, Director
Bureau of Health Services Financing
Department of Health
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

September 18, 2018

RE: Louisiana 18-0009

Dear Mrs. Steele:

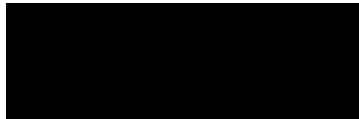
We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 18-0009. Louisiana Department of Health submitted this State plan amendment to amend the provisions governing DSH payments for a major medical center in order to establish qualification criteria, and a DSH payment methodology for large private hospitals located in the southwestern area of the State (LDH Region 4), which provides specialized intensive care burn units.

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 18-0009 is approved effective June 30, 2018. We are enclosing the CMS-179 and the new plan pages.

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

Sincerely,



Kristin Fan
Director

Enclosures

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER

18-0009

2. STATE

Louisiana

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

4. PROPOSED EFFECTIVE DATE

June 30, 2018

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 Transmittals for each amendment*

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447 Subpart E

7. FEDERAL BUDGET IMPACT:

a. FFY **2018**

\$ 7,713,379

b. FFY **2019**

\$ 8,108,192

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

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

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

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 PAGE NUMBER OF THE SUPERSEDED PLAN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

None – new page

None – new page

10. SUBJECT OF AMENDMENT: **The SPA proposes to amend the provisions governing disproportionate share hospital (DSH) payments for major medical centers in order to establish qualification criteria and a DSH payment methodology for large private hospitals located in the southwestern area of the state (LDH Region 4) which provide specialized intensive care burn units.**

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:

June 29 2018

16. RETURN TO:

Jen Steele, Medicaid Director

State of Louisiana

Department of Health

628 North 4th Street

P.O. Box 91030

Baton Rouge, LA 70821-9030

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
June 29, 2018

18. DATE APPROVED

SEP 18 2018

PLAN APPROVED ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
June 30, 2018

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director

23. REMARKS:

The State request a pen and ink change to box # 10.

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

Major Medical Centers with Specialized Burn Care Units Located in the Southwestern Area of the State

A. Qualifying Criteria

Effective for dates of service on or after June 30, 2018, hospitals qualifying for payments as major medical centers located in the southwestern area of the state shall meet the following criteria:

1. be a private, non-rural hospital located in Louisiana Department of Health administrative region 4;
2. have at least 175 inpatient beds as reported on the Medicare/Medicaid cost report, Worksheet S-3, column 2, lines 1-18, for the state fiscal year ending June 30, 2017. For qualification purposes, inpatient beds shall exclude nursery and Medicare-designated distinct part psychiatric unit beds;
3. have a burn intensive care unit that is reported on the Medicare/Medicaid cost report, Worksheet S-3, line 10, columns 1-8, for the state fiscal year ending June 30, 2017;
4. does not qualify as a Louisiana low-income academic hospital; and
5. does not qualify as a party to a low income and needy care collaboration agreement with the Louisiana Department of Health.

The only hospital that meets the above criteria is Our Lady of Lourdes Regional Medical Center.

B. Payment Methodology

Effective for dates of service on or after June 30, 2018, Our Lady of Lourdes Regional Medical Center shall be paid a DSH adjustment payment up to their hospital-specific allowable uncompensated care costs.

1. Costs, patient specific data and documentation that qualifying criteria is met shall be submitted in a format specified by the Department.
2. Reported uncompensated care costs shall be reviewed by the Department to ensure compliance with the reasonable costs definition in the Medicare Provider Reimbursement Manual, Part 1, Chapter 21, Section 2102.1. Allowable uncompensated care costs must be calculated using the Medicare/Medicaid cost report methodology.

State: Louisiana
Date Received: June 29, 2018
Date Approved: September 18, 2018
Date Effective: June 30, 2018
Transmittal Number: 18-0009

TN 18-0009

Approval Date 09/18/2018

Effective Date 06/30/2018

Supersedes

TN New Page

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

3. Aggregate DSH payments for hospitals that receive payment from this category, and any other DSH category, shall not exceed the hospital's specific DSH limit. If payments calculated under this methodology would cause a hospital's aggregate DSH payment to exceed the limit, the payment from this category shall be capped at the hospital's specific DSH limit.
4. A pro rata decrease, necessitated by conditions specified in.B.1, above, for hospitals described in this section, will be calculated based on the ratio determined by dividing the hospital's uncompensated costs by the uncompensated costs for all of the qualifying hospitals described in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment.
 - a. If additional payments or recoupments are required based on the results of the mandated DSH audit report, they shall be made within one year after the final report for the state fiscal year is submitted to the Centers for Medicare and Medicaid Services (CMS).
 - b. Payments shall be limited to the aggregate amount recouped from the qualifying hospitals described in this section, based on the reported DSH audit results.

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