

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1301 Young Street, Room 833  
Dallas, Texas 75202



**Division of Medicaid & Children's Health, Region VI**

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October 12, 2010

Our Reference: SPA LA 09-16

Mr. Don Gregory, State Medicaid Director  
Department of Health and Hospitals  
Bienville Building  
628 North 4<sup>th</sup> St.  
P.O. Box 91030  
Baton Rouge, LA 70821-9030  
Attention: Allyson Lamy

Dear Mr. Gregory:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 09-16. This state plan amendment reduces the reimbursement rate for laboratory and radiology services and services provided by End Stage Renal Disease facilities (ESRD) by 3.5 percent.

In the future, when the State submits a State Plan Amendment (SPA) that may impact Indians or Indian health providers, CMS will look for evidence of the State's tribal consultation process for the SPA. Pursuant to section 1902 (a) (73) of the Act added by section 5006 (e) of the Recovery and Reinvestment Act of 2009, the State must submit evidence to CMS regarding the solicitation of advice prior to submission of the SPA. This consultation must include all federally recognized tribes, Indian Health Service and Urban Indian Organizations within the state.

Transmittal Number 09-16 is approved with an effective date of February 26, 2009 as requested. A copy of the HCFA – 179, Transmittal No. 09-16 dated March 31, 2009 is enclosed along with the approved plan pages.

If you have any questions please contact Cheryl Rupley at (214) 767-6278.

Sincerely,

A large black rectangular redaction box covering the signature of the sender.

Bill Brooks  
Associate Regional Administrator

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

09-16

2. STATE

Louisiana

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

4. PROPOSED EFFECTIVE DATE:

February 26, 2009

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447 Subpart B

7. FEDERAL BUDGET IMPACT:

a. FFY 2009 (\$1,857.13)

b. FFY 2010 (\$3,884.04)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Item 3, Page 1  
Attachment 4.19-B, Item 3, Page 2  
Attachment 4.19-B, Item 9, Page 1  
Attachment 4.19-B, Item 9, Pages 1.a., 1.b.

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

Same (TN 00-33)  
None (New Page)  
Same (TN 00-31)  
None (New Pages)

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to reduce the reimbursement for services provided by end stage renal disease (ESRD) facilities, and to reduce the reimbursement for laboratory and radiology services by 3.5% due to a budgetary shortfall.**

11. 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.

12. SIGNATURE:  TITLE:

13. TYPED NAME:

Alan Levine

14. TITLE:

Secretary

15. DATE SUBMITTED:

March 27, 2009

16. RETURN TO:

State of Louisiana  
Department of Health and Hospitals  
628 N. 4<sup>th</sup> Street  
PO Box 91030  
Baton Rouge, LA 70821-9030

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

30 March, 2009

18. DATE APPROVED

12 October, 2010

PLAN APPROVED ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

26 February, 2009

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Bill Brooks

22. TITLE: Associate Regional Administrator  
Div of Medicaid & Children's Health

23. REMARKS:

## **Marks, Marsha L. (CMS/SC)**

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**From:** Marks, Marsha L. (CMS/SC)  
**Sent:** Wednesday, October 27, 2010 9:22 AM  
**To:** CMS CMSO\_508\_SPA  
**Cc:** Cieslicki, Mary E. (CMS/CMSO); Rupley, Cheryl A. (CMS/SC); Blunt, Ford J. (CMS/SC); Carter, Demetria (CMS/SC); Jackson, Teresa K. (CMS/CMCHO); Monroe, Monique S. (CMS/CMCHO)  
**Subject:** Approval Pkg for LA 09-16  
**Attachments:** LA0916APPROVAL.doc; LACompanion09160931.docx; Final Approval Pkg for LA 09-16.pdf

See Attached.

State: Louisiana

**Brief Description:** The plan reduces reimbursement for laboratory, radiology services, and services paid by End State Renal Disease facilities (ESRD) by 3.5 percent. The fee schedule for all services affected by this state plan was posted on the agency website and the payment is uniform for governmental and private providers. This reduction does not have a direct impact on Indian, Indian Health programs, or Urban Indian organizations.

