



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

VIA ELECTRONIC MAIL ONLY

December 29, 2023

James G. Scott, Director
Division of Program Operations
Medicaid & CHIP Operations Group
601 East 12th Street, Room 0300
Kansas City, Missouri 64106-2898

**RE: LA Medical Transportation Program SPA TN 23-0020 RAI Response
Ambulance Reimbursement Full Medicaid Pricing (FMP) to Fee Schedule**

Dear Mr. Scott:

Please refer to our proposed Medicaid State Plan submitted under transmittal number (TN) 23-0020 with a proposed effective date of July 1, 2023. The purpose of this SPA is to amend provisions governing medical transportation services in order to link emergency medical transportation to the Louisiana Medicaid fee schedule.

We are providing the following in response to your request for additional information (RAI) dated October 6, 2023:

Request for Additional Information for the state (LA SPA 23-0020):

Thank you for meeting with us on 10/03. Now that we know the state's intent and had the opportunity to review the UPL; we know that the state is proposing to use the Medicare Equivalent of the ACR and creating an annual fee schedule reflecting the ACR payment which the state has the flexibility to do. Still, we have a lot of work to do with this SPA and I want to continue encouraging the state to take of advantage of the flexibility of working "off the clock" with this SPA, but pulling this RAI RESPONSE and this will ensure to protect the effective date and at the same ensuring we take the necessary time to bring this SPA to an approvable status.

1. Therefore, please revise the UPL submission to ensure that enhanced payments and the demonstration data exclude services provided to beneficiaries who are dually eligible for Medicaid and Medicare. If the enhanced payment includes

payments and data for dually eligible beneficiaries, please document the authority provided for these payments as found in Supplement 1 to Attachment 4.19-B of the state plan and demonstrate how payments and charges for which Medicaid is the primary payer are identified. Medicaid only pays the deductible, coinsurance, or copay amount of the claim; or the difference between the Medicaid and Medicare payment rate if the Medicaid rate is higher. The Medicaid portion would not represent the normal Medicaid payment, thus the UPL gap would not reflect a true representation.

- a. “Generally, services provided to beneficiaries dually eligible for Medicare and Medicaid must be excluded from the calculation of the payment ceiling. However, in limited circumstances when Medicaid becomes the primary payer for such services as authorized in the state plan, these data may be included in the payment ceiling calculation”. Please reference <https://www.medicaid.gov/sites/default/files/2021-06/upl-instructions-qualified-practitioner-services-06012021.pdf> section III. Overview of Payment up to the Average Commercial Rate (ACR) or the Medicare Equivalent of the ACR.

LDH RESPONSE:

See attached revised submission.

2. Payers not Subject to Market Forces and Managed Care Must Be Excluded
Commercial payers include Medicare, Workers Compensation and any other payer not subject to market forces. Managed care payers that reimburse for services using a capitated rate or sub-capitated rate must be excluded from the demonstration. Managed care payers may be included to the extent that they pay for services on a fee for service basis. States must exclude from the demonstration volume and payment data associated with FQHCs, RHCs and managed care. Managed care data is included only when a separate fee for service payment has been made to an eligible provider. Non-commercial payers that are not subject to market forces, such as Medicare, must be excluded. Generally, services provided to beneficiaries dually eligible for Medicare and Medicaid must be excluded from the calculation of the payment ceiling. However, in limited circumstances when Medicaid becomes the primary payer for such services as authorized in the state plan, these data may be included in the payment ceiling calculation.

LDH RESPONSE:

The ACR demonstration does not include payers not Subject to Market Forces, including Medicare and Workers Compensation. Managed care payers that reimburse for services using a capitated rate or sub-capitated rate and other groups listed are also excluded.

3. How did the state determine 100% of the ACR for governmental entities versus 80% of the ACR for private entities as the base rates?

LDH RESPONSE:

The different ACR percentages continue historical payment levels which have been determined to be adequate to preserve access to care for all beneficiaries, particularly underserved and vulnerable beneficiaries.

4. Please articulate on SPA pages that the state will paying supplemental payments quarterly/annual basis if there is sufficient gap etc...and clearly state on pages the reasons of why/when and how the UPL will be applicable and why/when will fee schedule be applicable.

LDH RESPONSE:

LDH plans to utilize the fee schedule for all services.

