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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: LA 23-0007

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

September 18, 2023

Kimberly Sullivan
Interim 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 State Plan Amendment (SPA) 23-0007

Dear Director Sullivan:

We have reviewed the proposed amendment to Attachment 3.1-A and 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0007 effective for services on or after July 1, 2023. The purpose of this SPA is to amend the provisions governing inpatient hospital services in order to remove language in the Medicaid State Plan that is obsolete.

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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 23-0007 is approved effective July 1, 2023. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,



Rory Howe
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 23-0007	2. STATE LA
	3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2023
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5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 413 Subpart F	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2023 \$ 0 b. FFY 2024 \$ 0
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 3.1-A Item 1, Page 2 Attachment 3.1-A Item 1, page 3 Attachment 3.1-A, Item 1, Page 4 Attachment 3.1-A, Item 1, Page 45 Attachment 3.1-A, Item 1, Page 46 Attachment 4.19-A Item 1, page 10l(2) Attachment 4.19-A, Item 1, page 10l(1)(d) Attachment 4.19-A, Item 1, Pages 10m (1-2)	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 18-0002) Same (TN 94-032) Same (TN 79-19) Same (TN 94-32) Same (TN 22-0036) Same (TN 20-0017) TN 09-55 (moved up to from 10l(4) to 10l(2)) Same (TN 19-0025) Same (TN 22-0035) Delete pages: Attachment 3.1-A Item 1, pages 40-44 (TN 93-11) Attachment 4.19-A, Item 1, 10l(2), 10l(3), and 10l(4) Supersedes TNs 99-01 and 07-24
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9. SUBJECT OF AMENDMENT **The purpose of this SPA is to amend the provisions governing inpatient hospital services in order to remove language in the Medicaid State Plan that is obsolete.**

10. GOVERNOR'S REVIEW (Check One)

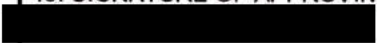
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review State Plan material.
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

11. SIGNATURE OF STATE AGENCY OFFICIAL 	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
12. TYPED NAME Pam Diez, designee for Stephen R. Russo, JD	
13. TITLE Secretary	
14. DATE SUBMITTED	

FOR CMS USE ONLY

16. DATE RECEIVED July 7, 2023	17. DATE APPROVED September 18, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2023	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, FMG

22. REMARKS

(Continued from box 7)

STATE OF LOUISIANA

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
LIMITATIONS OF THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL
AND REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

- C. Each hospital is required to have a Utilization Review Committee.
- D. Effective December 2, 1994, there will be no Medicaid payment for reservation of a bed for a recipient who is temporarily absent from that facility.
- E. Outpatient Surgeries on an Inpatient Basis

Certain surgical procedures, as specified in the *Hospital Services Manual*, which are performable on an outpatient or ambulatory basis, require authorization from BHSF for payment to be made when performance of the procedure occurs on an inpatient basis.

Documentation of the medical circumstances which substantiate the need for performance of the procedure(s) on an inpatient basis must be submitted with the request to BHSF for authorization.

- F. Criteria for Reimbursement of Organ Transplants

Services related to organ transplants to be performed at a designated transplant center must be authorized by BHSF. Requests for organ transplants for Title XIX recipients will be reviewed on a case by case basis applying the criteria set forth in the *Medicaid Eligibility Manually* equally to all similarly situated individuals.

Organ transplant units must be in compliance with the requirements for such units as contained in Attachment 4.19-A, Standards for Payment.

- G. Those services provided in Distinct Part Psychiatric Units and Hospital-Based Alcohol and Drug Treatment Units must be in compliance with the *Standards for Payment for Distinct Part Psychiatric Units and Hospital-Based Alcohol and Drug Treatment Units*.

STATE OF LOUISIANA

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
LIMITATIONS OF THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND
REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

CITATION MEDICAL AND REMEDIAL
 CARE AND SERVICES

Item 1. (a)

BLOOD

The cost of all blood not covered by other sources or replaced in the amount used, shall be paid by the Title XIX program.

All efforts to have the blood replaced shall be made.

STATE OF LOUISIANA

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
LIMITATIONS OF THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND
REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

I. Criteria for Specialized Units

Acute care hospitals that wish to be reimbursed for high-intensity services (neonatal care, pediatric intensive care, or burn care) at a rate commensurate with the greater resource allocation required for such services must meet the criteria for specialized units as described in Attachment 4.19-A, Standards for Payment. Establishment of specialized units is discretionary. Enrollment of a specialized unit can only occur at the beginning of the subsequent state fiscal year (July 1), and a change in level of care of an approved unit shall be effective only at the beginning of the hospital's subsequent cost reporting period, and after a completed attestation form indicating compliance with specialized unit criteria has been received from the provider. Compliance with specialized unit criteria shall be verified via an on-site survey according to established procedures within thirty (30) days after receipt of application.

