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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 19-0027

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



Financial Management Group

February 10, 2020

Ms. Erin Campbell
Interim Medicaid Director
Bureau of Health Services Financing
Department of Health
628 North Fourth Street
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 19-0027

Dear Ms. Campbell:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 19-0027. The SPA proposes to establish qualifying criteria and a for disproportionate share hospital (DSH) payment methodology for West Jefferson Hospital, a major medical center located in southeastern area of Louisiana.

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.

Based upon the information provided by the State, we have approved the amendment for incorporation into the official Louisiana State Plan with an effective date of January 1, 2020. A copy of the CMS-179 and the approve plan pages are enclosed with this letter.

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

Sincerely,

A black rectangular redaction box covers the signature of the sender.

Kristin Fair
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 19-0027	2. STATE Louisiana
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3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2020

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 **2020** \$ **13,818,674**
b. FFY **2021** \$ **14,399,513**


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

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Same (TN 16-0018)
Same (TN 18-0009)
None – new page

10. SUBJECT OF AMENDMENT **The purpose of this SPA is to establish a qualification criteria and a disproportionate share hospital (DSH) payment methodology for major medical centers located in the southeastern area of Louisiana.**

11. GOVERNOR'S REVIEW (Check One)
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review State Plan material.
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME
Cindy Rives, designee for Rebekah E. Gee MD, MPH
14. TITLE
Secretary
15. DATE SUBMITTED
November 27, 2019

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
November 27, 2019

18. DATE APPROVED **February 10, 2020**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL


21. TYPED NAME **Kristin Fan**

22. TITLE **Director, FMG**

23. REMARKS

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, Office of Behavioral Health; **or**
- i. Effective for dates of service on or after January 21, 2010, be a hospital participating in the Low Income and Needy Care Collaboration; **or**
- j. Effective for dates of service on or after May 24, 2014, meet the definition of a Louisiana Low-Income Academic Hospital; **or**
- k. Effective for dates of services on or after June 30, 2016, be a hospital defined as a major medical center in the central and northern areas of Louisiana; **or**
- l. Effective for dates of service on or after June 30, 2018, be a major medical center with a specialized care unit located in the southwestern area of the state; or
- m. Effective for dates of service on or after January 1, 2020, be a major medical center located in the southeastern area of the state; and
- n. In addition to the qualification criteria outlined in I.D.1.a.-m. above, effective July 1, 1994, the qualifying disproportionate share hospital must also have a Medicaid inpatient utilization rate of at least one percent.

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.

TN 19-0027
Supersedes
TN 16-0018

Approval Date 02-10-2020

Effective Date 1-1-2020

State: Louisiana
Date Received: November 27, 2019
Date Approved: February 10, 2020
Date Effective: January 1, 2020
Transmittal Number: 19-0027

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.

Major Medical Centers Located in the Southeastern Area of the State

A. Qualifying Criteria

Effective for dates of service on or after January 1, 2020, hospitals qualifying for payments as major medical centers located in the southeastern area of the state shall meet the following criteria:

1. be a private, non-rural hospital located in Louisiana Department of Health administrative region 1;
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 (SFY) ending June 30, 2018. For qualification purposes, inpatient beds shall exclude nursery and Medicare-designated distinct part psychiatric unit beds;
3. is certified as an advanced comprehensive stroke center by the Joint Commission as of June 30, 2018; and
4. does not qualify as a Louisiana low-income academic hospital.

The only hospital that meets the above criteria is West Jefferson Hospital.

TN 19-0027
Supersedes
TN 18-0009

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PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES
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B. Payment Methodology

Effective for dates of service on or after January 1, 2020, each qualifying hospital shall be paid a DSH adjustment payment which is the pro rata amount calculated by dividing their hospital specific allowable uncompensated care costs by the total allowable uncompensated care costs for all hospitals qualifying under this category and multiplying by the funding appropriated by the Louisiana Legislature in the applicable SFY for this category of hospitals.

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. Allowable uncompensated care costs must be calculated using the Medicare/Medicaid cost report methodology.
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.3, 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 may be made within one year after the final report for the SFY is submitted to the Centers for Medicare and Medicaid Services (CMS).
 - b. Additional payments shall be limited to the aggregate amount recouped from the qualifying hospitals described in this section, based on the reported DSH audit results.