

NOTICE OF INTENT

**Department of Health
Bureau of Health Services Financing**

**Disproportionate Share Hospital Payments
Louisiana Low-Income Academic Hospitals
Payment Methodology
(LAC 50:V.3103)**

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:V.3103 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Department of Health, Bureau of Health Services Financing promulgated a Notice of Intent governing disproportionate share hospital (DSH) payments which continued the provisions of the October 20, 2016 Emergency Rule that established payments to Louisiana low-income academic hospitals and revised the DSH payment methodology (*Louisiana Register, Volume 42, Number 12*). The department now proposes to amend the provisions governing the reimbursement methodology for DSH payments to Louisiana low-income academic hospitals in order to revise the reimbursement schedule from annual to quarterly payments.

TITLE 50

PUBLIC HEALTH-MEDICAL ASSISTANCE

Part V. Hospital Services
Subpart 3. Disproportionate Share Hospital Payments

Chapter 31. Louisiana Low-Income Academic Hospitals

§3103. Payment Methodology

A. - A.1. Reserved.

2. The department shall review~~Costs~~ cost data, charge data, and lengths of stay ~~shall be reviewed by the department~~ and Medicaid claims data per the Medicaid Management and Information Systems for reasonableness before payments are made.

B. ~~Payment Calculation~~ Effective for dates of service on or after July 1, 2017, for payment calculations, the most recent Medicaid filed cost report, along with actual Medicaid and uninsured patient charge data from the most recently filed Medicaid cost report with Medicaid and uninsured charge data from the same time period, is utilized to calculate hospital specific uncompensated care costs. Costs and patient utilization from a more current time period may be considered in the calculation of the DSH payment if significant changes in costs, services, or utilization can be documented. This change in the time period utilized must receive prior approval by the department.

~~1. For the initial year's payment calculation, each qualifying hospital shall submit interim actual cost data~~

~~calculated utilizing Medicaid allowable cost report principles, along with actual Medicaid and uninsured patient charge data. Annual Medicaid costs shortfalls and unreimbursed uninsured patient costs are determined based on review and analysis of these submissions.~~

~~2. For subsequent year's payment calculations, the most recent Medicaid filed cost report along with actual Medicaid and uninsured patient charge data annualized from the most recent calendar year completed quarter is utilized to calculate hospital specific uncompensated care costs. 1. - 2.~~

Repealed.

C. Effective for dates of service on or after July 1, 2017, the department shall review cost data, charge data, lengths first payment of each fiscal year will be made by October 30 and will be 25 percent of stay and Medicaid claims data per the annual calculated uncompensated care costs. Medicaid Management and Information Systems (MMIS) for reasonableness before payments are made. The remainder of the payment will be made by January 30, April 30 and June 30 of each year.

1. Reconciliation of these payments to actual hospital specific uncompensated care costs will be made when the cost report(s) covering the actual dates of service from the state fiscal year are filed and reviewed.

2. Additional payments or recoupments, as needed, shall be made after the finalization of the Centers for Medicare and Medicaid Services (CMS) mandated DSH audit for the state fiscal year.

~~D. The first No payment under this Section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity. ~~of each fiscal year will be made by October 15 and will be 80 percent of the annual calculated uncompensated care costs. The remainder of the payment will be made by June 30 of each year.~~~~

~~1. Reconciliation of these payments to actual hospital specific uncompensated care costs will be made when the cost report(s) covering the actual dates of service from the state fiscal year are filed and reviewed.~~

~~2. Additional payments or recoupments, as needed, shall be made after the finalization of the Centers for Medicare and Medicaid Services (CMS) mandated DSH audit for the state fiscal year.~~

~~E. No payment under this Section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity. D.1. - E.~~

Repealed.

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, Bureau of Health Services Financing, LR 43:

Implementation of the provisions of this Rule may be contingent upon the approval of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will have no impact on family functioning, stability or autonomy as described in R.S. 49:972.

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973.

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, no direct or indirect cost to

the provider to provide the same level of service, and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

Interested persons may submit written comments to Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030 or by email to MedicaidPolicy@la.gov. Ms. Steele is responsible for responding to inquiries regarding this proposed Rule. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing. A public hearing on this proposed Rule is scheduled for Thursday, March 30, 2017 at 9:30 a.m. in Room 118, Bienville Building, 628 North Fourth Street, Baton Rouge, LA. At that time all interested persons will be afforded an opportunity to submit data, views or arguments either orally or in writing.

Rebekah E Gee MD, MPH

Secretary