STATE OF LOUISIANA

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
LIMITATIONS OF THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND
REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

Elective Deliveries

Induced deliveries and cesarean sections shall not be reimbursed when performed prior to 39 weeks gestation. This shall not apply to deliveries when there is a documented medical condition that would justify delivery prior to 39 weeks gestation.

Coverage of Donor Human Breast Milk

Effective for dates of service on or after August 20, 2020, coverage shall be provided for donor human breast milk obtained from a member bank of the Human Milk Banking Association of North America, provided to hospitalized infants in acute care hospitals.

Genetic Testing of Critically Ill Infants

Effective for dates of service on or after January 1, 2023, inpatient hospitals shall receive reimbursement for rapid whole genome sequencing testing of an infant. Rapid whole genome sequencing testing includes individual sequencing, trio sequencing of the parents of the infant, and ultra-rapid sequencing.

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

H. Supplemental Payments for Low Income and Needy Care Collaboration Hospitals

Effective for dates of service on or after January 1, 2010, quarterly supplemental payments will be issued to qualifying non-rural, non-state acute care hospitals for inpatient services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

1. Qualifying Criteria. In order to qualify for the supplemental payment, the non-rural, non-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement.
 - a. A non-state hospital is defined as a hospital which is owned or operated by a private entity.
 - b. A Low Income and Needy Care Collaboration Agreement is defined as an agreement between a hospital and a state or local governmental entity to collaborate for purposes of providing healthcare services to low income and needy patients.
2. Reimbursement Methodology. Each qualifying hospital shall receive quarterly supplemental payments for the inpatient services rendered during the quarter. Quarterly payment distribution shall be limited to one-fourth of the lesser of:
 - a. the difference between each qualifying hospital's inpatient Medicaid billed charges and Medicaid payments the hospital receives for covered inpatient services provided to Medicaid beneficiaries. Medicaid billed charges and payments will be based on a 12 consecutive month period for claims data selected by the Department; or
 - b. for hospitals participating in the Medicaid Disproportionate Share Hospital (DSH) Program, the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INPATIENT HOSPITAL CARE:

CITATION Medical and Remedial Care and Services
42 CFR Item 1
447.253
OBRA-90
P.L. 101-508
Sections
4702-4703

F. Distinct Part Psychiatric Units

1. Effective for services on or after January 1, 1989, psychiatric units within an acute care general hospital which meet the criteria for exemption from Medicare’s Prospective Payment System (PPS) shall have admissions to this unit carved out and handled separately as a sub-provider. A separate provider number shall be assigned to differentiate admissions to these units and their related costs from other hospital admissions and costs. Separate costs centers must be established as costs related to Distinct Part Psychiatric Unit admissions shall not be allowed in the cost settlement process applicable to other admissions. Rather, reimbursement for inpatient services provided in these units shall be a prospective statewide per diem rate.
2. Effective for dates of service on or after January 1, 2020, the prospective per diem rate paid to state owned free-standing psychiatric hospitals, and distinct part psychiatric units within state owned acute care hospitals, shall be increased by indexing to 32 percent of the small rural hospital prospective per diem rate in effect on January 1, 2019. Psychiatric hospitals and units whose per diem rates as of January 1, 2019, excluding the graduate medical education portion of the per diem, are greater than 32 percent of the January 1, 2019 small rural hospital rate, shall not be increased.

Effective for dates of service on or after January 1, 2021, the prospective per diem rate paid to state owned free-standing psychiatric hospitals, and distinct part psychiatric units within state owned acute care hospitals, shall be increased by 3.2 percent of the per diem rate on file as of December 31, 2020.

3. Effective March 1, 1994, a unit in a PPS exempt hospital which meets PPS exempt psychiatric unit criteria as specified II.B.2. shall also be considered a Distinct Part Psychiatric Unit included in the methodology described above.
4. Effective for dates of service on or after July 1, 2004, the reimbursement is increased for inpatient psychiatric hospital services provided in private and public non-state owned and operated distinct part psychiatric units based on the weighted average for costs reported on the cost report ending in SFY 2002. The costs utilized to determine the weighted average shall include all free-standing psychiatric hospitals and distinct part psychiatric units providing services to Medicaid recipients in the state. Costs shall be trended to the midpoint of the rate year using the Medicare PPS Market Basket Index.

