

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 10-31	2. STATE Louisiana
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2010	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.50		7. FEDERAL BUDGET IMPACT: * a. FFY <u>2010</u> (\$407,400) \$403.75 * b. FFY <u>2011</u> (\$1,509,792) \$1,281.74	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 5, Page 8 Attachment 4.19-B, Item 5, Page 10 * Attachment 4.19-B Item 5, page 11		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 05-05) None (New Page) None (New Page)	
10. SUBJECT OF AMENDMENT: The purpose of this amendment is to establish supplemental payments to physicians and other professional practitioners employed by or under contract with non-state owned or operated governmental entities.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review state plan material. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Alan Levine		State of Louisiana Department of Health and Hospitals 628 N. 4th Street PO Box 91030 Baton Rouge, LA 70821-9030	
14. TITLE: Secretary			
15. DATE SUBMITTED: June 28, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 28 June, 2010		18. DATE APPROVED: 13 January, 2011	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 July, 2010		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS: * Pen and Ink change made per State's Letter Dated October 5, 2010, adding Attachment 4.19-B, Item 5, Page 11 to the SPA package. * Pen and Ink change to correct FFP Rates per State's E-mail dated 5 January, 2011			

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:

III. Supplemental Payments for Physicians and Other Professional Service Practitioners

State-Owned or Operated Entities

1. Physicians and other eligible professional service practitioners must meet the following requirements in order to qualify to receive supplemental payments. The physician or professional service practitioner must be:

- a. licensed by the State of Louisiana;
- b. enrolled as a Louisiana Medicaid provider;
- c. employed by a state-owned or operated entity, such as state-operated hospital or other state entity including a state academic health system, which has been designated by the Bureau as an essential provider and which has furnished satisfactory data to DHH regarding the commercial insurance payments made to its employed physicians and other professional service practitioners. Essential providers include:

A	
STATE	LOUISIANA
DATE RECD	6-28-10
DATE APPVD	1-13-11
DATE EFF	7-1-10
HC:FA 179	10-31

- LSU School of Medicine – New Orleans
- LSU School of Medicine – Shreveport
- LSU/ State Operated Hospitals
 - Dr. Walter Olin Moss Regional Medical Center
 - E.A. Conway Medical Center
 - Earl K. Long Medical Center
 - Huey P. Long Medical Center
 - Lallie Kemp Regional Medical Center
 - Leonard J. Chabert Medical Center
 - LSU Health Sciences Center
 - Medical Center of Louisiana
 - University Medical Center
 - Washington-St. Tammany Regional Medical Center
 - Villa Feliciana Geriatric Hospital

2. Payment Methodology:

- a. The supplemental payment to each qualifying physician or other eligible professional services practitioner will equal the difference between the Medicaid payments otherwise made to these qualifying providers for professional services and the average amount that would have been paid at the equivalent community rate. The community rate is defined as the average amount that would have been paid by commercial insurers for the same services.

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:

Non-State Owned or Operated Governmental Entities

1. Qualifying Criteria

Physicians and other eligible professional service practitioners as specified in 2. below who are employed by, or under contract to provide services at, a non-state owned or operated governmental entity may qualify for supplemental payments for services rendered to Medicaid recipients. To qualify for the supplemental payment, the physician or professional service practitioner must be:

- a. licensed by the State of Louisiana;
- b. enrolled as a Louisiana Medicaid provider; and
- c. identified by the non-state owned or operated governmental entity as a physician that is employed by, or under contract to provide services at the non-state owned or operated governmental entity.

2. Qualifying Provider Types

For purposes of qualifying for supplemental payments under this section, services provided by the following professional practitioners will be included:

- a. Physicians;
- b. Physician Assistants;
- c. Certified Registered Nurse Practitioners; and,
- d. Certified Registered Nurse Anesthetists.

STATE	<u>Louisiana</u>
DATE REC'D	<u>6-28-10</u>
DATE APP'D	<u>1-13-11</u>
DATE EFF	<u>7-1-10</u>
HCFA 179	<u>10-31</u>

3. Payment Methodology

The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level. The community rate level is defined as the rates paid by commercial payers for the same service. Under this methodology the terms physician and physician services include services provided by all qualifying provider types as set forth in 2. above.

The specific methodology to be used in establishing the supplemental payment for physician services is as follows:

- a. For services provided by physicians at a non-state governmental hospital, the state will collect from the hospital its current commercial physician fees by CPT code for the hospital's top three commercial payers by volume.
- b. The state will calculate the average commercial fee for each CPT code for each physician practice plan or physician that provides services at the non-state governmental hospital.

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. The state will extract from its paid claims history file for the preceding fiscal year all paid claims for those physicians who will qualify for a supplemental payment. The state will align the average commercial fee for each CPT code as determined in b. above to each Medicaid claim for that physician or physician practice plan and calculate the average commercial payments for the claims.
- d. The state will also align the same paid Medicaid claims with the Medicare fees for each CPT code for the physician or physician practice plan and calculate the Medicare payment amounts for those claims. The Medicare fees will be the most currently available national non-facility fees.
- e. The state will then calculate an overall Medicare to commercial conversion factor by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. The commercial to Medicare ratio will be re-determined every three years.
- f. For each quarter the state will extract paid Medicaid claims for each qualifying physician or physician practice plan for that quarter.
- g. The state will then calculate the amount Medicare would have paid for those claims by aligning the claims with the Medicare fee schedule by CPT code. The Medicare fees will be the most currently available national non-facility fees.
- h. The total amount that Medicare would have paid for those claims is then multiplied by the Medicare to commercial conversion factor and the amount Medicaid actually paid for those claims is subtracted to establish the supplemental payment amount for the physician or physician practice plan for that quarter.

A	
STATE	Louisiana
DATE RECD	6-28-10
DATE APPVD	1-13-11
DATE EFF	7-1-10
HCFA 179	10-31

4. Effective Date of Payment

The supplemental payment will be made effective for services provided on or after July 1, 2010. This payment is based on the Medicare equivalent of the average commercial rate and is set using the Medicare physician fee schedule for hospital based services rendered by the qualifying providers. After the initial calculation for fiscal year 2010-2011, Louisiana will rebase the Medicare equivalent of the average commercial rate using adjudicated claims data for dates of services from the most recently completed fiscal year. This calculation will be made every three years. A link to the Medicare fee schedule used to determine the payment factor will be posted on the Louisiana Medicaid website at www.lamedicaid.com.