



State of Louisiana
Louisiana Department of Health
Office of the Secretary

February 15, 2022

Todd McMillion, Director
Division of Reimbursement Review
Financial Management Group
Center for Medicaid & CHIP Services
Centers for Medicare and Medicaid Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601

Dear Mr. McMillion:

RE: LA SPA TN 21-0019
Federally Qualified Health Centers Managed Care Prospective Payment System Payments

Please refer to our proposed Medicaid State Plan amendment (SPA) submitted under transmittal number (TN) 21-0019 with a proposed effective date of July 1, 2021. The original purpose of the SPA was to establish an alternative payment methodology that requires managed care organizations to pay each Federally Qualified Health Center (FQHC) an encounter rate that is at least equal to the prospective payment system base rate specific to each FQHC. After discussions with CMS, the purpose of the SPA changed to amend provisions governing FQHCs in order to establish that where payment(s) from managed care organizations (MCOs) are less than the amount the FQHC would be entitled to receive under the Prospective Payment System (PPS) or alternative payment methodology (APM), the FQHC will be eligible to receive a wrap-around supplemental payment, processed and paid by the Louisiana Department of Health.

We are providing the following in response to your request for additional information (RAI) dated December 2, 2021.

Public Notice

1. The State must prove that the public was notified before July 1, 2021. The State noted that no public notice was conducted. CMS believes the SPA does not meet any of the conditions for when public notice is not required. Please see below.
42 CFR 447.205 Public notice of changes in Statewide methods and standards for setting payment rates.
(a) When notice is required. Except as specified in paragraph (b) of this section, the agency must provide public notice of any significant proposed change in its methods and standards for setting payment rates for services.

(b)When notice is not required. Notice is not required if –

- (1) The change is being made to conform to Medicare methods or levels of reimbursement;
- (2)The change is required by court order; or
- (3)The change is based on changes in wholesalers' or manufacturers' prices of drugs or materials, if the agency's reimbursement system is based on material cost plus a professional fee.

LDH RESPONSE:

The State provided Public Notice on January 26, 2022. Please see the attached Public Notice screenshot as it appears on the Louisiana Department of Health's website. <https://ldh.la.gov/page/3613>.

CMS 179

- 2. Please note that the earliest the effective date can be is one day after the public notice was conducted. The CMS-179, Block 4 will need to be modified.

LDH RESPONSE:

Please see the attached revised CMS 179. The State has changed the proposed effective date from July 1, 2021 to January 27, 2022. The State has also changed Block 10 of the CMS 179 to reflect the revised purpose of the SPA.

Please consider this a formal request to begin the 90-day clock. We trust this additional information will result in the approval of the pending SPA. We look forward to negotiating with CMS to ensure approval.

As always, we appreciate CMS' assistance in resolving these issues. If further information is required, you may contact Karen H. Barnes at Karen.Barnes@la.gov or by phone (225) 342-3881.

Sincerely,



Patrick Gillies
Medicaid Executive Director


PG:KHB:UN

Attachments (2)

c: Karen H. Barnes
Tobias Griffin
Monica Neiman
Tamara Sampson

Below are SPAs Louisiana will send to CMS for review and approval beginning August 1, 2019. To provide feedback, please complete **this form**.

Item Number	State Plan Title	Summary of Change	Date Posted	Comment Period Closed	Document Links
SPA-2022-02	Federally Qualified Health Centers	<p>The purpose of this SPA is to amend provisions governing Federally Qualified Health Centers (FQHCs) in order to establish that where the payment(s) from managed care organizations (MCOs) are less than the amount the FQHC would be entitled to receive under the Prospective Payment System (PPS) or alternative payment methodology (APM), the FQHC will be eligible to receive a wrap-around supplemental payment processed and paid by the Louisiana Department of Health.</p> <p>There is no fiscal impact for this proposed SPA.</p>	1/26/2022	2/25/2022	Attachment 4.19-B Item 2c Pages 4a and 4b

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 21-0019	2. STATE Louisiana
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE July 1, 2021 January 27, 2022	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447.201 and Section 1902(bb) of the Social Security Act		7. FEDERAL BUDGET IMPACT a. FFY 2021 \$ 0 b. FFY 2022 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Item 2c, Page 4a Attachment 4.19-B, Item 2c, Page 4b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 19-0003) None-New Page	
10. SUBJECT OF AMENDMENT The purpose of this SPA is to amend the provisions governing Federally Qualified Health Centers (FQHCs) in order to establish that where payment(s) from an alternative payment methodology that requires managed care organizations (MCOs) to pay each FQHC an encounter rate that is at least equal to the prospective payment system base rate specific to each are less than the amount the FQHC would be entitled to receive under the Prospective Payment System (PPS) or alternative payment methodology (APM), the FQHC will be eligible to receive a wrap-around supplemental payment processed and paid by the Louisiana Department of Health.			
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 Michael Boutte Interim Medicaid Executive Director State of Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030	
13. TYPED NAME Ruth Johnson, designee for Dr. Courtney N. Phillips			
14. TITLE Secretary			
15. DATE SUBMITTED September 7, 2021			
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 boxes 4 and 10.			

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

Behavioral Health and Dental Services

Effective for dates of service on or after April 1, 2019, the Medicaid Program shall establish an alternative payment methodology for behavioral health services provided in FQHCs by one of the following practitioners:

1. Physicians with a psychiatric specialty;
2. Nurse practitioners or clinical nurse specialist with a psychiatric specialty;
3. Licensed clinical social workers; or
4. Clinical psychologist.

The reimbursement for behavioral health services will equal the all-inclusive PPS rate on file for the date of service. This reimbursement will be in addition to any all-inclusive PPS rate on the same date for a medical/dental visit.

Dental services shall be reimbursed at the all-inclusive encounter PPS rate on file for fee-for-service for the date of service. This reimbursement will be in addition to any all-inclusive PPS rate made on the same date for a medical/behavioral health visit.

The Alternative Payment Methodology (APM) will be agreed to by the Department and the FQHC, and will result in payment to the FQHC of an amount that is at least equal to the Prospective Payment System (PPS) rate.

Managed Care Enrollees

An FQHC that furnishes services that qualify as an encounter to Medicaid beneficiaries pursuant to a contract with a managed care entity, as defined in Section 1932(a)(1)(B) of the Social Security Act, where the payment(s) from such entity is less than the amount the FQHC would be entitled to receive under PPS or APM, will be eligible to receive a wrap-around supplemental payment processed and paid by Louisiana Department of Health. The wrap-around supplemental payment shall be made no less frequently than every four months and reconciled no less than annually. Payments related to yearly reconciliations will be made within the two year payment requirements at 42 CFR Section 447.45 and 45 CFR Section 95, Subpart A.

STATE OF LOUISIANA

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Standards for Payment

1. The FQHC must meet the Standards for Participation outlines in Attachment 3.1-A, Item 2.c.
2. The FQHC provider shall maintain an acceptable fiscal record keeping system that will enable the services provided by a FQHC to be readily distinguished from each other type of service which that facility may provide.
3. The FQHC provider shall retain all records as are necessary to disclose fully the extent of services provided to recipients; to furnish information regarding such records and regarding any payments claimed for providing such services as Medicaid of Louisiana, the Secretary, or the Medicaid Fraud Control Unit may request, for five years from date of service.
4. The FQHC provider shall abide by and adhere to all federal and state regulations, guidelines, policies, manuals, etc.