Supplemental payments are provided at Attachment 4.19-B, Item 24.a, Pages 1b-1b(6). The amount and timing of those payments is specified. This language will be utilized only in the event a provider still has a gap between the Medicaid fee schedule payment and the provider's applicable ACR.

The new fee schedule language at Attachment 4.19-B, Item 24.a, Pages 1-1a does not involve supplemental or enhanced payments, but existing supplemental payments currently provided at Attachment 4.19-B, Item 24.a, Pages 1b-1b(6) will be made when providers qualify for those payments.

Standard Funding Questions Responses (SFQs):

5. The state indicated during our TA call held yesterday 10/03/2023 that the State share is paid from state general funds and taxes. According to the SFQs responses received on the initial submission the State share is paid from state general funds, which are directly appropriated to the Medicaid agency only. In addition, the state indicated that the SPA does not involve any supplemental or enhanced payments. Yet, the state's RAI response # 15 indicates that the state- LDH plans to utilize the fee schedule for all services. However, in the event a Provider still have a gap between the Medicaid fee schedule payment and ACR an additional UPL payment can be made. Therefore, please clarify and revise SFQs responses and resubmit to CMS for review. Further, when tax is involved if the state follows 42 CFR 433.56 and CFR 433.68 pertaining to the provider Tax, we should be fine. Ensure to include the following:
 - a. Please confirm that the mentioned health care provider tax structure is currently broad-based as laid out in Section 1903 (w)(3)(B) and 42 CFR 433.68 (c) and uniform as laid out in Section 1903 (w)(3)(C) and 42 CFR 433.68 (d) for the 4.19b pages submitted by the state.

LDH RESPONSE:

LDH confirms that the healthcare provider tax structure relating to this proposed State Plan is currently broad-based as laid out in

Section 1903 (w)(3)(B) and 42 CFR 433.68 (c) and uniform as laid out in Section 1903 (w)(3)(C) and 42 CFR 433.68 (d) for the 4.19b pages submitted by the State.

- b. Please confirm if Louisiana has an existing waiver and if so when it was last approved? We want to ensure that the provider tax fits within existing regulations and does not require a waiver of broad-based application or uniformity.

LDH RESPONSE:

The tax is broad-based and uniform and therefore no waiver is required.

As previously provided to the state, please reference · ACR/UPL related policy and other UPL related material to assist the State with this SPA.

- <https://www.medicaid.gov/medicaid/financial-management/downloads/upl-instructions-qualified-practitioner-services-06012021.pdf>
- <https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/upl-guidance-qualified-practitioner-services-replacement-new.pdf>
- <https://www.macpac.gov/wp-content/uploads/2021/11/Upper-Payment-Limit-Supplemental-Payments.pdf#:~:text=However%2C%20in%20sub-regulatory%20guidance%20CMS%20has%20indicated%20that,reasonable%20estimate%20of%20what%20Medicare%20would%20have%20paid>

LDH RESPONSE:

The State appreciates the guidance.

Please consider this as a formal request to begin the 90-day clock. As always, we appreciate the assistance and guidance CMS has provided in resolving these issues. We trust this RAI response will result in the approval of the pending SPA. If additional information is required, you may contact Karen H. Barnes via email at Karen.Barnes@la.gov or by phone at (225) 342-3881.

Sincerely,

Kimberly Sullivan

Kimberly Sullivan, J.D.
Interim Medicaid Executive Director

KS:KHB:MJ

Attachments

LA SPA 23-0020
Medical Transportation Services
Effective date: July 1, 2023

Medicaid Funding Questions

The following questions are being asked and should be answered in relation to all amended payments made to providers paid pursuant to a methodology described in Attachments 4.19-A, 4.19-B, and 4.-19-D of this SPA.

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.)

LDH RESPONSE:

Providers will receive and retain 100 percent of the payments. No portion of the payments is returned to the State.

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either through an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local governmental entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:
 - (i) a complete list of the names of entities transferring or certifying funds;
 - (ii) the operational nature of the entity (state, county, city, other);
 - (iii) the total amounts transferred or certified by each entity;
 - (iv) clarify whether the certifying or transferring entity has general taxing authority: and,
 - (v) whether the certifying or transferring entity received appropriations (identify level of appropriations).

