

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**

June 21, 2010

Our Reference: SPA-LA-10-23

Mr. Don Gregory, State Medicaid Director  
Department of Health and Hospitals  
Bienville Building  
628 North 4<sup>th</sup> 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 10-23. This state plan amendment reduces reimbursement rates for physician services and physician administered drugs.

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 10-23 is approved with an effective date of January 22, 2010 as requested. A copy of the HCFA-179, Transmittal No. 10-23 dated March 30, 2010 is enclosed along with the approved plan pages.

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

Sincerely,

A black rectangular redaction box covering the signature of Bill Brooks.

Bill Brooks  
Associate Regional Administrator

Enclosures

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:  
**10-23**

2. STATE  
**Louisiana**

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

4. PROPOSED EFFECTIVE DATE  
**January 22, 2010**

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 2010                                    **(\$9,371.55)**  
b. FFY 2011                                    **(\$10,957.10)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
**Attachment 4.19-B, Item 5, Page 2a**

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If Applicable):  
**Same (Pending TN 09-36)**

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to reduce the reimbursement rates for  
physician services in order to avoid a budget deficit.**

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT                                     OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED                                    **The Governor does not review state plan material.**  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:  
**Alan Levine**

14. TITLE:  
**Secretary**

15. DATE SUBMITTED:  
**March 30, 2010**

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, 2010**

18. DATE APPROVED:  
**21 June, 2010**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
**22 January, 2010**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:  
**Bill Brooks**

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

23. REMARKS:

PAYMENT OF 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:

**Recipients age 16 or older**

Effective for dates of service on or after January 22, 2010, physician services rendered to recipients 16 years of age or older shall be reduced to 75 percent of the 2009 Louisiana Medicare Region 99 allowable or billed charges, whichever is the lesser amount.

Effective for dates of service on or after January 22, 2010, those services rendered to recipients 16 years of age or older that are currently reimbursed at a rate below 75 percent of the 2009 Louisiana Medicare Region 99 allowable will be reimbursed at a rate of 75 percent of the 2009 Louisiana Medicare Region 99 allowable or billed charges, whichever is the lesser amount.

The following physician services rendered to recipients 16 years of age or older shall be reimbursed at 80 percent of the 2009 Louisiana Medicare Region 99 allowable or billed charges, whichever is the lesser amount:

- a. Prenatal evaluation and management services;
- b. Preventive medicine evaluation and management services; and
- c. Obstetrical delivery services.

**Recipients under the age of 16**

Effective for dates of service on or after January 22, 2010, physician services rendered to recipients under the age of 16 shall be reimbursed at 90 percent of the 2009 Louisiana Medicare Region 99 allowable or billed charges, whichever is the lesser amount.

Effective for dates of service on or after January 22, 2010, those services rendered to recipients under the age of 16 that are currently reimbursed at a rate below 90 percent of the 2009 Louisiana Medicare Region 99 allowable will be reimbursed at a rate of 90 percent of the 2009 Louisiana Medicare Region 99 allowable or billed charges, whichever is the lesser amount.

**Physician administered drugs**

Effective for dates of service on or after January 22, 2010, all physician-administered drugs shall be reimbursed at 90 percent of the 2009 Louisiana Medicaid Region 99 allowable or billed charges, whichever is the lesser amount.

State developed fee schedule rates are the same for both public and private providers of the service, except as noted elsewhere in the plan; and the fee schedule and any annual/periodic adjustments to the fee schedule are published on the Louisiana Medicaid Provider website at [www.lamedicaid.com](http://www.lamedicaid.com).

- (b) Effective for dates of service on or after October 21, 2007, the Medicaid Program shall provide reimbursement for the payment of adjunct services in addition to the reimbursement for evaluation and management services and the associated ancillary services when these professional services are rendered in settings other than hospital emergency departments during evening, weekend or holiday hours. Reimbursement is limited to services rendered between the hours of 5 p.m. and 8 a.m. Monday through Friday, on weekends and State legal holidays.

Effective for dates of service on or after October 21, 2007, the reimbursement for adjunct services is a flat fee, based on the adjunct CPT code, in addition to the reimbursement for the associated evaluation and management service, and associated ancillary services. The same methodology is used for both governmental and non-governmental providers.

TN# 10-23

Approval Date 6-21-10

Effective 1-22-10

Supersedes

TN# 09-36

SUPERSEDES: TN- 09-36

STATE <u>Louisiana</u>	<b>A</b>
DATE REC'D <u>3-30-10</u>	
DATE APPV'D <u>6-21-10</u>	
DATE EFF <u>1-22-10</u>	
HCFA 179 <u>10-23</u>	

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

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**From:** Marks, Marsha L. (CMS/SC)  
**Sent:** Thursday, June 24, 2010 1:02 PM  
**To:** CMS CMSO\_508\_SPA  
**Cc:** Rupley, Cheryl A. (CMS/SC); Carter, Demetria (CMS/SC); Monroe, Monique S. (CMS/CMCHO); Sampson, Tamara L. (CMS/CMCHO)  
**Subject:** Approval Pkg for LA 10-23  
**Attachments:** LA1023APPROVAL.doc; Final Approval Pkg for LA 10-23.pdf

See Attached.

State: Louisiana

**Brief Description:** The plan amendment reduces reimbursement for physician services and physician administered drugs to a percentage of the Louisiana 2009 Medicare allowable costs. The fee schedule is posted on the State's website and is uniform for both governmental and private providers. The reimbursement reduction does not have a direct impact on Indians, Indian Health programs, and Urban Indian organizations.

**Approval Date:** 21 June, 2010

**Effective Date:** 22 January, 2010

*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)