

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

1. TRANSMITTAL NUMBER: 09-30
2. STATE: Louisiana

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

4. PROPOSED EFFECTIVE DATE: August 4, 2009

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 Part 447 Subpart C

7. FEDERAL BUDGET IMPACT:
a. FFY 2009 (\$4,445.45)
b. FFY 2010 (\$28,287.09)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Item 1, Pages 7.b, and 10 l(1)(a), 7.c **
Attachment 4.19-A, Item 1, Page 10 l(1)(b)
* Attachment 4.19-A, Item 14 a, Page 2
* Attachment 4.19-A, Item 16, Page 2
* Attachment 4.19-A, Item 14 a, Page 2
* Attachment 4.19-A, Item 16, Page 2

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Same (TN 09-12)
None (New Page)
Same (TN 09-13)
Same (TN 09-13)
None (New Page) *
None (New Page) *

10. SUBJECT OF AMENDMENT: The purpose of this amendment is to reduce the reimbursement rates for inpatient (non-rural, non-state) hospital services.

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 OFFICIAL:



16. RETURN TO:
State of Louisiana
Department of Health and Hospitals
628 N. 4th Street
PO Box 91030
Baton Rouge, LA 70821-9030

13. TYPED NAME:

Alan Levine

14. TITLE:

Secretary

15. DATE SUBMITTED:

September 14, 2009

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:
12-17-09

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
AUG - 4 2009

20. [Redacted]

21. TYPED NAME:
William Lasowski

22. TITLE:
Deputy Director, CMSO

23. REMARKS:

* Keydra Singleton, LA Medicaid Program Monitor, requested a pen and ink change on 9/23/09.
FORM HCFA-179 (07-92)

** Allyson Lamy, LA Medicaid Program Manager, requested a pen and ink change on 12/7/09.

* Allyson Lamy, LA Medicaid Program Manager, requested a pen + ink change on 11/13/2010

Requested corrections made
on 1/13/2010

Marks, Marsha L. (CMS/SC)

From: Allyson Lamy [ALLYSON.LAMY@LA.GOV]
Sent: Wednesday, January 13, 2010 2:38 PM
To: Dasheiff, Sandra (CMS/CMCHO); Marks, Marsha L. (CMS/SC)
Cc: Keydra Singleton
Subject: Correction needed to TN 09-30

Sandy and Marsha,

Per my phone conversation with Sandy earlier today, there needs to be a correction made to TN 09-30. The following corrections need to be made "pen and ink" to TN 09-30.

- Attachment 4.19-A, Item 14a, page 2 currently states that is supersedes TN 09-12. The supersede should be TN 09-23.
- Attachment 4.19-A, Item 16, page 2 currently states that is supersedes TN 09-12. The supersede should be TN 09-23.
- The Form 179 should show the above corrections as well.

Please confirm that you agree with these changes and we will file the e-mail with the SPA documents. Again, I apologize for the error.

Thanks,
Allyson

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- b. Only Medicaid covered days for inpatient hospital services, which include newborn and distinct part psychiatric unit days, are included in this calculation.
- c. Inpatient stays covered by Medicare Part A cannot be included in the determination of the Medicaid inpatient utilization days rate.

Effective for dates of service on or after August 4, 2009, the prospective per diem rate paid to acute care hospitals, including long term care hospitals, shall be reduced by 6.3 percent of the per diem rate on file as of August 3, 2009. Payments to small rural hospitals as defined in Louisiana R.S. 40:1300.143 shall be exempt from this reduction.

Payment for Graduate Medical Education (GME) costs must be limited to the direct cost of interns and residents in addition to the teaching physician supervisory costs. Teaching physician supervisory costs shall be limited in accordance with the provisions of the Medicare Provider Reimbursement Manual. The GME component of the rate shall be based on hospital specific graduate medical education Medicaid cost for the latest year on which hospital prospective reimbursements are rebased trended forward in accordance with the prospective reimbursement methodology for hospitals.

Hospitals implementing GME programs approved after the latest year on which hospital prospective reimbursements have been rebased shall have a GME component based on the first full cost reporting period that the approved GME program is in existence trended forward in accordance with the prospective reimbursement methodology for hospitals.

No teaching hospital shall receive a per diem rate greater than 115 percent of its facility specific cost based on the latest rebasing year in accordance with the prospective reimbursement methodology for hospitals.

The peer group maximum for minor teaching hospitals shall be the peer group maximum for minor teaching hospitals or the peer group maximum for peer group five, whichever is greater.

If it is subsequently discovered that a hospital has been reimbursed as a major or minor teaching hospital and did not qualify for that peer group for any reimbursement period, retroactive adjustment shall be made to reflect the correct peer group to which the facility should have been assigned. The resulting overpayment will be recovered through immediate recoupment from any funds due to the hospital from the Department.

In order for facilities that do not qualify as major or minor teaching facilities to be reimbursed for GME, the GME must be recognized by the Medical Assistance Program for reimbursement and shall be limited to facilities having a documented affiliation agreement with a Louisiana medical school accredited by the Liaison Committee on Medical Education (LCME).

