

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, CHIP, and Survey & Certification**

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Mr. Don Gregory, State Medicaid Director  
Bureau of Health Services Financing  
Department of Health and Hospitals  
Post Office Box 91030  
Baton Rouge, Louisiana 70821-9030

JUN 3 0 2010

Attention: Sandra Victor

RE: Louisiana 09-47

Dear Mr. Gregory:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-47. The purpose of this amendment is to issue supplemental payments to non-rural, non-state acute care hospitals that are designated as a major teaching hospital, have provided at least 25,000 Medicaid acute care paid days for SFY 2008 dates of service, and have provided at least 4,000 Medicaid distinct part psychiatric unite paid days for SFY 2008 dates of services. Our Lady of the Lake Regional Medical Center located in Baton Rouge, Louisiana is the only hospital that meets the qualifications. The state has agreed to provide CMS with quarterly reports which demonstrate that Medicaid inpatient payments to Our Lady of the Lake Regional Medical Center upon implementation of TN-09-47 do not exceed Medicaid inpatient charges.

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 09-47 is approved effective October 1, 2009. We are enclosing the HCFA-179 and the new plan page.

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

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Cindy Mann  
Director, CMCS

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:  
**09-47**

2. STATE  
**Louisiana**

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

4. PROPOSED EFFECTIVE DATE  
**October 1, 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 C**

7. FEDERAL BUDGET IMPACT:

a. FFY 2010    \* ~~\$18,230.84~~ \$18,790.17  
b. FFY 2011    \* ~~\$15,251.30~~ \$32,223.62

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
**Attachment 4.19-A, Item 1, Page 8c(1)**

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If Applicable):  
**None (New Page)**

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to revise reimbursement methodology for inpatient hospital services rendered by non-rural, non-state hospitals designated as major teaching hospitals.**

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. 4<sup>th</sup> Street  
PO Box 91030  
Baton Rouge, LA 70821-9030**

13. TYPED NAME:  
**Alan Levine**

14. TITLE:  
**Secretary**

15. DATE SUBMITTED:  
**December 22, 2009**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:  
**6-25-10**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
**OCT - 1 2009**

21. TYPED NAME:  
**William Lasowski**

22. TITLE:  
**Deputy Director, CMCS**

23. REMARKS:

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

**d. Major Teaching Hospitals Supplemental Payments**

**i. Qualifying Criteria**

In order to qualify for the supplemental payment, a non-rural, non-state acute care hospital must:

1. be designated as a major teaching hospital by the department in state fiscal year 2009;
2. have provided at least 25,000 Medicaid acute care paid days for state fiscal year 2008 dates of service; and
3. have provided at least 4,000 Medicaid distinct part psychiatric unit paid days for the state fiscal year 2008 dates of service.

**ii. Reimbursement Methodology**

Effective for the dates of service on or after October 1, 2009, a quarterly supplemental payment shall be issued to qualifying non-rural, non-state acute care hospitals for inpatient services rendered during the quarter. These payments shall be used to facilitate the development of public-private partnerships to preserve access to medically necessary services for Medicaid enrollees. Aggregate payments to qualifying hospitals shall not exceed the maximum allowable caps of \$17,451,935 for SFY 2010 and \$56,475,474 for SFY 2011.

Payments shall be distributed quarterly and shall be calculated using the Medicaid acute and distinct part psychiatric unit paid days for service dates in state fiscal year 2009 serving as a proxy for SFYs 2010 and 2011 service dates. The annual days from 2009 shall be divided by 4 to obtain the quarterly days.

Payments shall be calculated as followed:

- For dates of service 10/1/09 – 12/31/10 – the Medicaid acute and distinct part psychiatric unit paid days for service dates in state fiscal year 2009 shall be multiplied by the rate of \$712.65.
- For dates of service 1/1/11 – 6/30/11 – the Medicaid acute and distinct part psychiatric unit paid days for service dates in state fiscal year 2009 shall be multiplied by the rate of \$2,746.59.

Payments are applicable to Medicaid service dates provided during each quarter and shall be discontinued for the remainder of the state fiscal year in the event that the maximum payment cap is reached or by June 30, 2011, whichever occurs first.

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TN# 09-47  
Supersedes  
TN# New Page

Approval Date JUN 30 2010

Effective Date 10-01-09