

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



JUL 23 2013

Ms. Ruth Kennedy, Director  
Bureau of Health Services Financing  
Department of Health and Hospitals  
Post Office Box 91030  
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 13-02

Dear Ms. Kennedy:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 13-02. The purpose of this amendment is to reduce the reimbursement rates for inpatient non-rural non-state and children's specialty hospitals by 1.0 percent.

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 access to care issues and the funding of the State share of expenditures under Attachment 4.19-A.

Based upon your assurances, Medicaid State plan amendment 13-02 is approved effective February 1, 2013. We are enclosing the HCFA-179 and the amended plan page.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

  
Cindy Mann  
Director

Enclosures

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

13-02

2. STATE

Louisiana

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

February 1, 2013

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 & C

7. FEDERAL BUDGET IMPACT:

a. FFY 2013 **(\$1,063.03)**

b. FFY 2014 **(\$1,551.37)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Item 1, Page 7c  
Attachment 4.19-A, Item 1, page 8f

Attachment 4.19-A, Item 1, page 10.1(i)(b)1

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 PAGE NUMBER OF THE SUPERSEDED PLAN  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

Pending (TN 12-50)  
~~Same (TN 09-42)~~

Pending TN 12-50

10. SUBJECT OF AMENDMENT: **The SPA proposes to revise the reimbursement methodology for inpatient hospital services to further reduce the reimbursement rates paid to non-rural, non-state hospitals. This SPA also corrects language placement in the children's reimbursement methodology section.**

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 OF STATE AGENCY OFFICIAL:

[Redacted Signature]

13. TYPED NAME:

Bruce D. Greenstein

14. TITLE:

Secretary

15. DATE SUBMITTED:

February 6, 2013

16. RETURN TO:

J. Ruth Kennedy, Medicaid Director  
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:

18. DATE APPROVED:

JUL 23 2013

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

FEB 01 2013

20. SIGNATURE OF REGIONAL OFFICIAL:

[Redacted Signature]

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, Policy & Financial Mgt., CHS

23. REMARKS:

(\*) Law and InE Change Requested By the State

7-1-2013 - email

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

2. Qualifying NICU Level III regional services with current per diem rates that are less than 85 percent of the NICU Level III regional specialty group rate shall have their per diem rates adjusted to equal 85 percent of the specialty group rate.
3. Qualifying PICU Level I services with current per diem rates that are less than 77 percent of the PICU Level I specialty peer group rate shall have their per diem rates adjusted to equal 77 percent of the specialty peer group rate.
4. Qualifying PICU Level II services with current per diem rates that are less than the PICU Level II specialty peer group rate shall have their per diem rates adjusted to equal 100 percent of the specialty group rate.

Effective for dates of service on or after February 3, 2010, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 5 percent of the per diem rate on file as of February 2, 2010.

Effective for dates of service on or after August 1, 2010, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 4.6 percent of the per diem rate on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 2 percent of the per diem rate on file as of December 31, 2010.

Effective for dates of service on or after August 1, 2012, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 3.7 percent of the per diem rate on file as of July 31, 2012.

Effective for dates of service on or after February 1, 2013, the inpatient per diem rate paid to private (non-rural, non-state) acute care hospitals, including long term hospitals, shall be reduced by 1 percent of the per diem on file as of January 31, 2013.

A	
STATE	Louisiana
DATE REC'D	2-6-2013
DATE APP'D	JUL 27 2013
DATE EFF	2-1-2013
ISS#	179
	13-08

NICU Rate Adjustment

Effective for dates of service on or after March 1, 2011, the per diem rates for Medicaid inpatient services rendered by NICU Level III and NICU Level III regional units, recognized by the Department as such on December 31, 2010, shall be adjusted to include an increase that varies based on the following five tiers:

Tier 1. The qualifying hospital's average percentage exceeds 10 percent, the additional per diem increase shall be \$601.98;

Tier 2. The qualifying hospital's average percentage is less than or equal to 10 percent, but exceeds 5 percent, the additional per diem increase shall be \$624.66;

Tier 3. The qualifying hospital's average percentage is less than or equal to 5 percent, but exceeds 1.5 percent, the additional per diem increase shall be \$419.83;

TN# 13-02  
Supersedes  
TN# 12-50

Approval Date JUL 23 2013

Effective 2-1-2013

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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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:

Effective for dates of service on or after August 1, 2012, the per diem rates paid to children's specialty hospitals shall be reduced by 3.7 percent. Final payment shall be the lesser of allowable inpatient acute care and psychiatric costs as determined by the cost report or the Medicaid discharges or days as specified for the period, multiplied by 85.53 percent of the target rate per discharge or per diem limitation as specified for the period.

Effective for dates of service on or after February 1, 2013, the per diem rates paid to children's specialty hospitals shall be reduced by 1 percent. Final payment shall be the lesser of allowable inpatient acute care and psychiatric costs as determined by the cost report or the Medicaid discharges or days as specified for the period, multiplied by 84.67 percent of the target rate per discharge or per diem limitation as specified for the period.

STATE <u>Louisiana</u>	A
DATE REC'D <u>2-6-2013</u>	
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INDEX 179 <u>13-02</u>	

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TN# 12-50

Approval Date JUL 23 2013

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