LDH RESPONSE:

The source of the state share is statutory dedication, specifically the Emergency Ground Ambulance Service Provider Trust Fund Account. Per LA R.S. 46:2626, the Louisiana Department of Health (LDH) may adopt and impose fees on emergency ground Ambulance providers. Emergency ground ambulance providers are defined as a nonpublic, nonfederal provider of emergency ground ambulance services.

Also, a voluntary intergovernmental transfer (IGT) will be the process from local governmental entities that participate in the Medicaid program as ambulance providers. LDH will ensure that any IGT in this program is compliant with CMS regulations regarding IGT and general taxing authority. The Governmental providers identified on the attached list of providers are the only entities currently identified as eligible to IGT funds to LDH for this program.

- (i) The operational nature of the entity is Parish and/or City
- (ii) The total amounts transferred by each entity are not known at this time
- (iii) The transferring entities have general taxing authority
- (iv) The transferring entities do receive local appropriations, usually through millage

The anticipated expenditures for the Supplemental payments are estimated to be \$1.6M.

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.

LDH RESPONSE:

The supplemental UPL payments are estimated are to be \$1.6M:

Governmental	\$103,802.08
Private	\$1,569,982.33

See attached UPL Demo

4. For clinic or outpatient hospital services please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated, non-state government owned or operated, and privately owned or operated). Please provide a current (i.e., applicable to the current rate year) UPL demonstration.

LDH RESPONSE:

Not applicable to this State Plan amendment.

5. Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the

LA SPA 23-0020
Medical Transportation Services
Effective date: July 1, 2023

excess and return the Federal share of the excess to CMS on the quarterly expenditure report?

LDH RESPONSE:

There are no public/governmental providers receiving payments that exceed their reasonable costs of services provided.

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 ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Supplemental Payments for Emergency Ambulance Services

Effective for dates of service on or after September 21, 2011, quarterly supplemental payments ~~may~~ shall be issued to qualifying land ambulance and air ambulance providers for emergency medical transportation services rendered during the quarter.

A. Qualifying Criteria

Ambulance service providers must meet the following requirements in order to qualify to receive supplemental payments. The ambulance service provider must be:

1. Licensed by the State of Louisiana;
2. Enrolled as a Louisiana Medicaid provider;
3. Be a provider of emergency medical transportation or air ambulance services as defined in 42 CFR 440.170 and Medical and Remedial Care and Services Item 24.a; and

B. Calculation of Average Commercial Rate

The supplemental payment will be determined in a manner to bring the payments for these services up to the average commercial rate level as described in C8. The average commercial rate level is defined as the average amount payable by the commercial payers for the same services.

The state will align the paid Medicaid claims with the Medicare fees for each HCPCS or CPT code for the ambulance provider and calculate the Medicare payment for those claims. The state will then calculate an overall Medicare to commercial conversion factor for each ambulance provider by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. The commercial to Medicare ratio for each provider will be re-determined at least every three years.

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 ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

C. Payment Methodology

The supplemental payment to each qualifying ambulance service provider will not exceed the sum of the difference between the Medicaid payments otherwise made to these qualifying providers for emergency medical transportation and air ambulance services and the average amount that would have been paid at the equivalent community rate. The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level. The community rate is defined as the average amount payable by commercial insurers for the same services.

The specific methodology to be used in establishing the supplemental payment for ambulance providers is as follows:

1. The Department of Health and Hospitals (DHH) shall identify Medicaid ambulance service providers that were qualified to receive supplemental Medicaid reimbursement for emergency medical transportation services and air ambulance services during the quarter.
2. For each Medicaid ambulance service provider identified to receive supplemental payments, the Department shall identify the emergency medical transportation and air ambulance services for which the Medicaid ambulance service providers were eligible to be reimbursed.
3. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the reimbursement paid to the Medicaid ambulance service providers for the emergency medical transportation and air ambulance services identified under (C2).
4. For each Medicaid ambulance service provider described in (C I), the Department shall calculate the Medicaid ambulance service provider's equivalent community rate for each of the Medicaid ambulance service provider's services identified under (C2).
5. For each Medicaid ambulance service provider described in (C I), the Department shall subtract an amount equal to the reimbursement calculation for each of the emergency medical transportation and air ambulance services under (C3) from an amount equal to the amount calculated for each of the emergency medical transportation and air ambulance services under (C4).

