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

DEC 23 2014

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 14-25

Dear Ms. Kennedy:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-25. This amendment proposes to amend the provisions governing Disproportionate Share Hospital (DSH) payments in order to establish payments to Louisiana Low-Income Academic Hospitals. The effect of this amendment is that six private acute care hospitals, which have entered into Cooperative Endeavor Agreements (CEAs) with Louisiana State University, will qualify for DSH payments.

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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 funding of the State share of expenditures under Attachment 4.19-A.

Based upon your assurances, Medicaid State plan amendment 14-25 is approved effective May 24, 2014. We are enclosing the HCFA-179 and the amended plan pages.

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

Sincerely,

Timothy Hill A

TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE	
STATE PLAN MATERIAL	14-25	Louisiana	
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: T SOCIAL SECURITY ACT (MEDI		
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE		
HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	May 24, 2014		
5. TYPE OF PLAN MATERIAL (Check One):			
NEW STATE PLAN AMENDMENT TO BE CONSI		ENDMENT	
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	итепитет)	
42 CFR 447 Subpart E	a. FFY <u>2014</u>	\$ <u>400,914.85</u>	
72 CFR 777 Subpart E	b. FFY 2015	\$ <u>369,399.31</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPER SECTION OR ATTACHMENT (I)		
		rippiicusie).	
Attachment 4.19-A, Item 1, Page 10d	Same (TN 10-26)		
Attachment 4.19-A, Item 1, Page 10k (4)	Same (TN 13-01)		
Attachment 4.19-A, Item 1, Page 10k (5)	Same (TN 13-01)		
10. SUBJECT OF AMENDMENT: The purpose of this SPA is to	o amend the provisions governing	g DSH payments in	
order to establish payments to Louisiana Low-Income Acad	demic Hospitals.		
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11. GOVERNOR'S REVIEW (Check One): GOVERNOR'S OFFICE REPORTED NO COMMENT	☑ OTHER, AS SPECIFIED:	a .	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	The Governor does not revie	w state plan material.	
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		,, 200000 P 20020 220000	
A CICYATE DE CE CELAME A CENTON OFFICIAL	16. RETURN TO:		
12. SIGNATURE OF STATE AGENCY OFFICIAL:			
	J. Ruth Kennedy, Medicaid	Director	
13. TYPED NAME:	State of Louisiana		
Kathy H. Kliebert	Department of Health and Hospitals		
14. TITLE:	628 N. 4 th Street		
Secretary	PO Box 91030		
15. DATE SUBMITTED: May 23, 2014	Baton Rouge, LA 70821-90	30	
* *	PLOTE LIGHT ONLY		
FOR REGIONAL OFF 17. DATE RECEIVED:	18. DATE APPROVED:		
May 22, 2014			
PLAN APPROVED – ONE	COPY ATTACHEDEC 23 2014		
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFF	ICIAL:	
May, 24, 2014	BUSK F-		
21. TYPED NAME:	22. TITLE:	A	
	22. TITLE: Deputy Director, Fl	MG	
23. REMARKS: The State request a pen and ink change to blocks: 7, 8 and 9			
Please note: Block 7 has been revised from the first submission on 6/17/14.			
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STATE OF <u>LOUISIANA</u> PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- e. Meet the definition of a public non-rural community hospital as defined in I.D.3.e. below; or
- f. Effective September 15, 2006, be a private non-rural community hospital as defined in I.D.3.f. below; or
- g. Effective November 3, 1997, be a small rural hospital as defined in I.D.3.b.; or
- h. Effective for dates of service on or after January 1, 2008, be a Medicaid enrolled non-state acute care hospital that expands their existing distinct part psychiatric unit or that enrolls a new distinct part psychiatric unit, and signs an addendum to the Provider Enrollment form (PE-50) by April 3, 2008 with the Department of Health and Hospitals, Office of Mental Health; or
- i. Effective for dates of service on or after April 7, 2008, be a Medicaid-enrolled non-state acute care hospital that establishes a Mental Health Emergency Room Extension (MHERE), and signs a Provider Enrollment form (PE-50) by June 1, 2008 with the Department of Health and Hospitals, Office of Mental Health; or
- j Effective for dates of service on or after January 21, 2010, be a hospital participating in the Low Income and Needy Care Collaboration; or
- k. Effective for dates of service on or after May 24, 2014, meet the definition of a Louisiana Low-Income Academic Hospital; and
- 1. In addition to the qualification criteria outlined in I.D.1.a.-k. above, effective July 1, 1994, the qualifying disproportionate share hospital must also have a Medicaid inpatient utilization rate of at least one percent (1%).

