

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

March 19, 2010

Our Reference: SPA-LA-09-34

Mr. Don Gregory, Interim State Medicaid Director
Department of Health and Hospitals
Bienville Building
628 North 4th Street
Post Office Box 91030
Baton Rouge, LA 70821-9030

Dear Mr. Gregory:

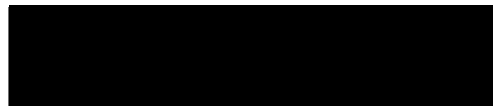
We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 09-34. This state plan amendment reduces reimbursement for non-state, non-rural outpatient hospital services and outpatient rehabilitation services by 5.65 percent.

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 that 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 09-34 is approved with an effective date of August 4, 2009 as requested. A copy of the HCFA-179, Transmittal No. 09-34 dated September 22, 2009 is enclosed along with the approved plan pages.

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

Sincerely,



Bill Brooks
Associate Regional Administrator

Enclosures

Marks, Marsha L. (CMS/SC)

From: Marks, Marsha L. (CMS/SC)
Sent: Tuesday, March 23, 2010 11:09 AM
To: CMS CMSO_508_SPA; Potter, Cynthia J. (CMS/CMSO)
Cc: Rupley, Cheryl A. (CMS/SC); Sampson, Tamara L. (CMS/CMCHO); Carter, Demetria (CMS/SC)
Subject: Approval Pkg for LA 09-34
Attachments: Final Approval Pkg for 09-34.pdf; LA09034APPROVAL.doc

See Attached.

State: Louisiana

Brief Description: The amendment reduces reimbursement for non-state, non-rural outpatient hospital services and outpatient rehabilitation services by 5.65 percent. This does not exceed the outpatient hospital services upper payment limit. The non-Federal share of payment will be funded through appropriations made to the Medicaid agency and provided acceptable responses to funding questions.

Approval Date: 18 March 2010

Effective Date: 4 August, 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

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
447.321

Medical and Remedial
Care and Services
Item 2.a.

OUTPATIENT HOSPITAL SERVICES

Clinical diagnostic laboratory services are reimbursed at the lower of:

- 1) billed charges;
- 2) the State maximum amount for CPT codes based on the 2008 Medicare fee schedule. These amounts are published on the Medicaid provider website at www.lamedicaid.com; or
- 3) Medicare Fee Schedule amount.

Reimbursement for clinical diagnostic laboratory services complies with UPL requirements for these services.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient laboratory services shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

State-owned Hospitals

Effective for dates of services on or after July 1, 2008, state-owned hospitals shall be reimbursed for outpatient clinical laboratory services at 100 per cent of the current Medicare Clinical Laboratory Fee Schedule.

Outpatient hospital facility fees for office/outpatient visits are reimbursed at the lower of:

- 1) billed charges; or
- 2) the State maximum amount (70% of the Medicare APC payment rates as published in the 8/9/02 Federal Register). The fee schedule is published on the Medicaid provider website at www.lamedicaid.com.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient

SUPERSEDES: TN- 09-13

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STATE	LOUISIANA
DATE REC'D	9-22-09
DATE APP'VD	3-18-10
DATE EFF	8-4-09
HC:FA 179	09-34

TN# 09-34

Approval Date 3-18-10

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Supersedes

TN# 09-13

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:

hospital facility fees for office/outpatient visits shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

Outpatient hospital facility surgery fees are reimbursed at the lower of:

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- 1) billed charges; or
- 2) established Medicaid payment rates assigned to each Healthcare Common Procedure Coding System (HCPCS) code based on the Medicare payment rates for ambulatory surgery center services. These rates are published on the Medicaid provider website at www.lamedicaid.com.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient surgery shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility surgery fees shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

Current HCPS codes and modifiers shall be used to bill for all outpatient hospital surgery services.

Rehabilitation services (physical, occupational, and speech therapy). Rates for rehabilitation services are calculated using the base rate from fees on file in 1997. The maximum rates for outpatient rehabilitation services are set using the State maximum rates for rehabilitation services plus an additional 10%. Effective September 16, 2002 the reimbursement rates for services rendered to Medicaid recipients over the age of 3 years are increased by 15% for outpatient hospital rehabilitation services.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient rehabilitation services provided to recipients over the age of 3 years shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009. The fee schedule is published on the Medicaid provider website at www.lamedicaid.com.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient rehabilitation services provided to recipients over the age of three years shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

TN# 09-34 Approval Date 3-18-10 Effective Date 8-4-09
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SUPERSEDES: TN- 09-13

