



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 21-0020
Rural Health Clinics Managed Care Prospective Payment System Payments

Please refer to our proposed Medicaid State Plan amendment (SPA) submitted under transmittal number (TN) 21-0020 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 Rural Health Clinic (RHC) an encounter rate that is at least equal to the prospective payment system base rate specific to each RHC. After discussions with CMS, the purpose of the SPA changed to amend provisions governing 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.

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

Public Notice

1. The State must document that the public was notified before July 1, 2021. The State noted that no public notice was conducted. CMS believes this SPA does not meet any of the conditions for when public notice in accordance with 42 CFR 447.205 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 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

<div>https://ldh.la.gov/page/3613</div> <div>Search...</div>					
<div>Medicaid State Plan Amend... x Idh.la.gov</div>					
SPA-2022-01	Rural Health Clinics	<p>The purpose of this SPA is to amend provisions governing Rural Health Clinics (RHCs) in order to establish that where the 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.</p> <p>There is no fiscal impact for this proposed SPA.</p>	1/26/2022	2/25/2022	Attachment 4.19-B, Item 2b, Pages 3a-4

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 21-0020	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, Subpart C 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 2b, Page, 3a Attachment 4.19-B, Item 2b, Page 4		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 19-0004) Same (TN 07-20)	
10. SUBJECT OF AMENDMENT The purpose of this SPA is to amend the provisions governing Rural Health Clinics (RHCs) 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 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.			
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:

CITATION

42 CFR 447.201 and

Section 1902(bb) of the Social Security Act

Medical and Remedial Care and Services

Item 2.b.

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.

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 were set as of October 21, 2007 and are effective for services on or after that date. All rates are published on the agency's website (www.lamedicaid.com). 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.

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.