

## **Table of Contents**

**State/Territory Name: Louisiana**

**State Plan Amendment (SPA) #: LA 23-0036**

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**

December 13, 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) 23-0036

Dear Director Sullivan:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0036 effective for services on or after December 1, 2023. The purpose of this SPA is to amend the provisions governing disproportionate share hospital (DSH) payments to increase reimbursement for DSH eligible services provided by hospitals through a cooperative endeavor agreement with the Office of Behavioral Health (OBH), in order to align the rate for OBH approved DSH days with the Medicaid inpatient psychiatric per diem rate on file for freestanding psychiatric hospitals.

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 23-0036 is approved effective December 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


<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>23-0036</b>	2. STATE <b>LA</b>
	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 <b>December 1, 2023</b>	
5. FEDERAL STATUTE/REGULATION CITATION  <b>42 CFR 447 Subpart C</b>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2024</u> <b>\$ 1,519,446</b> b. FFY <u>2025</u> <b>\$ 2,581,560</b>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <b>Attachment 4.19-A, Item 1, Page 10k (10)</b>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Same (TN 15-0031)</b>	

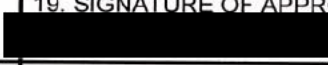
9. SUBJECT OF AMENDMENT  
**The purpose of this SPA is to amend the provisions governing disproportionate share hospital (DSH) payments to increase reimbursement for DSH eligible services provided by hospitals through a cooperative endeavor agreement with the Office of Behavioral Health (OBH), in order to align the rate for OBH approved DSH days with the Medicaid inpatient psychiatric per diem rate on file for freestanding psychiatric hospitals.**

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 	15. RETURN TO  <b>Kimberly Sullivan, J.D. Interim Medicaid Executive Director Louisiana Department of Health 628 North 4<sup>th</sup> Street P.O. Box 91030 Baton Rouge, LA 70821-9030</b>
12. TYPED NAME <b>Pam Diez, designee for Stephen R. Russo, JD</b>	
13. TITLE <b>Secretary</b>	
14. DATE SUBMITTED	

<b>FOR CMS USE ONLY</b>	
16. DATE RECEIVED <b>October 3, 2023</b>	17. DATE APPROVED <b>December 13, 2023</b>
<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
18. EFFECTIVE DATE OF APPROVED MATERIAL <b>December 1, 2023</b>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <b>Rory Howe</b>	21. TITLE OF APPROVING OFFICIAL <b>Director, Financial Management Group</b>
22. REMARKS	

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT  
HOSPITAL CARE

determined on an annual basis.

- h) Payments to hospitals qualifying under this DSH category shall be made subsequent to any DSH payments for which a hospital is eligible under another DSH category.
- i) 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. The remaining payments shall be redistributed to the other hospitals in accordance with these provisions.

**i. Freestanding Psychiatric Hospitals**

Qualifying Criteria: Effective for dates of service on or after January 1, 2013, a Medicaid enrolled non-state (including private hospitals) owned and operated free standing psychiatric hospital may qualify for this category:

- 1). assuming the management and operation of services at a facility where such services were previously provided by a state owned and operated facility (NESS Healthcare, NFP dba Northlake Behavioral); or
- 2). providing services that were previously delivered and terminated or reduced by a state owned and operated facility (Community Care Hospital).

Reimbursement Methodology: Qualifying hospitals shall be paid a per diem rate of \$581.11 per day for each uninsured patient. Qualifying hospitals must submit costs and patient specific data in a format specified by the Department. Cost and lengths of stay will be reviewed for reasonableness before payments are made. Payments shall be made on a monthly basis. 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.

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

Effective for dates of service on or after October 1, 2015, the per diem rate in effect as of September 30, 2015, shall be reduced by five percent. The new per diem rate shall be \$552.05 per day.

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.

Effective for dates of service on or after December 1, 2023, payment for DSH eligible services provided through a cooperative endeavor agreement with the Department of Health shall be equal to the Medicaid per diem rate on file for free-standing psychiatric hospitals.

1. Cost and lengths of stay will be reviewed for reasonableness before payments are made. Reasonableness will be determined at the sole discretion of the Department. Payments shall be made on a monthly basis.
2. Payment for DSH eligible services at the Medicaid rate shall be contingent on qualifying hospitals maintaining and timely submitting all department required documentation for DSH eligible services, throughout the review and audit process.
3. Payments shall be limited to \$552.05 per day if the Department determines that the qualifying hospital is not maintaining or timely submitting the required documentation for DSH eligible services, throughout the review and audit process.

No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.