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:

Rates for outpatient rehabilitation services provided to recipients up to the age of three are as follows:

Initial Speech/Language Evaluation	\$70.00
Initial Hearing Evaluation	\$70.00
Speech/Language/Hearing Therapy 60 minutes	\$56.00
Visit with Procedure(s) 45 minutes	\$56.00
Visit with Procedure(s) 60 minutes	\$74.00
Visit with Procedure(s) 90 minutes	\$112.00
Procedures and Modalities 60 minutes	\$74.00
PT and Rehab Evaluation	\$75.00
Initial OT Evaluation	\$70.00
OT 45 minutes	\$45.00
OT 60 minutes	\$60.00

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HCFA 179 <u>09-34</u>	

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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:

Outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation services, and outpatient hospital facility fees for office/outpatient visits are paid as follows:

In-state private hospital outpatient services are reimbursed on a hospital specific cost to charge ratio calculation based on the latest filed cost reports. Updated cost to charge ratios will be calculated as filed cost reports are received. Cost to charge ratios for the hospitals on which a filed cost report was received will be adjusted at the beginning of the next quarter. Final reimbursement is adjusted to 83% of allowable cost through the cost report settlement process. The allowable costs are determined from the Medicare/Medicaid cost report for each hospital. The costs and charges on these cost reports are reported in accordance with the instructions in the HIM-15 (Medicare Reimbursement Manual).

Effective for dates of services on or after August 1, 2006, the outpatient rates paid to private hospitals for cost-based services are increased by 3.85% of the rates in effect on July 31, 2006. Final reimbursement will be 86.2% of allowable cost through the cost report settlement process.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 3.5 percent of the rates effective as of February 19, 2009. Final reimbursement will be 83.18% of allowable cost through the cost settlement process.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 5.65 percent of the rates effective as of August 3, 2009. Final reimbursement shall be at 78.48 percent of allowable cost through the cost settlement process.

In-state state-owned hospital outpatient services. Interim payment shall be one hundred percent of each hospital's cost to charge ratio as calculated from the latest filed cost report. Final reimbursement shall be one hundred percent of allowable cost as calculated through the cost report settlement process. Final cost is identified by mapping outpatient charges to individual cost centers on the Medicare Hospital Cost Report then multiplying such charges by the cost centers' individual cost to charge ratios. Dates of service associated with the charges match the rate year on the Medicare Hospital Cost Report.

Out-of-state hospital outpatient services. Effective for dates of services on or after April 1, 2003, services shall be reimbursed at 31.04% of billed charges.

SUPERSEDES: IN- 09-13

STATE	Louisiana
DATE REC'D.	9-22-09
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Enhancement Pool For Public Hospitals

a. Reserved

TN#	09-34	Approval Date	2-18-10	Effective Date	8-4-09
Supersedes					
TN#	09-13				

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
 MEDICAL ASSISTANCE PROGRAM
 STATE OF LOUISIANA

ATTACHMENT 3.1-A
 ITEM 2a, Page 1

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
LIMITATION ON THE AMOUNT, DURATION AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL
AND REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

CITATION
 42 CFR
 440.20(a)

MEDICAL AND REMEDIAL
CARE AND SERVICES
 Item 2a

OUTPATIENT HOSPITAL SERVICES

Effective September 1, 1983, the Bureau of Health Services Financing will make payment to a licensed hospital for outpatient hospital services in accordance with the following limits:

- A. Emergency room services-three emergency room visits per calendar year per recipient;
- B. Rehabilitation services (Physical Therapy, Occupational Therapy, and Speech Therapy in accordance with 42 CFR 440.110) -number of visits in accordance with a rehabilitation plan approved by the Prior Authorization Unit of the Bureau of Health Services Financing; and
- C. Clinic services-services provided by a physician in a clinic in an outpatient hospital setting shall be considered physician services, not outpatient services, and shall be counted toward applicable limitations per year per recipient.

Effective January 1, 2006, the applicable visit limitations will be accumulated per calendar year for services rendered to Medicaid recipients who are 21 years of age and older. When the service cap has been reached, any additional services must meet medical necessity criteria established by the Bureau of Health Services Financing, and will be retroactively authorized on a case by case basis.

- D. All other outpatient services-including, but not limited to, therapeutic and diagnostic radiology services (except for services under the Radiology Utilization Management), chemotherapy, hemodialysis and laboratory services, shall have no limit imposed other than the medical necessity for the service.

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SUPERSEDES: TN- 05-39

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