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 ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

6. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the sum of each of the amounts calculated for emergency medical transportation and air ambulance services under (C5).
7. For each Medicaid ambulance service provider described in (C1), the Department shall calculate each emergency ambulance service provider's upper payment limit by totaling the provider's total Medicaid payment differential from (C6).
8. The Department will may reimburse providers based on the following criteria:
 - a. For ambulance service providers identified in (C1) located in large urban areas and owned by governmental entities, reimbursement will be up to 100% percent of the provider's average commercial rate calculated in (C7).
 - b. For all other ambulance service providers identified in (C I) reimbursement will may be up to 80% percent of the provider's average commercial rate calculated in (C7).
9. Payments under this section will be made in the event the reimbursement amount paid under the Medicaid fee schedule to the provider is less than the percent of average commercial rate provided in 8(a) and 8(b).

D. Effective Date of Payment

The supplemental payment will may be made effective for emergency medical transportation and air ambulance services provided on or after September 21, 2011. This payment is based on the average amount that would have been paid at the equivalent community rate. After the initial calculation for fiscal year 2011-2012, the State will rebase the equivalent community rate using adjudicated claims data for services from the most recently completed fiscal year. This calculation may shallmay be made annually, but shall be made no less than every three years.

E. Maximum Payment

The total amount to be paid by the state to any individual qualified Medicaid ambulance service providers for supplemental Medicaid payments shall not exceed the total of the Medicaid payment differentials calculated under (C6).

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

Enhanced Reimbursements for Qualifying Emergency and Non-Emergency Ground Ambulance Service Providers

A. Effective for emergency services (as defined 42 CFR ~~410.40(b)~~431.53) with dates of service on or after August 1, 2016 and non-emergency services with dates of service on or after July 1, 2019, the following emergency ambulance service providers qualify for enhanced reimbursement through the Supplemental Payment program:

1. A Med Ambulance Inc
2. Acadian Ambulance New Orleans
3. Acadian Ambulance Service
4. Advanced Emergency Medical Services
5. Balentine Ambulance Services
6. Med Express Ambulance Service
7. Med Life Emergency Medical Services
8. Metro Ambulance Service
9. Miss-Lou Ambulance Service
10. Northeast Louisiana Ambulance
11. Northshore Emergency Medical Services
12. Pafford Emergency Medical Service
13. St. Landry Emergency Medical Services
14. West Jefferson Medical Center

B. Calculation of Average Commercial Rate

1. The enhanced reimbursement shall be determined in a manner to bring the payments for these services up to the average commercial rate level as described in Subparagraph C.3.h. The average commercial rate level is defined as the average amount payable by the commercial payers for the same service.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

2. The Department shall align the paid Medicaid claims with the Medicare fees for each healthcare common procedure coding system (HCPCS) or current procedure terminology (CPT) code for the ambulance provider and calculate the Medicare payment for those claims.
3. The Department shall calculate an overall Medicare to commercial conversion factor for each ambulance provider by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims.
4. The commercial to Medicare ratio for each provider will be re-determined at least every three years.

C. Payment Methodology

1. Effective for dates of service on or after July 1, 2019, payment will include non-emergency ground ambulance services. The enhanced reimbursement to each qualifying emergency ground ambulance service provider shall not exceed the sum of the difference between the Medicaid payments otherwise made to these providers for the provision of emergency and non-emergency ambulance services and the average amount that would have been paid at the equivalent community rate.
2. The enhanced reimbursement shall be determined in a manner to bring payments for these services up to the community rate level. Community Rate-the average amount payable by commercial insurers for the same services.
3. The specific methodology to be used in establishing the enhanced reimbursement payment for ambulance providers is as follows:
 - a. The Department shall identify Medicaid ambulance service providers that qualify to receive enhanced reimbursement Medicaid payments for the provision of emergency and non-emergency ambulance services.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- b. For each Medicaid ambulance service provider identified to receive enhanced reimbursement Medicaid payments, the Department shall identify the emergency and non-emergency ambulance services for which the provider is eligible to be reimbursed.
- c. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the reimbursement paid to the provider for the provision of emergency and non-emergency ambulance services identified under Subparagraph C.3.b.
- d. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the provider's equivalent community rate for each of the provider's services identified under Subparagraph C.3.b.
- e. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall subtract an amount equal to the reimbursement calculation for each of the emergency and non-emergency ambulance services under Subparagraph C.3.c. from an amount equal to the amount calculated for each of the emergency and non-emergency ambulance services under Subparagraph C.3.d.
- f. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the sum of each of the amounts calculated for emergency and non-emergency ambulance services under Subparagraph C.3.e.
- g. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate each provider's upper payment limit by totaling the provider's total Medicaid payment differential from Subparagraph C.3.f.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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- h. On a quarterly basis, the Department shall reimburse providers identified in Subparagraph C.3.a., up to 100 percent of the provider's average commercial rate.
4. No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.
5. Supplemental payments will occur within 180 days of the close of a quarter; however, in the year in which the average commercial rate is being set or updated, payment will be made within 180 days from the computation and final review of the average commercial rate.
6. Payments under this section will be made in the event the reimbursement amount paid under the Medicaid fee schedule to the provider is less than 100 percent of the provider's average commercial rate.

