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State/Territory Name: Louisiana

State Plan Amendment (SPA) LA: 22-0034

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

January 11, 2023

Tara LeBlanc
Medicaid Executive Director
Louisiana Medicaid Program
Louisiana Department of Health
Bureau of Health Services
Financing 628 North Fourth Street
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana TN 22-0034

Dear Tara LeBlanc:

We have reviewed the proposed Louisiana State Plan Amendment (SPA) to Attachment 4.19-B pages under LA- 22-0034, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on November 14, 2022. The purpose of this SPA is to establish the criteria for an acute care hospital to qualify as an urban metropolitan statistical area (MSA) facility in the New Orleans area and establish the reimbursement methodology for the provision of outpatient services.

Based upon the information provided by the State, we have approved the amendment with an effective date of October 11, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Monica Neiman at (945) 35-1231 or/and via email at: Monica.Neiman@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

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

1. TRANSMITTAL NUMBER
22-0034

2. STATE
LA

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

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 11, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 440.20(a)
42 CFR 447 Subpart C
1905(a) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2023 \$ 4,302,338
b. FFY 2024 \$ 4,279,957

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Item 2.a, Page 11
Attachment 4.19-B, Item 2.a, Pages 13-14

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same (TN 22-0022)
(New Page)

9. SUBJECT OF AMENDMENT

The purpose of this SPA is to establish the criteria for an acute care hospital to qualify as an urban metropolitan statistical area (MSA) facility in the New Orleans area and establish the reimbursement methodology for the provision of outpatient services.

10. 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.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Ruth Johnson, designee for Dr. Courtney N. Phillips

13. TITLE

Secretary

14. DATE SUBMITTED

November 14, 2022

15. RETURN TO

Tara A. LeBlanc, Medicaid Executive Director
Louisiana Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030

FOR CMS USE ONLY

16. DATE RECEIVED
November 14, 2022

17. DATE APPROVED
January 11, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 11, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. 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:

Urban Metropolitan Statistical Area (MSA) Facility – Baton Rouge Area

Qualifying Criteria

In order to qualify as an urban metropolitan statistical area (MSA) facility in the Baton Rouge area, the hospital must:

1. have a facility type code of acute and opened subsequent to the March 13, 2020 presidential declaration of a national emergency concerning the coronavirus disease 2019 (COVID-19) to provide availability of additional beds and services for COVID-19 patients;
2. have been licensed and certified no later than June 30, 2020, and located in zip code 70806, east of I-110, north of I-10, and south of Business Highway 190;
3. be located in an urban metropolitan statistical area (MSA) as defined by the United States Office of Management and Budget;
4. have an operational emergency room and is located greater than five miles in distance from the closest hospital emergency room; and
5. be located on a single site.

These provisions qualify The General Hospital also known as “Baton Rouge General – Mid-City Location”, as a qualifying urban MSA facility.

Reimbursement Methodology

Effective for dates of service on or after July 2, 2022, payments for outpatient services to an urban MSA facility that meet all of the criteria above shall be made in accordance with the following:

1. **Outpatient Surgery:** An interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement amount of 95 percent of allowable Medicaid cost as calculated through the cost report settlement process.
Payment for Coronavirus Disease 2019 (COVID-19) laboratory testing shall be made in addition to the outpatient surgery fee schedule reimbursement amount claim payment. The procedure codes and rates applicable to COVID-19 testing are published on the Louisiana Medicaid website at www.lamedicaid.com. The COVID-19 laboratory testing claim payment shall be a final payment and shall not be subject to cost settlement.
2. **Clinic Services:** An interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement amount of 95 percent of allowable Medicaid cost as calculated through the cost report settlement process.
3. **Laboratory Services:** The Medicaid fee schedule amount on file for each service.

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:

Urban Metropolitan Statistical Area (MSA) Facility – New Orleans Area

Qualifying Criteria

In order to qualify as an urban metropolitan statistical area (MSA) facility-New Orleans area, the hospital must:

1. be designated a non-rural hospital service district located in Louisiana Department of Health (LDH) region 1, with a facility type code of acute, with an original hospital license date before July 13, 2014, but after July 1, 2014, located in zip code 70127;
2. be located in a MSA as defined by United States Office of Management and Budget;
3. have an operational emergency room; and
4. not add additional locations under this license, without prior written approval of the Department.

These provisions qualify New Orleans East Hospital as a qualifying urban MSA facility.

Reimbursement Methodology

Effective for dates of service on or after October 11, 2022 payments for outpatient services to qualifying urban MSA hospitals–New Orleans area meet all of the criteria above shall be made in accordance with the following:

1. **Outpatient Surgery:** An interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement amount of 95 percent of allowable Medicaid cost as calculated through the cost report settlement process. Payment for Coronavirus Disease 2019 (COVID-19) laboratory testing shall be made in addition to the outpatient surgery fee schedule reimbursement amount claim payment. The procedure codes and rates applicable to COVID-19 testing are published on the Louisiana Medicaid website at www.lamedicaid.com. The COVID-19 laboratory testing claim payment shall be a final payment and shall not be subject to cost settlement.
2. **Clinic Services:** An interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement amount of 95 percent of allowable Medicaid cost as calculated through the cost report settlement process.
3. **Laboratory Services:** The Medicaid fee schedule amount on file for each service.

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:

4. **Rehabilitation Services:** An interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement amount of 95 percent of allowable Medicaid cost as calculated through the cost report settlement process.
5. **Other Outpatient Hospital Services:** For outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient hospital facility fees, reimbursement shall be an interim payment equal to 95 percent of allowable Medicaid cost as calculated through the cost report settlement process.

The above payment rates are contingent on the hospital continuing to meet all qualifying criteria set forth above. The addition of any off-site campus, beyond an outpatient primary care clinic, to the license of this hospital will invalidate the provisions of this reimbursement methodology.