

MEDICAID POLICY REVISION

IMMINENT PERIL JUSTIFICATION

October 17, 2022

SUSPENDING AGENTS:

POLICY REVISION:

The State Directed Payment Program Manual has been newly established, and the MCO Manual and Medicaid Services Manual have been revised to add a reference to the State Directed Payment Program Manual.

JUSTIFICATION:

The State Directed Payment Program Manual provides guidance to the managed care organizations (MCOs) regarding the state directed payments for inpatient and outpatient services and long-term acute care, psychiatric, and rehabilitation (LPR) hospitals.

The state directed payment model changes the way hospitals are reimbursed for care provided to Medicaid patients to align with guidance issued by CMS and ensures that reimbursements are based on actual Medicaid utilization. This will increase hospital supplemental payments while creating more uniform guidelines and stability for hospital payments.

The State Directed Payment Program Manual provides the necessary guidance to the MCOs for operationalizing this payment model, which was approved by CMS and incorporated into the MCO contracts via Amendment 17 with an effective date of July 1, 2022. Any delay has the potential to disrupt and jeopardize the provision of medically necessary services to Louisiana's most vulnerable population.

EFFECTIVE DATE:

October 17, 2022