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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 15-0032 NIRT

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page(s)

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

JUN 01 2016

Mrs. Jen Steele, Director
Bureau of Health Services Financing
Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 15-0032

Dear Mrs. Steele:

We have reviewed the proposed State plan amendment (SPA) to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-0032. Louisiana Department of Health and Hospitals submitted this amendment to revise the provisions governing supplemental Medicaid payments to qualifying non-rural, non-state hospitals.

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.

Based upon the information provided by the State, Medicaid State plan amendment 15-0032 is approved effective October 1, 2015. We are enclosing the CMS-179 and the new plan pages.



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

Sincerely,

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

Kristin Fan
Director

Enclosures

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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL | | 1. TRANSMITTAL NUMBER: 15-0032 | 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 October 1, 2015 | |
| 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 447, Subpart F | | 7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$(3,210.52) \$(12,407.11) b. FFY 2017 \$(3,222.37) \$(13,967.58) | |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Item 1, Page 8c(3) Attachment 4.19-A, Item 1, Page 8c(3)(a) | | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN-12-59) None (New Page) | |
| 10. SUBJECT OF AMENDMENT: The SPA proposes to amend the reimbursement methodology governing inpatient hospital services in order to amend the provisions governing supplemental Medicaid payments to qualifying non-rural, non-state public hospitals. | | | |
| 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: J. Ruth Kennedy, Medicaid Director State of Louisiana Department of Health and Hospitals 628 N. 4th Street PO Box 91030 Baton Rouge, LA 70821-9030 | |
| 13. TYPED NAME: Kathy H. Kliebert | | | |
| 14. TITLE: Secretary | | | |
| 15. DATE SUBMITTED: November 19, 2015 | | | |
| FOR REGIONAL OFFICE USE ONLY | | | |
| 17. DATE RECEIVED: November 18, 2015 | | 18. DATE APPROVED: JUN 01 2016 | |
| PLAN APPROVED - ONE COPY ATTACHED | | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2015 | | 20. SIGNATURE OF REGIONAL OFFICIAL:  | |
| 21. TYPED NAME: Kristin FAN | | 22. TITLE: Director, FMG | |
| 23. REMARKS: May 23, 2016 - The State requests a pen and ink change to box 7. | | | |

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- e. Non-Rural Non-State Government Hospitals**
Effective for dates of service on or after May 15, 2011, quarterly supplemental payments will be issued to qualifying non-rural, non-state government hospitals for inpatient services rendered during the quarter. Payment amounts shall be up to the Medicare inpatient upper payment limit (UPL) as determined in accordance with 42 CFR §447.272.
- 1. Qualifying Criteria**
In order to qualify for the supplemental payment, a non-rural, non-state government acute care hospital must meet one of the following:
- a. Effective for dates of service on or after October 1, 2012 through June 30, 2013, be:
 - i. located in a Medicare Metropolitan Statistical Area (MSA) per 42 CFR 413.231(b)(1), and be located within 15 miles of a state-owned hospital scheduled to closed in SFY 2013; or
 - b. Effective for dates of service on or after July 1, 2013, be designated as a non-teaching hospital and:
 - i. located in a Medicare Metropolitan Statistical Area (MSA) per 42 CFR 413.231(b)(1), and
 - ii. provide inpatient obstetrical and Neonatal Intensive Care Unit services, and
 - iii. per the cost report period ending in SFY 2012, have a Medicaid inpatient day utilization percentage in excess of 21 percent and a Medicaid newborn day utilization percentage in excess of 65 percent as documented on the as filed cost report; or
 - c. Effective for dates of service on or after January 1, 2014, be located in a city with a population of over 300,000 as of the 2010 U.S. Census; or
 - d. Effective for dates of service on or after July 1, 2015, be designated as a major teaching hospital by the Department and have at least 300 licensed acute hospital beds. This provision qualifies East Jefferson General Hospital.

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| State: Louisiana |
| Date Received: November 18, 2015 |
| Date Approved: JUN 01 2016 |
| Date Effective: October 1, 2015 |
| Transmittal Number: 15-0032 |

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

2. **Reimbursement Methodology**

- a. Each qualifying hospital shall receive quarterly supplemental payments for the inpatient services rendered during the quarter. Quarterly payments shall be the difference between each qualifying hospital's inpatient Medicaid billed charges and Medicaid payments the hospital receives for covered inpatient services provided to Medicaid recipients. Medicaid billed charges and payments will be based on a 12 consecutive month period for claims data selected by the Department.
- b. Qualifying hospitals that are enrolled in Medicaid **after January 1, 2014**, will use actual Medicaid utilization and claims data for the hospital for the preceding quarter per the Department's paid claims data as the basis for making quarterly supplemental payments during the hospital's start-up period:
 - i. For purposes of these provisions, the start-up period shall be defined as the first three years of operation.
 - ii. During the start-up period, each quarterly supplemental payment shall be made no later than the 60th day of the subsequent quarter to allow the Department sufficient time to compile actual inpatient Medicaid claims data for the new hospitals to calculate the actual quarterly inpatient charge differential. These retroactive quarterly payments shall be applicable to service dates in the preceding quarter.
- c. Payments in the aggregate will not exceed the UPL for all hospitals included in the non-state government owned group.

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