2. General Provisions for Disproportionate Share Payments

a. Total cumulative disproportionate share payments under any and all DSH payment methodologies shall not exceed the federal disproportionate share state allotment for Louisiana for each federal fiscal year. The Department shall make necessary downward adjustments to hospitals' disproportionate share payments to remain within the federal disproportionate share allotment.

State: Louisiana

Date Received: May 23, 2014 Date Approved: DEC 23 2014 Date Effective: May 24, 2014 Transmittal Number: 14-25

TN#	14-25_	Approval Date DEC 23 2014	Effective Date _05/24/14	
Supersedes				
TN#	10-26	,		

STATE OF <u>LOUISIANA</u>
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

DSH REIMBURSEMENT METHODOLOGIES (continued)

f. Louisiana Low-Income Academic Hospitals

Qualifying Criteria

State: Louisiana

Date Received: May 23, 2014
Date Approved **DEC 23 2014**Date Effective: May 24, 2014
Transmittal Number: 14-25

A. Hospitals Located Outside of the Lake Charles Metropolitan Statistical Area

Effective for dates of service on or after May 24, 2014, a hospital may qualify for this category by:

- a. being a private acute care general hospital that is located outside of the Lake Charles Metropolitan Statistical Area (MSA);
- b. having uninsured patient utilization, as measured by allowable uninsured inpatient and outpatient charges, greater than 20 percent. Qualification shall be based on uninsured utilization data per the prior state fiscal year date of service time period; and
- c. maintaining at least 15 unweighted intern and resident full-time equivalent positions, as reported on the Medicare Cost Report Worksheet E-4, Line 6.
- B. Hospitals Located In the Lake Charles Metropolitan Statistical Area

Effective for dates of service on or after May 24, 2014, a hospital may qualify for this category by:

- a. being a private acute care general hospital that is located in the Lake Charles MSA;
- b. having uninsured patient utilization, as measured by allowable uninsured inpatient and outpatient charges, greater than 10 percent. To determine qualification in state fiscal year 2014, the first six month dates of service time period (July 1, 2013 through December 31, 2013) shall be used. In subsequent state fiscal years, qualification shall be based on uninsured utilization data per the prior state fiscal year date of service time period; and
- c. maintaining at least 20 unweighted intern and resident full-time equivalent positions, as reported on the Medicare Cost Report Worksheet E-4, Line 6.

Payment Methodology

- a) Each qualifying hospital shall be paid DSH adjustment payments equal to 100 percent of allowable hospital specific uncompensated care costs subject to the Appropriations Act. DSH payments to qualifying hospitals shall not exceed the disproportionate share limits as defined in Section 1923(g)(1)(A) of the Social Security Act for the state fiscal year to which the payment is applicable.
- b) 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

TN#	14-25	Approval Date 186 23 2014 Effective Date 05/24/14	
Supersede	S		
TN#	<u>13-01</u>	•	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE PROGRAM

STATE OF <u>LOUISIANA</u>
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE unreimbursed uninsured patient costs are determined based on review and analysis of these submissions. 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.

- c) The Department shall review cost data, charge data, lengths of stay and Medicaid claims data per the MMIS system for reasonableness before payments are made.
- d) The first payment 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. 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. Additional payments or recoupments, as needed, shall be made after the finalization of the 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.

State: Louisiana

Date Received: May 23, 2014
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TN#_	14-25	Approval Date UEC 23 2014	Effective Date _05/24/14
Superse	edes		
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