

John Bel Edwards
GOVERNOR



Rebekah E. Gee MD, MPH
SECRETARY

State of Louisiana
Louisiana Department of Health
Office of the Secretary

VIA ELECTRONIC MAIL ONLY

March 29, 2017

Bill Brooks
Associate Regional Administrator
Division of Medicaid & Children's Health
DHHS/Centers for Medicare and Medicaid Services
1301 Young Street, Room #833
Dallas, Texas 75202

Dear Mr. Brooks:

RE: Louisiana Title XIX State Plan
Transmittal No. 17-0015

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material.

I recommend this material for adoption and inclusion in the body of the State Plan.

Warmly,

A handwritten signature in blue ink, appearing to read "Rebekah E. Gee", written over a circular blue ink stamp.

Rebekah E. Gee MD, MPH
Secretary

Attachments (3)

REG:JS:JH

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

17-0015

2. STATE

Louisiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

March 1, 2017

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ 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 **2017** (\$777,722) ~~\$(777.72)~~

b. FFY **2018** (\$636,263) ~~\$(636.26)~~

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Item 1, Page 8b

9. PAGE NUMBER OF THE SUPERSEDED PLAN
SECTION OR ATTACHMENT (*If Applicable*):

Same (TN 13-48)

10. SUBJECT OF AMENDMENT: **The SPA proposes to reduce the total supplemental payments pool for non-rural, non-state hospitals classified as high Medicaid hospitals.**

11. GOVERNOR'S REVIEW (*Check One*):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

The Governor does not review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Rebekah E. Gee MD, MPH

14. TITLE:

Secretary

15. DATE SUBMITTED:

March 29, 2017

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS: **The State requests a pen and ink change to box #7, above.**

LA TITLE XIX SPA

TRANSMITTAL #: 17-0015

TITLE: Inpatient Hospital Services - High Medicaid Hospitals - Pool Reduction

EFFECTIVE DATE: March 1, 2017

FISCAL IMPACT:
[Decrease]

year	% inc.	fed. match	# mos	range of mos.	dollars
1st SFY	2017			4 March 2017 - June 2017	(\$999,000)
2nd SFY	2018			12 July 2017 - June 2018	(\$999,000)
3rd SFY	2019			12 July 2018 - June 2019	(\$999,000)

*#mos-Months remaining in fiscal year

Total Decrease in Cost FFY 2017

SFY 2017 (\$999,000) for 4 months March 2017 - June 2017 (\$999,000)

SFY 2018 (\$999,000) for 12 months July 2017 - June 2018 (\$249,750)
 (\$999,000) / 12 X 3 July 2017 - September 2017 (\$1,248,750)

FFP (FFY 2017) = (\$1,248,750) X 62.28% = (\$777,722)

Total Decrease in Cost FFY 2018

SFY 2018 (\$999,000) for 12 months July 2017 - June 2018 (\$749,250)
 (\$999,000) / 12 X 9 October 2017 - June 2018

SFY 2019 (\$999,000) for 12 months July 2018 - June 2019 (\$249,750)
 (\$999,000) / 12 X 3 July 2018 - September 2018 (\$999,000)

FFP (FFY 2018)= (\$999,000) X 63.69% = (\$636,263)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

9. Supplemental Payment for Non-Rural, Non-State Government Hospitals & Private Hospitals

A non-rural, non-state hospital is a hospital which is owned and operated by either a private entity, a hospital service district or a parish and does not meet the definition of a rural hospital as set forth in Louisiana R.S. 40:1300.143.

a. Acute Care Hospitals

i. Definition of Qualifying Hospitals

A hospital is considered to be a "high Medicaid hospital" if it has a Medicaid inpatient utilization percentage greater than 30 percent based on the 12 month cost report ending in SFY 2006. For the purpose of calculating the Medicaid inpatient utilization percentage, Medicaid days shall include nursery and distinct part psychiatric unit days, but shall not include Medicare crossover days.

ii. Reimbursement Methodology

An annual supplemental payment will be issued to non-rural, non-state acute care hospitals that qualify as a high Medicaid hospital. Payments shall be based on the annual upper payment limit calculation per state fiscal year. The annual supplemental payments will not exceed the allowable Medicaid inpatient charge differential per 42CFR 447.271. Maximum inpatient Medicaid payments shall not exceed the upper payment limit per 42CFR 447.272. Each eligible hospital will receive an annual supplemental payment which shall be calculated based on the pro rata share of each qualifying hospital's paid Medicaid days (including covered nursery and distinct part psychiatric unit days).

Effective for dates of service on or after March 1, 2017, the amount appropriated for annual supplemental payments to non-rural, non-state acute care hospitals that qualify as a high Medicaid hospital shall be reduced to \$1,000. Each qualifying hospital's annual supplemental payment shall be calculated based on the pro rata share of the reduced appropriation.