**Approval Date:** 12 October, 2010

**Effective Date:** 26 February, 2009

**Marsha Marks** // Dept of Health & Human Services // Centers for Medicare & Medicaid Services // Dallas Regional Office // Division of Medicaid & Children's Health // Dallas Texas 75202 // 214-767-6280 // Fax 214-767-0322 // [marsha.marks@cms.hhs.gov](mailto:marsha.marks@cms.hhs.gov)

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:

CITATION  
42 CFR 447  
Subpart F

Medical and Remedial  
Care and Services  
Item 3

Other Laboratory and Radiology Services in a Setting Other Than a Hospital Outpatient Department or Clinic are Reimbursed as Follows:

I. Method of Payment

A. Laboratory Services

Reimbursement for clinical laboratory procedures shall not exceed 100 percent of the current year's Medicare allowable. Reimbursement of clinical laboratory services shall be paid at the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Those services not subject to the Medicare fee schedule shall continue to be reimbursed to physicians and independent laboratories based on the published Medicaid fee schedule or billed charges, whichever is lower.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for laboratory services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

B. Radiology Services

Reimbursement of radiology services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for radiology services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

STATE <u>Louisiana</u>	
DATE REC'D. <u>3-30-09</u>	
DATE APPV'D. <u>10-12-10</u>	A
DATE EFF. <u>2-26-09</u>	
HCFA 179 <u>09-16</u>	

TN# 09-16  
Supersedes

Approval Date 10-12-10

Effective Date 2-26-09

TN# 00-33

SUPERSEDES: TN- 00-33

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:

C. Portable Radiology Services

Reimbursement of portable radiology services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for portable radiology services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

II. Standards for Payment

Payment as indicated above will be made for services provided by physicians, portable radiology providers, and by independent laboratories (other than a hospital outpatient department or clinic) Providers of these services must meet all provider enrollment criteria.

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DATE EFF.	<u>2-26-09</u>	
HCFA 179	<u>09-16</u>	

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TN# 09-16 Approval Date 10-12-10 Effective Date 2-26-09  
Supersedes  
TN# SUPERSEDES: NONE - NEW PAGE

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:

CITATION Medical and Remedial Clinic Services (Other than Hospitals) are reimbursed as follows:  
42 CFR 447 Care and Services  
Subpart F Item 9

I. Method of Payment

A. Mental Health Clinics, Family Planning Clinics, End Stage Renal Disease Facilities, and Radiation Therapy Centers.

- (1) Payment to public mental health clinics is made for these services on the basis of costs.

Payment to family planning clinics is made at the same prospective fee for service as authorized for Physicians and other provider services covered under the plan. For those services not covered elsewhere in the plan, payment is based on 1987 audited costs determined to be reasonable. Reimbursement for services provided under this section shall be adjusted to reflect any rate increase granted under Physician and other provider services covered under the plan. Those services not covered elsewhere in the plan shall be limited to the average cost granted for other similar services provided under this section.

- (2) Payment to private mental health clinics is based on charges not to exceed a reasonable rate set by the State. Governmental clinic cost data will be used as one of the determinants of forming a basis to establish rates for private clinics. Charge data will also be a factor in rate determination.

Governmental mental health clinics are reimbursed a daily state-wide encounter rate established 1/1/2004 based on costs using Medicaid cost reporting guidelines.

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HCFA 179	<u>09-16</u>	

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TN# 00-31

SUPERSEDES: TN- 00-31

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:

(3) Payment to freestanding End Stage Renal Disease (ESRD) facilities and radiation therapy centers.

(a) ESRD Facilities.

(i) For non-Medicare claims, end stage renal disease (ESRD) facilities are reimbursed a hemodialysis composite rate. The composite rate is a comprehensive payment for the complete hemodialysis treatment in which the facility assumes responsibility for providing all medically necessary routine dialysis services.

Covered non-routine dialysis services, continuous ambulatory peritoneal dialysis (CAPD), continuous cycling peritoneal dialysis (CCPD), epogen (EPO) and injectable drugs are reimbursed separately from the composite rate.

Effective for dates of service on or after February 26, 2009, the reimbursement to ESRD facilities shall be reduced by 3.5 percent of the rates in effect on February 25, 2009.

(ii) For Medicare Part B claims, ESRD facilities are reimbursed for full co-insurance and deductibles.

The Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Effective for dates of service on or after February 26, 2009, the reimbursement to ESRD facilities for Medicare Part B claims shall be reduced by 3.5 percent of the rates in effect on February 25, 2009.

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DATE EFF <u>2-26-09</u>	
HCFA 179 <u>09-16</u>	

TN# 09-16 Approval Date 10-12-10 Effective Date 2-26-09

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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(b) Radiation Therapy Centers.

Radiation Therapy Centers are reimbursed fee for service according to the procedure code. Reimbursement of radiation therapy center services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay. These services are included on the professional services fee schedule which was set as of January 1, 2008 and is published on the agency's provider website at [www.lamedicaid.com](http://www.lamedicaid.com). Governmental and private providers are paid the same rates.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

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