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**State/Territory Name: LA**

**State Plan Amendment (SPA) 21-0020**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

April 21, 2022

Patrick Gillies  
Medicaid Executive Director  
Louisiana Medicaid Program  
Louisiana Department of Health  
Bureau of Health Services  
Financing 628 North Fourth Street  
Post Office Box 91030  
Baton Rouge, Louisiana 70821-9030

RE: Louisiana TN 21-0020

Dear Mr. Patrick Gillies:

We have reviewed the proposed Louisiana State Plan Amendment (SPA) to Attachment 4.19-B, 21-0020, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 7<sup>th</sup>, 2021. The purpose of this SPA is to amend the provisions governing Rural Health Clinics (RHCs) in order to establish that where payment(s) from managed care organizations (MCOs) are less than the amount the RHC would be entitled to receive under the Prospective Payment System (PPS) or alternative payment methodology (APM), the RHC will be eligible to receive a wrap-around supplemental payment processed and paid by the Louisiana Department of Health.


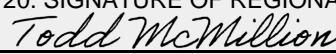
Based upon the information provided by the State, we have approved the amendment with an effective date of January 27, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Monica Neiman at: [Monica.Neiman@cms.hhs.gov](mailto:Monica.Neiman@cms.hhs.gov).

Sincerely,

*Todd McMillion*

Todd McMillion  
Director  
Division of Reimbursement Review

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <b>21-0020</b>	2. STATE <b>Louisiana</b>
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 <b>July 1, 2021 - January 27, 2022</b>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION  <b>42 CFR 447, Subpart C and Section 1902(bb) of the Social Security Act</b>		7. FEDERAL BUDGET IMPACT a. FFY <b>2021</b> \$ <b>0</b> b. FFY <b>2022</b> \$ <b>0</b>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <b>Attachment 4.19-B, Item 2b, Page, 3 Attachment 4.19-B, Item 2b, Page, 3a Attachment 4.19-B, Item 2b, Page 4</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Same (TN 18-0014) Same (TN 19-0004) Same (TN 07-20)</b>	
10. SUBJECT OF AMENDMENT The purpose of this SPA is to amend the provisions governing Rural Health Clinics (RHCs) in order to establish that <b>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 RHC would be entitled to receive under the Prospective Payment System (PPS) or alternative payment methodology (APM), the RHC will be eligible to receive a wrap-around supplemental payment processed and paid by the Louisiana Department of Health.</b>			
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 <b>Michael Boutte Interim Medicaid Executive Director State of Louisiana Department of Health 628 North 4<sup>th</sup> Street P.O. Box 91030 Baton Rouge, LA 70821-9030</b>	
13. TYPED NAME <b>Ruth Johnson, designee for Dr. Courtney N. Phillips</b>			
14. TITLE <b>Secretary</b>			
15. DATE SUBMITTED <b>September 7, 2021</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED September 7, 2021		18. DATE APPROVED April 21, 2022	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL January 27, 2022		20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME Todd McMillion		22. TITLE      Director Division of Reimbursement Review	
23. REMARKS <b>The State requests a pen and ink change to boxes 4, 8, 9, and 10.</b>			

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:

CITATION

42 CFR 447.201 and Medical and Remedial Care and Services  
Section 1902(bb) of the Social Security Act Item 2.b.

No interim or alternate payment methodologies will be developed by the State without prior notification to each enrolled Medicaid RHC.

Should an RHC increase or decrease its scope of services through new program development, program closure, program enhancement, etc., it is responsible for notifying the Bureau of Health Services Financing, Institutional Reimbursements Section of the scope of change in writing. The RHC shall include with this notification a budgetary presentation showing the impact on costs and Medicaid patient visits. The Institutional Reimbursements Section will be responsible for incorporating allowable costs and visits into the PPS per visit rate calculation and determining a new rate.