D. Effective Date of Payment

1. The enhanced reimbursement payment shall be made effective for emergency ambulance services provided on or after August 1, 2016, and for non-emergency ambulance transportation services provided on or after July 1, 2019. This payment is based on the average amount that would have been paid at the equivalent community rate.
2. After the initial calculation for fiscal year 2015-2016 for emergency ambulance services and after the initial calculation for fiscal year 2019-2020 for non-emergency ambulance transportation services, the Department will rebase the equivalent community rate using adjudicated claims data for services from the most recently completed fiscal year. This calculation may be made annually but shall be made no less than every three years.

E. Maximum Payment

The total maximum amount to be paid by the Department to any individually qualified Medicaid ambulance service provider for enhanced reimbursement Medicaid payments shall not exceed the total of the Medicaid payment differentials calculated under Subparagraph C.3.f.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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Supplemental Payments for Emergency Ambulance Services

Effective for dates of service on or after September 21, 2011, quarterly supplemental payments shall be issued to qualifying land ambulance and air ambulance providers for emergency medical transportation services rendered during the quarter.

A. Qualifying Criteria

Ambulance service providers must meet the following requirements in order to qualify to receive supplemental payments. The ambulance service provider must be:

1. Licensed by the State of Louisiana;
2. Enrolled as a Louisiana Medicaid provider;
3. Be a provider of emergency medical transportation or air ambulance services as defined in 42 CFR 440.170 and Medical and Remedial Care and Services Item 24.a; and

B. Calculation of Average Commercial Rate

The supplemental payment will be determined in a manner to bring the payments for these services up to the average commercial rate level as described in C8. The average commercial rate level is defined as the average amount payable by the commercial payers for the same services.

The state will align the paid Medicaid claims with the Medicare fees for each HCPCS or CPT code for the ambulance provider and calculate the Medicare payment for those claims. The state will then calculate an overall Medicare to commercial conversion factor for each ambulance provider by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. The commercial to Medicare ratio for each provider will be re-determined at least every three years.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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C. Payment Methodology

The supplemental payment to each qualifying ambulance service provider will not exceed the sum of the difference between the Medicaid payments otherwise made to these qualifying providers for emergency medical transportation and air ambulance services and the average amount that would have been paid at the equivalent community rate. The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level. The community rate is defined as the average amount payable by commercial insurers for the same services.

The specific methodology to be used in establishing the supplemental payment for ambulance providers is as follows:

1. The Department of Health and Hospitals (DHH) shall identify Medicaid ambulance service providers that were qualified to receive supplemental Medicaid reimbursement for emergency medical transportation services and air ambulance services during the quarter.
2. For each Medicaid ambulance service provider identified to receive supplemental payments, the Department shall identify the emergency medical transportation and air ambulance services for which the Medicaid ambulance service providers were eligible to be reimbursed.
3. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the reimbursement paid to the Medicaid ambulance service providers for the emergency medical transportation and air ambulance services identified under (C2).
4. For each Medicaid ambulance service provider described in (C I), the Department shall calculate the Medicaid ambulance service provider's equivalent community rate for each of the Medicaid ambulance service provider's services identified under (C2).
5. For each Medicaid ambulance service provider described in (C I), the Department shall subtract an amount equal to the reimbursement calculation for each of the emergency medical transportation and air ambulance services under (C3) from an amount equal to the amount calculated for each of the emergency medical transportation and air ambulance services under (C4).

