

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

October 19, 2017

Our Reference: SPA LA 17-0011

Ms. Jen Steele, State Medicaid Director
Department of Health
628 North 4th St.
Post Office Box 91030
Baton Rouge, LA 70821-9030

Attention: Karen Barnes

Dear Ms. Steele:

We have reviewed the State's proposed amendment to the Louisiana State Plan submitted under Transmittal Number 17-0011 dated March 3, 2017. This state plan amendment proposes to amend the qualifying criteria for supplemental payments to physicians and other professional service practitioners in order to clarify these provisions.


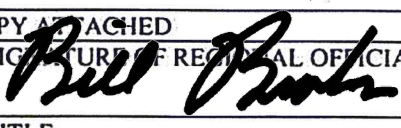
Based on the information submitted, we have approved the amendment for incorporation into the official Louisiana State Plan with an effective date change of February 21, 2017. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Cheryl Rupley at (214) 767-6278 or by email at Cheryl.Rupley@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, flowing style.

Bill Brooks
Associate Regional Administrator

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 17-0011	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 February 20, 2017 February 21, 2017	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> G NEW STATE PLAN <input type="checkbox"/> G 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 C		7. FEDERAL BUDGET IMPACT: a. FFY <u>2017</u> \$0 \$10,721.09 b. FFY <u>2018</u> \$0 \$10,963.81	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19- B, Item 5, Page 8 Attachment 4.19- B, Item 5, Page 8a Page 9a Attachment 4.19-B, Item 5, Page 9 Attachment 4.19-B, Item 5, Page 10 Attachment 4.19-B, Item 5, Page 10a Attachment 4.19-B, Item 5, Page 11 Attachment 4.19-B, Item 5, Page 11a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 10-0031) None (New Page) Same (TN 05-0005) Same (TN 10-0031) None (New Page) Same (TN 10-0031) None (New Page)	
10. SUBJECT OF AMENDMENT: The purpose of this SPA is to amend the qualifying criteria for supplemental payments to physicians and other professional service practitioners in order to clarify these provisions.			
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: Jen Steele, Medicaid Director State of Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030	
13. TYPED NAME: Rebekah E. Gee MD, MPH			
14. TITLE: Secretary			
15. DATE SUBMITTED: March 3, 2017			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: March 3, 2017		18. DATE APPROVED: October 19, 2017	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: February 21, 2017		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS: The State requests a pen and ink change to boxes 7, 8 and 9.			

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

III. Supplemental Payments for Physicians and Other Professional Service Practitioners

State-Owned or Operated Entities

1. Qualifying Criteria

Effective for dates of service on or after February 21, 2017, in order to qualify to receive supplemental payments, the physician or professional service practitioner must be:

- a. licensed by the State of Louisiana;
- b. enrolled as a Louisiana Medicaid provider;
- c. employed by, or under contract to provide services in affiliation with, a state-owned or operated entity, such as a state-operated hospital or other state entity including a state academic health system, which has been designated by the Department as an essential provider and which has furnished satisfactory data to the Department regarding the commercial insurance payments made to its employed physicians and other professional service practitioners. Essential providers include:
 - i. LSU School of Medicine – New Orleans;
 - ii. LSU School of Medicine – Shreveport;
 - iii. LSU School of Dentistry;
 - iv. LSU/State Operated Hospitals (Lallie Kemp Regional Medical Center and Villa Feliciana Geriatric Hospital).

2. Qualifying Provider Types

For purposes of qualifying for supplemental payments under this Section, services provided by the following professional practitioners will be included:

1. physicians;
2. physician assistants;
3. certified registered nurse practitioners;
4. certified nurse anesthetists; and
5. dentists.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Non-State Owned or Operated Governmental Entities

1. Qualifying Criteria

Effective for dates of service on or after February 21, 2017, in order to qualify to receive supplemental payments, physicians and other eligible professional service practitioners must be:

- a. licensed by the State of Louisiana;
- b. enrolled as a Louisiana Medicaid provider; and
- c. employed by, or under contract to provide services at or in affiliation with a non-state owned or operated governmental entity and identified by the non-state owned or operated governmental entity as a physician that is employed by, under contract to provide services at or in affiliation with said entity. Non-state owned or operated governmental entities include:

- 1. Abbeville General Hospital
- 2. Acadia St. Landry Hospital
- 3. Allen Parish Hospital
- 4. Beauregard Memorial Hospital
- 5. Bunkie General Hospital
- 6. Citizens Medical Center
- 7. Claiborne Memorial Hospital
- 8. East Carroll Parish Hospital
- 9. East Jefferson General Hospital
- 10. Franklin Foundation Hospital
- 11. Franklin Medical Center
- 12. Hardtner Medical Center
- 13. Hood Memorial Hospital
- 14. Iberia Parish Hospital
- 15. Jackson Parish Hospital
- 16. Lady of the Sea Hospital
- 17. Lane Regional Medical Center
- 18. LaSalle General Hospital
- 19. Leonard J. Chabert Medical Center