For an RHC which enrolls and receives approval to operate on or after January 1, 2001, the facility's initial PPS per visit rate will be determined first through comparison to other RHCs in the same town/city/parish. Scope of services will be considered in determining which proximate RHC most closely approximates the new provider. If no RHCs are available in the proximity, comparison will be made to the nearest RHC offering the same scope of services. The rate will be set to that of the RHC comparative to the new provider.

Beginning with Federal fiscal year 2002, the PPS per visit rate for each facility will be increased annually by the percentage increase in the published Medicare Economic Index (MEI) for primary care services. The MEI increase will be applied on July 1 of each year.

Effective for dates of services on or after February 21, 2011, the Medicaid Program shall provide reimbursement for diabetes self-management training (DSMT) services rendered by qualified health care professionals in the RHC encounter rate. Separate encounters for DSMT services are not permitted and the delivery of DSMT services alone does not constitute an encounter visit.

**Alternative Payment Methodology**

**Adjunct Services**

Effective for dates of service on or after October 21, 2007, the Medicaid Program shall provide for an alternate payment methodology. This alternate methodology will include the aforementioned PPS methodology plus an additional reimbursement for adjunct services provided by rural health clinics when these services are rendered during evening, weekend or holiday hours. Reimbursement is limited to services rendered between the hours of 5 p.m. and 8 a.m. Monday through Friday, on weekends and State legal holidays. (NOTE: A payment for adjunct services is not allowed when the encounter is for dental services only).

STATE OF LOUISIANA

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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:

The reimbursement for adjunct services is a flat fee, based on the adjunct CPT code(s) regardless of practitioner (except for dental), in addition to the reimbursement for the associated office encounter (PPS methodology). The agency's rates for the adjunct services add-on are on the Professional Services Fee Schedule and are effective for services provided on or after October 21, 2007. The same add-on rate for services delivered between the hours of 5pm and 8am on Monday through Friday, on weekends, and State legal holidays is paid to governmental and non-governmental providers.

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

**Long-Acting Reversible Contraceptives**

Effective for dates of service on or after January 1, 2019, RHCs shall be reimbursed a separate payment outside of the PPS rate, accordingly, for long-acting reversible contraceptives (LARCs). This alternate methodology will include the PPS rate, plus reimbursement for the device.

Reimbursement for LARCs shall be at the lesser of, the rate on file or the actual acquisition cost, for entities participating in the 340B program. RHCs eligible for 340B pricing must bill Medicaid at their 340B actual acquisition cost for reimbursement.

**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 RHCs 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 psychologists.

The reimbursement for behavioral health services will equal the all-inclusive encounter PPS rate on file for fee-for-service on 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 PPS rate on file for fee-for-service on 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 RHC, and will result in payment to the RHC of an amount that is at least equal to the Prospective Payment System (PPS) rate.

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:

**Alternative Payment Methodology for RHCs that are licensed as part of a small rural hospital defined in D.3.b.**

Effective for dates of service provided on or after July 1, 2008, RHCs as defined in D.3.b. may elect to be reimbursed under this payment methodology. The RHCs that are licensed as part of a small rural hospital as of July 1, 2007 shall be reimbursed no less than in the aggregate at 110 percent of reasonable costs.

Interim payment for claims shall be the Medicaid PPS per visit rate for each provider. Final reimbursement shall be the greater of the BIPA PPS and the alternative payment methodology of 110 percent of allowable cost as calculated through the cost settlement process.

The payment received under this methodology will be compared each year to the Benefits Improvement and Protection Act of 2000 Prospective Payment System (BIP A PPS) rate to assure the center that their payment methodology under this alternative payment methodology is at least equal to the BIPA PPS rate. If the payment calculation at 110 percent of allowable cost is less than the BIPA PPS, the center will be paid the difference.

**Managed Care Enrollees**

An RHC 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 RHC 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.

**Standards for Payment**

To be eligible for reimbursement, a rural health clinic must be located in a rural area and located in a DHEW designated health shortage area (an area having either a shortage of personal health services or a shortage of primary medical care manpower). It must be certified for participation in Medicare, Title XVIII and, therefore, deemed to meet the standards for certification under Louisiana's Medicaid program.