Medical and Remedial
Care and Services
Item 1 (cont’d)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INPATIENT HOSPITAL CARE:

5. For dates of service on or after September 1, 2007, the prospective per diem rate paid to non-rural private (non-state) distinct part psychiatric units shall be increased by 4.75 percent of the rate on file for August 31, 2007.
6. Effective for date of service on or after July 1, 2008, distinct part psychiatric services provided in small rural hospitals as defined in D.3.b shall be reimbursed at a prospective per diem rate. The per diem rate shall be the median cost plus ten percent which shall be calculated based on each hospital's year-end cost report period ending in calendar year 2006. If the cost reporting period is not a full period (twelve months), the latest filed full period cost report shall be used. The Medicaid cost per inpatient psychiatric day for each small rural hospital shall be inflated from their applicable cost reporting period to the mid point of the implementation year (December 31, 2008) by the Medicare market basket inflation factor for PPS hospitals, then arrayed from high to low to determine the median inpatient acute cost per day for all small rural hospitals. The payment rate for inpatient psychiatric services in small rural hospitals shall be the median cost amount plus ten percent. The median cost and rates shall be rebased at least every other year using the latest filed full period cost reports as filed in accordance with Medicare timely filing guidelines.
7. Effective for dates of service on or after February 20, 2009, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units shall be reduced by 3.5 percent of the rate on file as of February 19, 2009. Distinct part psychiatric units that operate within an acute care hospital that qualifies as a high Medicaid hospital, as defined below, are exempt from the rate reduction.
 - a. High Medicaid hospitals as defined in Louisiana R.S. 46.979. For the purposes of qualifying for the exemption to the reimbursement reduction as a High Medicaid hospital, the following conditions must be met.
 - (1) The inpatient Medicaid days utilization rate for high Medicaid hospitals shall be calculated based on the cost report filed for the period ending in state fiscal year 2007 and received by the Department prior to April 20, 2008.
 - (2) Only Medicaid covered days for inpatient hospital services, which include newborn and distinct part psychiatric unit days, are included in this calculation
 - (3) Inpatient stays covered by Medicare Part A cannot be included in the determination of the Medicaid inpatient utilization days rate.
8. Effective for dates of service on or after August 4, 2009, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units shall be reduced by 6.3 percent of the rate on file as of August 3, 2009.
9. In-state Children's Specialty Hospitals
 - a. In order to qualify to receive Medicaid reimbursement as an in-state children's specialty hospital, a non-rural, non-state acute care hospital must meet the following criteria. The hospital must:
 - (1) be recognized by Medicare as a prospective payment system (PPS) exempt children's specialty hospital;
 - (2) not qualify for Medicare disproportionate share hospital payments; and

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INPATIENT HOSPITAL CARE:

- (3) have a Louisiana Medicaid inpatient days utilization rate greater than the mean plus two standard deviations of the Medicaid utilization rates for all hospitals in the state receiving Medicaid payments.
- b. For dates of service on or after October 4, 2014, payment shall be prospective per diem rate that is 100 percent of the distinct part psychiatric cost per day as calculated per the “as filed” fiscal year end cost report ending during SFY 2014. The “as filed” cost report will be reviewed by the department for accuracy prior to determination of the final per diem rate.
- Costs and per discharge/per diem limitation comparisons shall be calculated and applied separately for acute, psychiatric and each specialty service.
- c. Children’s specialty hospitals shall be eligible for outlier payments for dates of service on or after October 4, 2014.
- d. Qualifying and receiving reimbursement as a children’s specialty hospital shall not preclude these hospitals from participation in the Medicaid Program under the high Medicaid or graduate medical education supplemental payments provisions.
- e. Effective for dates of service on or after January 1, 2020, the prospective per diem rate paid to distinct part psychiatric units within children’s specialty hospitals shall be increased by indexing to 32 percent of the small rural hospital prospective per diem rate in effect on January 1, 2019.
- f. Effective for dates of service on or after January 1, 2021, the inpatient per diem rates paid to distinct part psychiatric units within children’s specialty hospitals shall be increased by 3.2 percent of the per diem rate on file as of December 31, 2020.
10. Effective for dates of service on or after October 1, 2009, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units shall be increased by 3 percent of the rate on file.
11. Effective for dates of service on or after February 3, 2010, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units shall be reduced by 5 percent of the rate on file as of February 2, 2010.
12. Effective for dates of service on or after August 1, 2010, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units shall be reduced by 4.6 percent of the rate on file as of July 31, 2010.
13. Effective for dates of service on or after January 1, 2011, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units shall be reduced by 2 percent of the rate on file as of December 31, 2010.
14. Effective for dates of service on or after February 10, 2012, a Medicaid enrolled non-state acute care hospital that enters into a Cooperative Endeavor Agreement (CEA) with the Department of Health, Office of Behavioral Health to provide inpatient psychiatric hospital services to Medicaid and uninsured patients, and which also assumes operation and management of a state owned and formerly state operated hospital distinct part psychiatric unit, shall be paid a per diem rate of \$581.11 per day.