TN# 09-30
Supersedes
TN# 09-12

Approval Date DEC 17 2009

Effective Date 8-4-09

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

Qualification for teaching hospital status or to receive reimbursement for GME costs shall be reestablished at the beginning of each fiscal year.

To be reimbursed as a teaching hospital or to receive reimbursement for GME costs, a facility shall submit the following documentation to the Bureau within thirty days of the beginning of each state fiscal year:

1. a copy of the executed affiliation agreement for the time period for which the teaching hospital status or GME reimbursement applies;
2. a copy of any agreements with non-hospital facilities; and
3. a signed Certification For Teaching Hospital Recognition.

Each hospital which is reimbursed as a teaching hospital or receives reimbursement for GME costs shall submit the following documentation to the Bureau within 90 days of the end of each state fiscal year

1. a copy of the Intern and Resident Information System (IRIS) report that is submitted annually to the Medicare intermediary; and
2. a copy of any notice given to the Accreditation Council for Graduate Medical Education (ACGME) that residents rotate through a facility for more than one sixth of the program length or more than a total of six months.

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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:

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.

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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:

G. Transplant Services

Routine operating costs and ancillary charges associated with an approved transplant are carved out of the hospital's cost report. Reimbursement is limited to the lesser of cost or the hospital-specific per diem limitation for each type of transplant.

Cost is defined as the hospital-specific ratio of cost to charges from the base period multiplied by the covered charges for the specific transplant type.

Per diem limitation is calculated by deriving the hospital's per diem for the transplant type from the hospital's base period trended forward using the Medicare target rate percentage for PPS-exempt hospitals each year.

The base period is the cost reporting period for the hospital fiscal year ending September 30, 1983 through August 31, 1984 or the first cost report filed subsequently that contains costs for that type of transplant.

TN# 09-30
Supersedes
TN# New Page

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- e. Effective for dates of service on or after February 20, 2009, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals shall be reduced by 3.5 percent of the rate on file as of February 19, 2009.
 - f. Effective for dates of service on or after August 4, 2009, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals shall be reduced by 5.8 percent of the rate on file as of August 3, 2009.
2. Provisions for Disproportionate Share Payments
- a. Effective for services provided on or after July 1, 1988, hospitals qualifying as disproportionate share providers shall have payment adjustment factors applied in accordance with the guidelines outlined in Attachment 4.19-A, Item 1, Section D.
 - b. Disproportionate share payments cumulative for all DSH payments under the pools or any other DSH payment methodology shall not exceed the federal disproportionate share state allotment for each federal fiscal year established under Public Law 102-234.

TN# 09-30
Supersedes
TN# 09-12

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Effective Date 8-4-09

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:

3. Supplemental Payments for Non-Rural, Non-State Hospitals

Effective for dates of service on or after July 1, 2009, Medicaid Supplemental payments will be made to qualifying non-rural non-state public and private hospitals for dates of service from July 1, 2009 through December 31, 2010 as follows.

a. Other Hospitals impacted by Hurricanes Katrina and Rita.

Maximum aggregate payments to all qualifying hospitals in this group (which includes inpatient hospital supplemental payments described in Attachment 4.19-A, Item 1, Section I.B.9.b.2) will not exceed \$10 million.

- 1) Qualifying criteria – Non-state freestanding psychiatric hospital which is located in either the New Orleans or Lake Charles metropolitan statistical area (MSA), and had at least 1,000 paid Medicaid days for SFY 2008 dates of service and is currently operational.

TN# 09-30

Supersedes

TN# New Page

Approval Date DEC 17 2009

Effective Date 8-4-09

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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Effective for dates of service on or after July 1, 2009, Medicaid Supplemental payments will be made to qualifying non-rural non-state public and private hospitals for dates of service from July 1, 2009 through December 31, 2010 as follows.

a. Other Hospitals impacted by Hurricanes Katrina and Rita.

Maximum aggregate payments to all qualifying hospitals in this group (which includes inpatient psychiatric hospital supplemental payments described in Attachment 4.19-A, Item 14a and Item 16) will not exceed \$10 million.

- 1) Qualifying criteria – Non-state freestanding psychiatric hospital which is located in either the New Orleans or Lake Charles metropolitan statistical area (MSA), and had at least 1,000 paid Medicaid days for SFY 2008 dates of service and is currently operational.

TN# 09-30

Approval Date DEC 17 2009

Effective Date 8-4-09

Supersedes

TN# New Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-13-15
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations, CMSO

Mr. Jerry Phillips, Director
Bureau of Health Services Financing
Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

DEC 17 2009

Attention: Sandra Victor

RE: Louisiana 09-30

Dear Mr. Phillips:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-30. The purpose of this amendment is to reduce the reimbursement rates for all inpatient non-rural non-state 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 implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding funding of the State share of expenditures under Attachment 4.19-A. Based upon your assurances we are pleased to inform you that Medicaid State plan amendment 09-30 is approved effective August 4, 2009. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Sandra Dasheiff, CPA at (214) 767-6490.

Sincerely,

A black rectangular box redacting the signature of Cindy Mann.

Cindy Mann
Director
Center for Medicaid and State Operations (CMSO)

Enclosures