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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: LA 22-0033

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

January 23, 2023

Tara A. LeBlanc
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 State Plan Amendment (SPA) 22-0033

Dear Ms. LeBlanc:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 22-0033 effective for services on or after October 11, 2022. The purpose of this SPA is to establish the criteria for an acute care hospital to qualify as an urban metropolitan statistical area (MSA) facility in the New Orleans area and establish the reimbursement methodology for the provision of inpatient services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 22-0033 is approved effective October 11, 2022. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

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

Rory Howe
Director

Enclosure

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|---|--|---|-----------------------|
| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | | 1. TRANSMITTAL NUMBER 22-0033 | 2. STATE LA |
| TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES | | 3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT | |
| 5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447 Subpart C | | 4. PROPOSED EFFECTIVE DATE October 11, 2022 | |
| 7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A, Item 1, Page 8h Attachment 4.19-A, Item 1, Page 8i | | 6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>1,879,022</u> b. FFY <u>2024</u> \$ <u>1,869,247</u> | |
| 9. SUBJECT OF AMENDMENT The purpose of this SPA is to establish the criteria for an acute care hospital to qualify as an urban metropolitan statistical area (MSA) facility in the New Orleans area and establish the reimbursement methodology for the provision of inpatient services. | | 8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 22-0021) (New Page) | |
| 10. GOVERNOR'S REVIEW (Check One) <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL </div> <div style="width: 45%;"> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review State Plan material. </div> </div> | | | |
| 11. SIGNATURE OF STATE AGENCY OFFICIAL | | 15. RETURN TO Tara A. LeBlanc, Medicaid Executive Director Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030 | |
| 12. TYPED NAME Ruth Johnson, designee for Dr. Courtney N. Phillips | | 16. DATE RECEIVED November 14, 2022 | |
| 13. TITLE Secretary | | | |
| 14. DATE SUBMITTED November 14, 2022 | | | |
| FOR CMS USE ONLY | | | |
| 16. DATE RECEIVED November 14, 2022 | | 17. DATE APPROVED January 23, 2023 | |
| PLAN APPROVED - ONE COPY ATTACHED | | | |
| 18. EFFECTIVE DATE OF APPROVED MATERIAL October 11, 2022 | | 19. SIGNATURE OF APPROVING OFFICIAL | |
| 20. TYPED NAME OF APPROVING OFFICIAL Rory Howe | | 21. TITLE OF APPROVING OFFICIAL Director, Financial Management Group | |
| 22. REMARKS | | | |

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

Urban Metropolitan Statistical Area (MSA) Facility – Baton Rouge Area

Qualifying Criteria

In order to qualify as an urban MSA facility in the Baton Rouge area, the hospital must:

1. have a facility type code of acute and opened subsequent to the March 13, 2020 presidential declaration of a national emergency concerning the coronavirus disease 2019 (COVID-19), to provide availability of additional beds and services for COVID-19 patients;
2. have been licensed and certified no later than June 30, 2020, and located in zip code 70806, east of I-110, north of I-10, and south of Business Highway 190;
3. be located in an urban metropolitan statistical area (MSA) as defined by the United States Office of Management and Budget;
4. have an operational emergency room and is located greater than five miles in distance from the closest hospital emergency room; and
5. be located on a single site.

These provisions qualify The General Hospital also known as “Baton Rouge General – Mid-City Location”, as a qualifying urban MSA facility.

Reimbursement Methodology

Effective for dates of service on or after July 2, 2022, the inpatient hospital per diem rate paid to an urban MSA facility for acute care services shall be increased by indexing annually to 95 percent of the small rural hospital acute per diem rate in effect.

Effective for dates of service on or after July 2, 2022, the inpatient hospital per diem rate paid to an urban MSA facility for psychiatric services shall be increased by indexing annually to 95 percent of the small rural hospital psychiatric per diem rate in effect.

These rates are contingent on the hospital continuing to meet all qualifying criteria set forth above. The addition of any off site campus location to the license of this hospital will invalidate the provisions of this reimbursement methodology.

If the hospital no longer qualifies as an urban MSA facility, payments will revert back to appropriate non-rural, non-state hospital assigned rates effective on the date that the qualification(s) above are no longer met.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

Urban Metropolitan Statistical Area (MSA) Facility – New Orleans Area

Qualifying Criteria

In order to qualify as an urban metropolitan statistical area (MSA) facility in the New Orleans area, the hospital must:

1. be designated a non-rural hospital service district located in Louisiana Department of Health (LDH) region 1, with a facility type code of acute, with an original hospital license date before July 13, 2014, but after July 1, 2014, located in zip code 70127;
2. be located in an urban MSA as defined by United States Office of Management and Budget;
3. have an operational emergency room; and
4. not add additional locations under this license, without prior written approval of the Department.

These provisions qualify New Orleans East Hospital as a qualifying urban MSA facility.

Reimbursement Methodology

Effective for dates of service on or after October 11, 2022, the inpatient hospital per diem rate paid for acute care services to qualifying urban MSA hospitals in the New Orleans area that meet all of the criteria above shall be increased by indexing annually to 95 percent of the small rural hospital acute per diem rate in effect.

Effective for dates of service on or after October 11, 2022, the inpatient hospital per diem rate paid for psychiatric services to qualifying urban MSA hospitals in the New Orleans area that meet all of the criteria above shall be increased by indexing annually to 95 percent of the small rural hospital psychiatric per diem rate in effect.

These rates are contingent on the hospital continuing to meet all qualifying criteria included above. The addition of any off-site campus, beyond an outpatient primary care clinic, to the license of this hospital will invalidate the provisions of this reimbursement methodology.

If the hospital no longer qualifies, payments will revert back to appropriate non-rural, non-state hospital assigned rates effective on the date that the qualification(s) above are no longer met.