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20. Madison Parish Hospital
21. Morehouse General Hospital
22. Natchitoches Parish Hospital
23. New Orleans East Hospital
24. North Caddo Memorial Hospital
25. North Oaks Medical Center
26. North Oaks Rehab Hospital
27. Opelousas General Hospital
28. Pointe Coupee General Hospital
29. Prevost Memorial Hospital
30. Reeves Memorial Medical Center
31. Richardson Medical Center
32. Richland Parish Hospital
33. Riverland Medical Center
34. Riverside Medical Center
35. Savoy Medical Center
36. Slidell Memorial Hospital
37. St. Bernard Parish Hospital
38. St. Charles Parish Hospital
39. St. Helena Parish Hospital
40. St. James Parish Hospital
41. St. Tammany Parish Hospital
42. Terrebonne General Medical Center
43. Thibodaux General Medical Center
44. West Calcasieu-Cameron Hospital
45. West Feliciana Parish Hospital

2. Qualifying Provider Types

For purposes of qualifying for supplemental payments under this section, services provided by the following professional practitioners will be included:

1. physicians;
2. physician assistants;
3. certified registered nurse practitioners; and
4. certified nurse anesthetists.

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Payment Methodology

1. Non-Dentist Providers

The supplemental payment to non-dentist providers will be determined in a manner to bring payments for these services up to the community rate level. The community rate level is defined as the rates paid by commercial payers for the same service. Under this methodology, the terms physician and physician services include services provided by all qualifying non-dentist provider types as set forth in Subsection 2 of both the State Owned or Operated Entities Section and the Non-State Owned or Operated Governmental Entities Section.

The specific methodology to be used in establishing the supplemental payment for physician services is as follows:

- a. For services provided by physicians at a state-owned or operated hospital or at a non-state governmental hospital, the State will collect from the hospital its current commercial physician fees by Current Procedural Terminology (CPT) code for the hospital's top three commercial payers by volume.
- b. The State will calculate the average commercial fee for each CPT code for each physician practice plan or physician that provides services at the hospital.
- c. The State will extract from its paid claims history file for the preceding fiscal year all paid claims for those physicians who will qualify for a supplemental payment. The State will align the average commercial fee for each CPT code as determined in b. above to each Medicaid claim for that physician or physician practice plan and calculate the average commercial payments for the claims. For eligible non-physician practitioners, the maximum allowable Medicaid reimbursement shall be limited to 80 percent of this amount.
- d. The State will also align the same paid Medicaid claims with the Medicare fees for each CPT code for the physician or physician practice plan and calculate the Medicare payment amounts for those claims. The Medicare fees will be the most currently available national non-facility fees.

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- e. The State will then calculate an overall Medicare to commercial conversion factor by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. The commercial to Medicare ratio will be re-determined every three years.
- f. After the end of each state fiscal year the State will extract paid Medicaid claims for each qualifying physician or physician practice plan for that year.
- g. The State will then calculate the amount Medicare would have paid for those claims by aligning the claims with the Medicare fee schedule by CPT code. The Medicare fees will be the most currently available national non-facility fees.
- h. The total amount that Medicare would have paid for those claims is then multiplied by the Medicare to commercial conversion factor and the amount Medicaid actually paid for those claims is subtracted to establish the supplemental payment amount for the physician or physician practice plan for that year. Supplemental payments will occur within one-hundred and eighty (180) days of the close of a state fiscal year. However, in the year in which the average commercial rate is being set or updated, payment will be made within 180 days from the computation and final review of the average commercial rate.

2. Dentist Providers

The supplemental payment to dentist providers will be determined in a manner to bring payments for these services up to the community rate level. The community rate level is defined as the rates paid by the Managed Care of North America (MCNA) Commercial National Preferred Provider Organization (PPO) Network Specialist Fee for the same service.

The specific methodology to be used in establishing the supplemental payment for dental services is as follows:

- a. For each year the State will extract paid Medicaid claims for each qualifying dentist or dental practice plan for that year.
- b. The State will then calculate the amount MCNA would have paid for those claims by aligning the claims with the MCNA fee schedule by Current Dental Terminology (CDT) code. The MCNA fees will be the most currently available Commercial National PPO Network Specialist Fee.

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- c. The total amount Medicaid actually paid for those claims is subtracted from the amount that MCNA would have paid for those claims to establish the supplemental payment amount for the dentist or dental practice plan for that year.
3. Effective Date of Payment

The supplemental payment will be made effective for services provided on or after July 1, 2010. This payment is based on the Medicare equivalent of the average commercial rate and is set using the Medicare physician fee schedule for hospital based services rendered by the qualifying providers. After the initial calculation for fiscal year 2010-2011, Louisiana will rebase the Medicare equivalent of the average commercial rate using adjudicated claims data for dates of services from the most recently completed fiscal year. This calculation will be made every three years. A link to the Medicare fee schedule used to determine the payment factor will be posted on the Louisiana Medicaid website at www.lamedicaid.com

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