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State/Territory Name: Louisiana

State Plan Amendment (SPA) LA: 25-0002

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
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

May 29, 2025

Kimberly Sullivan
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 25-0002

Dear Medicaid Executive Director Kimberly Sullivan:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Louisiana state plan amendment (SPA) to Attachment 4.19B 25-0002 which was submitted to CMS on March 6, 2025. This plan amendment proposes an increase to FQHCs by \$50 per encounter and shall be reimbursed through an APM.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2025. 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 via email at: Monica.Neiman@cms.hhs.gov.

Sincerely,

[Redacted Signature]

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
25-0002

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
July 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447 Subpart B

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 \$1,158,065
b. FFY 2026 \$4,639,595

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19 B, Item 2c, Page 4a
Attachment 4.19 B, Item 2c, Page 4b**

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

**Same (TN 23-0005)
Same (TN 21-0019)**

9. SUBJECT OF AMENDMENT

The purpose of this SPA is to amend the provisions governing reimbursement for Federally Qualified Health Centers (FQHCs) in order to establish an alternative payment methodology to pay an add-on amount of \$50 per encounter in addition to the Prospective Payment System (PPS) rate on file for the date of service.

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

Signed by:

12. TYPED NAME

Michael Harrington, MBA, MA

13. TITLE

Secretary

14. DATE SUBMITTED

~~March 5, 2025~~ **March 6, 2025**

15. RETURN TO

**Kimberly Sullivan, J.D.
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
March 6, 2025

17. DATE APPROVED
May 29, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2025

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 **The State made a pen and ink change to box 14 on May 22, 2025.**

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(a) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Behavioral Health and Dental Services

Effective for dates of service on or after April 1, 2019, Medicaid shall establish an alternative payment methodology (APM) for behavioral health services provided in FQHCs by one of the following practitioners:

1. Physicians with a psychiatric specialty;
2. Nurse practitioners or clinical nurse specialist with a psychiatric specialty;
3. Licensed clinical social workers; or
4. Clinical psychologist.

The reimbursement for behavioral health services will equal the all-inclusive PPS rate on file for the date of service. This reimbursement will be in addition to any all-inclusive PPS rate on the same date for a medical/dental visit.

Dental services shall be reimbursed at the all-inclusive PPS rate on file for the date of service. This reimbursement will be in addition to any all-inclusive PPS rate made on the same date for a medical/behavioral health visit.

The APM will be agreed to by the Department and the FQHC, and must result in payment to the FQHC of an amount that is at least equal to the PPS rate.

Encounter Rate Adjustment

Effective for dates of service on or after July 20, 2023, Medicaid will increase payments by \$30 per encounter. This payment is to assist providers with increased cost associated with delivering services in underserved areas. This payment shall be reimbursed through an APM when these services are provided on the same date as a medical/dental/behavioral health visit that includes an evaluation and management procedure code as one of the detailed lines on the claim.

Effective for dates of service on or after July 1, 2025, Medicaid will increase FQHC payments by \$50 per encounter. This payment shall be reimbursed through an APM when these services are provided on the same date as a medical/dental/behavioral health visit that includes an evaluation and management procedure code as one of the detailed lines on the claim. This payment will only be allowed when the FQHC has a participating provider agreement with a managed care organization (MCO) contracted with the Department, the agreement includes a Category 3B designation as defined in the MCO's contract with the Department, and the provider agreement that includes the Category 3B designation has been in effect for no less than 12 months prior to June 30, 2025.

The APM must be agreed to by the Department and the FQHC and must result in a payment to the FQHC, which is at least the PPS rate on file for the date of service.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(a) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

State Wraparound Supplemental Payment

An FQHC that furnishes services that qualify as an encounter to Medicaid beneficiaries pursuant to a contract with a managed care entity, as defined in Section 1932(a)(1)(B) of the Social Security Act, where the payment(s) from such entity is less than the amount the FQHC would be entitled to receive under PPS or APM, will be eligible to receive a wrap-around supplemental payment processed and paid by the Louisiana Department of Health. The wrap-around supplemental payment shall be made no less frequently than every four months and reconciled no less than annually. Payments related to annual reconciliations will be made within the two year payment requirements at 42 CFR Section 447.45 and 45 CFR Section 95, Subpart A.

Standards for Payment

1. The FQHC must meet the standards for participation outlined in Attachment 3.1-A, Item 2.c.
2. The FQHC provider shall maintain an acceptable fiscal record keeping system that will enable the services provided by a FQHC to be readily distinguished from each other type of service which that facility may provide.
3. The FQHC provider shall retain all records as are necessary to disclose fully the extent of services provided to beneficiaries; to furnish information regarding such records and regarding any payments claimed for providing such services as Medicaid of Louisiana, the Secretary, or the Medicaid Fraud Control Unit may request, for five years from date of service.
4. The FQHC provider shall abide by, and adhere to, all federal and state regulations, guidelines, policies, manuals, etc.