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INPATIENT HOSPITAL CARE:

15. Effective for dates of service on or after January 1, 2017, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units within non-rural, non-state acute care hospitals shall be increased by 2 percent of the per diem rate on file as of December 31, 2016. Inpatient hospital psychiatric services provided under a section 15 of this part and Our Lady of the Lake Regional Medical Center shall be exempt from this rate increase.
16. Effective for dates of service on or after January 1, 2018, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units within non-rural, non-state acute care hospitals, shall be increased by indexing to 31 percent of the small rural hospital prospective per diem rate in effect on January 1, 2017. Psychiatric hospitals and units whose per diem rates as of January 1, 2017, excluding the graduate medical education portion of the per diem, are greater than 31 percent of the January 1, 2017 small rural hospital shall not be increased. Inpatient hospital psychiatric service provided under a public-private partnership shall be exempt from this rate increase.
17. Effective for dates of service on or after January 1, 2020, the prospective per diem rate paid to non-rural, non-state distinct part psychiatric units within non-rural, non-state acute care hospitals, shall be increased by indexing to 32 percent of the small rural hospital prospective per diem rate in effect on January 1, 2019.

Psychiatric hospitals and units whose per diem rates as of January 1, 2019, excluding the graduate medical education portion of the per diem, are greater than 32 percent of the January 1, 2019 small rural hospital rate shall not be increased. Inpatient hospital psychiatric services provided under a public-private partnership by Our Lady of the Lake Regional Medical Center are reimbursed at 95 percent of allowable costs and shall be exempt from this rate increase.

18. Effective for dates of service on or after January 1, 2021, the inpatient per diem rate paid to non-rural, non-state free-standing psychiatric hospitals, and distinct part psychiatric units within non-rural, non-state acute care hospitals shall be increased by 3.2 percent of the per diem rate on file as of December 31, 2020. Inpatient hospital psychiatric services provided under a public-private partnership shall be exempt from this rate increase.

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- C. To be eligible for reimbursement for services provided by a **major teaching hospital**, a hospital must:
1. Meet the requirements of A. above;
and
 2. Have a documented affiliation agreement with a Louisiana medical school accredited by the Liaison Committee on Medical Education (LCME) or by the Commission on Osteopathic College Accreditation (COCA). These facilities must be a major participant in at least four approved medical residency programs and maintain at least 15 interns and resident un-weighted full time equivalent positions. Full time equivalent positions will be calculated as defined in 42 CFR 413.78. At least two of the programs must be in medicine, surgery, obstetrics/gynecology, pediatrics, family practice, emergency medicine or psychiatry; or
 3. Maintain at least 20 intern and resident unweighted full time equivalent positions, with an approved medical residency program in family practice located more than 150 miles from the medical school accredited by LCME or COCA Full time equivalent positions will be calculated as defined in 42 CFR 413.78.
 4. For the purposes of recognition as a major teaching hospital, a facility shall be considered a “major participant” in a graduate medical education program if it meets the following criteria:

The facility must participate in residency programs that:

- a. require residents to rotate for a required experience, and
- b. require explicit approval by the appropriate Residency Review Committee (RRC) of the medical school with which the facility is affiliated prior to utilization of the facility, and
- c. provide residency rotations of more than one-sixth of the program length or more than a total of six months at the facility, and are listed as part of an accredited program in the *Graduate Medical Education Directory* of the Accreditation Council for Graduate Medical Education (ACGME).

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- D. To be eligible for reimbursement for services provided by a **minor teaching hospital**, a hospital must:
1. Meet the requirements of A. above;
and
 2. Have a documented affiliation agreement with a Louisiana medical school accredited by LCME or COCA. These facilities must participate significantly in at least one approved medical residency program. Maintain at least six intern and resident un-weighted full time equivalent positions. Full time equivalent positions will be calculated as defined in 42 CFR 413.78. At least one of these programs must be in medicine, surgery, obstetrics/gynecology, pediatrics, family practice, emergency medicine, or psychiatry.
 3. For the purposes of recognition as a minor teaching hospital, a facility is considered to “participate significantly” in a graduate medical education program if it meets both of the following criteria: The facility must participate in residency programs that:
 - a. require residents to rotate for a required experience, and
 - b. require explicit approval by the appropriate Residency Review Committee (RRC) of the medical school with which the facility is affiliated prior to utilization of the facility; and
 - c. provide residency rotations of more than one-sixth of the program length or more than a total of six months at the facility and are listed as part of an accredited program in the *Graduate Medical*