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**State/Territory Name: Louisiana**

**State Plan Amendment (SPA) #: LA 23-0031**

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



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**Financial Management Group**

October 24, 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) 23-0031

Dear Director Sullivan:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0031 effective for services on or after September 20, 2023. The purpose of this SPA is to align the reimbursement rates for out of state Inpatient Hospital Services with current in-state inpatient per diem rates for like hospital services.

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 23-0031 is approved effective September 20, 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,

A solid black rectangular box redacting the signature of the sender.

Rory Howe  
Director

Enclosure

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

1. TRANSMITTAL NUMBER  
**23 0031**

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  
**September 20, 2023**

5. FEDERAL STATUTE/REGULATION CITATION  
  
**42 CFR 431.52  
42 CFR 447.253**


6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2023 \$ (1,796,181)  
b. FFY 2024 \$ (23,206,628)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
**Attachment 4.19-A, Item 1, Page 10  
Attachment 4.19-A, Item 1, Pages 10a-10c**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
**Same (TN 14-29)  
Same (TN 03-26)**

9. SUBJECT OF AMENDMENT  
**The purpose of this SPA is to align the reimbursement rates for Inpatient Hospital Services with current in-state inpatient per diem rates for like hospitals/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  
**Pam Diez, designee for Stephen R. Russo, JD**

13. TITLE  
**Secretary**

14. DATE SUBMITTED

15. RETURN TO  
**Kimberly Sullivan  
Interim Medicaid Executive Director  
Louisiana Department of Health  
628 North 4<sup>th</sup> Street  
P.O. Box 91030  
Baton Rouge, LA 70821-9030**

**FOR CMS USE ONLY**

16. DATE RECEIVED  
**September 15, 2023**

17. DATE APPROVED  
**October 24, 2023**

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
**September 20, 2023**

19. SIGNATURE OF APPROVING OFFICIAL  


20. TYPED NAME OF APPROVING OFFICIAL  
**Rory Howe**

21. TITLE OF APPROVING OFFICIAL  
**Director, FMG**

22. REMARKS

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

CITATION 42CFR  
447.253, OBRA 90  
P.L. 101-508,  
Sections 4702-4703

C. Out-of-State Hospitals

Effective for dates of service on or after April 1, 2003, out-of-state hospitals are reimbursed for inpatient hospital services at the lower of 40 percent of billed charges or the Medicaid per diem rate of the state wherein the services are provided for recipients age 21 and older and the lower of 60 percent of billed charges or the Medicaid per diem rate of the state wherein the services are provided for recipients under the age of 21. Hospitals designated as children's hospitals that are located in states that border Louisiana shall be reimbursed at the lower of the Medicaid per diem rate of the state wherein the services are provided or the Louisiana children's hospital Medicaid peer group rate. Neonatal intensive care unit services, pediatric intensive care unit services, and burn unit services provided in these children's hospitals shall be paid the Louisiana peer group rate for the qualifying level of service documented by the hospital. The hospital stay and the level of service shall be authorized by the Bureau.

Effective for dates of service on or after September 20, 2023, payment will be made to out-of-state hospitals for inpatient services which meet at least one of the following conditions:

1. Medical services are needed because of a medical emergency;
2. Medical services are needed and the beneficiaries' health would be endangered if they were required to travel to their state of residence;
3. The state determines, on the basis of medical advice, that the needed medical services or necessary supplementary resources are more readily available in the other state; or
4. It is general practice for beneficiaries in a particular locality to use medical resources in another state.

Hospitals located in counties in Mississippi, Arkansas, and Texas that border the state of Louisiana are referred to as trade area hospitals. Trade area hospitals that are unable to fully treat presenting Louisiana beneficiaries shall transfer those beneficiaries to the Louisiana hospital within the closest proximity with available services.

Payment for all out-of-state inpatient services, other than organ transplants, shall be made at the Louisiana in-state prospective peer group rate in effect

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for the corresponding type of non-teaching hospital or specialty carve out service.

Separate prospective per diem rates will be paid for out-of-state inpatient services provided in acute care general hospitals, psychiatric hospitals and services, rehabilitation hospitals, long term acute care hospitals, children's hospitals, nursery services, neonatal intensive care services, pediatric intensive care services, and burn unit intensive care services.

Payment for inpatient organ transplant service provided by out-of-state hospitals shall be paid as follows:

1. Forty percent of allowable covered billed charges for beneficiaries ages 21 and above; or
2. Sixty percent of allowable covered billed charges for beneficiaries under age 21.

D. Disproportionate Share Hospitals

Effective for inpatient hospital services provided on or after July 1, 2003, a payment adjustment for hospitals serving a disproportionate share of low income patients (DSH) shall be implemented in the following manner:

**1. Qualifying criteria for a Disproportionate Share Hospital:**

- a. Has at least two obstetricians who have staff privileges and who have agreed to provide obstetric services to individuals who are Medicaid eligible. In the case of a hospital located in a rural area (i.e., an area outside of a metropolitan statistical area), the term obstetrician includes any physician who has staff privileges at the hospital to perform nonemergency obstetric procedures; or
- b. Treats inpatients who are predominantly individuals under 18 years of age; or
- c. Did not offer nonemergency obstetric services to the general population as of December 22, 1987; and
- d. Has a utilization rate in excess of one or more of the following specified minimum utilization rates:

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- (i) Medicaid Utilization Rate is a fraction (expressed as a percentage). The numerator is the hospital's number of Medicaid (Title XIX) inpatient days. The denominator is the total number of the hospital's inpatient days for a cost reporting period. Inpatient days include newborn and psychiatric days and exclude swing bed and skilled nursing days. Hospitals shall be deemed disproportionate share providers if their Medicaid utilization rates are in excess of the mean, plus one standard deviation of the Medicaid utilization rates for all hospitals in the state receiving payments; or
- (ii) Hospitals shall be deemed disproportionate share providers if their low-income utilization rates are in excess of 25 percent. Low-Income Utilization Rate is the sum of:
  - (a) the fraction (expressed as a percentage), the numerator of which is the sum (for the period) of the total Medicaid patient revenues plus the amount of the cash subsidies for patient services received directly from state and local governments. The denominator is the total amount of revenues of the hospital for patient services (including the amount of such cash subsidies) in the cost reporting period from the financial statements; and
  - (b) the fraction (expressed as a percentage), the numerator of which is the total amount of the hospital's charges for inpatient services which are attributable to charity (free) care in a period, less the portion of any cash subsidy as described in (ii) (a) above in the period which are reasonably attributable to inpatient hospital services; and the denominator of which is the total amount of the hospital's charges for inpatient hospital services in the period. For public providers furnishing inpatient services free of charge or at a nominal charge, this percentage shall not be less than zero (0). The above numerator shall not include contractual allowances and discounts (other than for indigent patients ineligible for Medicaid), i.e., reductions in charges given to other third party payers, such as HMOs, Medicare, or Blue Cross; nor charges attributable to Hill-Burton obligations.

A hospital providing "free care" must submit its criteria and procedures for identifying patients who qualify for free care to BHSF for approval. The policy for free care must be posted prominently and all patients must be

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advised of the availability of free care and procedures for applying. Hospitals not in compliance with free care criteria will be subject to recoupment of DSH and Medicaid payments.