

## Subchapter B. Reimbursement Methodology

### §1331. Acute Care Hospitals

A. Effective for dates of services on or after October 1, 2007, a quarterly supplemental payment will be issued to non-rural, non-state acute care hospitals that furnish additional graduate medical education (GME) services.

B. Qualifying Criteria. In order to qualify for the supplemental payment, an acute care hospital must meet the following criteria. The hospital must:

1. be a non-rural, non-state hospital;
2. have a documented affiliation agreement with a Louisiana medical school accredited by the Liaison Committee on Medical Education (LCME);
3. have greater than five additional intern and resident full time equivalencies (FTEs) in SFY 2007 and the first six months of 2008 as compared to the pre-Hurricane Katrina period of SFY 2005;
  - a. these additional intern and residency FTEs must directly result from the graduate medical education (GME) programs that were formerly taught at the Medical Center of Louisiana at New Orleans (MCLNO) and the suspension of training at MCLNO due to the impact of Hurricane Katrina; and
4. reimburse the medical school for the direct GME costs. Direct GME costs are defined as the costs of the residents' salaries and the faculty and administrative costs from the medical school.

C. Each qualifying hospital shall be paid their pro rata share of the \$5,000,000 supplemental GME payment pool based on their weighted Medicaid days. Paid Medicaid days (including newborn days included with the mother's stay) for dates of service in SFY 2007 shall be weighted using the following factor(s) as applicable:

1. 1.0—if the qualifying hospital has average additional resident FTEs of greater than 5, but less than or equal to 10; or
2. 1.5—if the qualifying hospital has average additional resident FTEs of equal to or greater than 10, but less than or equal to 20; or
3. 2.0—if the qualifying hospital has an average additional resident FTEs of equal to or greater than 20; and
4. 1.5—if the qualifying hospital's cost is at least 20 percent more than the current Medicaid per diem rate.

D. Payment of one-third of \$5,000,000 will be made at the beginning of each calendar quarter in SFY 2007 beginning with October 2007.

E. Rehabilitation hospitals, long term acute care hospitals and free-standing psychiatric hospitals are not eligible for this supplemental payment.

F. Effective for dates of service on or after February 1, 2012, medical education payments for inpatient services which are reimbursed by a prepaid risk-bearing managed care organization (MCO) shall be paid monthly by Medicaid as interim lump sum payments.

1. Hospitals with qualifying medical education programs shall submit a listing of inpatient claims paid each month by each MCO.

a. *Qualifying Medical Education Programs*—graduate medical education, paramedical education, and nursing schools.

2. Qualifying hospitals must have a direct medical education add-on component included in their prospective Medicaid per diem rates as of January 31, 2012 which was carved out of the per diem rate reported to the MCOs.

3. Monthly payments shall be calculated by multiplying the number of qualifying inpatient days submitted by the medical education costs component included in each hospital's fee-for-service prospective per diem rate. Monthly payment amounts shall be verified by the department semi-annually using reports of MCO covered days generated from encounter data. Payment adjustments or recoupments shall be made as necessary based on the MCO encounter data reported to the department.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing, LR 34:877 (May 2008), amended LR 38:2773 (November 2012).