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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6. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the sum of each of the amounts calculated for emergency medical transportation and air ambulance services under (C5).
7. For each Medicaid ambulance service provider described in (C1), the Department shall calculate each emergency ambulance service provider's upper payment limit by totaling the provider's total Medicaid payment differential from (C6).
8. The Department will reimburse providers based on the following criteria:
 - a. For ambulance service providers identified in (C1) located in large urban areas and owned by governmental entities, reimbursement will be up to 100 percent of the provider's average commercial rate calculated in (C7).
 - b. For all other ambulance service providers identified in (C I) reimbursement will be up to 80 percent of the provider's average commercial rate calculated in (C7).
9. Payments under this section will be made in the event the reimbursement amount paid under the Medicaid fee schedule to the provider is less than the percent of average commercial rate provided in 8(a) and 8(b).

D. Effective Date of Payment

The supplemental payment will be made effective for emergency medical transportation and air ambulance services provided on or after September 21, 2011. This payment is based on the average amount that would have been paid at the equivalent community rate. After the initial calculation for fiscal year 2011-2012, the State will rebase the equivalent community rate using adjudicated claims data for services from the most recently completed fiscal year. This calculation may be made annually, but shall be made no less than every three years.

E. Maximum Payment

The total amount to be paid by the state to any individual qualified Medicaid ambulance service providers for supplemental Medicaid payments shall not exceed the total of the Medicaid payment differentials calculated under (C6).

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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Enhanced Reimbursements for Qualifying Emergency and Non-Emergency Ground Ambulance Service Providers

A. Effective for emergency services (as defined 42 CFR 431.53) with dates of service on or after August 1, 2016 and non-emergency services with dates of service on or after July 1, 2019, the following emergency ambulance service providers qualify for enhanced reimbursement through the Supplemental Payment program:

1. A Med Ambulance Inc
2. Acadian Ambulance New Orleans
3. Acadian Ambulance Service
4. Advanced Emergency Medical Services
5. Balentine Ambulance Services
6. Med Express Ambulance Service
7. Med Life Emergency Medical Services
8. Metro Ambulance Service
9. Miss-Lou Ambulance Service
10. Northeast Louisiana Ambulance
11. Northshore Emergency Medical Services
12. Pafford Emergency Medical Service
13. St. Landry Emergency Medical Services
14. West Jefferson Medical Center

B. Calculation of Average Commercial Rate

1. The enhanced reimbursement shall be determined in a manner to bring the payments for these services up to the average commercial rate level as described in Subparagraph C.3.h. The average commercial rate level is defined as the average amount payable by the commercial payers for the same service.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

2. The Department shall align the paid Medicaid claims with the Medicare fees for each healthcare common procedure coding system (HCPCS) or current procedure terminology (CPT) code for the ambulance provider and calculate the Medicare payment for those claims.
3. The Department shall calculate an overall Medicare to commercial conversion factor for each ambulance provider by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims.
4. The commercial to Medicare ratio for each provider will be re-determined at least every three years.

C. Payment Methodology

1. Effective for dates of service on or after July 1, 2019, payment will include non-emergency ground ambulance services. The enhanced reimbursement to each qualifying emergency ground ambulance service provider shall not exceed the sum of the difference between the Medicaid payments otherwise made to these providers for the provision of emergency and non-emergency ambulance services and the average amount that would have been paid at the equivalent community rate.
2. The enhanced reimbursement shall be determined in a manner to bring payments for these services up to the community rate level. Community Rate-the average amount payable by commercial insurers for the same services.
3. The specific methodology to be used in establishing the enhanced reimbursement payment for ambulance providers is as follows:
 - a. The Department shall identify Medicaid ambulance service providers that qualify to receive enhanced reimbursement Medicaid payments for the provision of emergency and non-emergency ambulance services.

STATE OF LOUISIANA

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- b. For each Medicaid ambulance service provider identified to receive enhanced reimbursement Medicaid payments, the Department shall identify the emergency and non-emergency ambulance services for which the provider is eligible to be reimbursed.
- c. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the reimbursement paid to the provider for the provision of emergency and non-emergency ambulance services identified under Subparagraph C.3.b.
- d. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the provider's equivalent community rate for each of the provider's services identified under Subparagraph C.3.b.
- e. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall subtract an amount equal to the reimbursement calculation for each of the emergency and non-emergency ambulance services under Subparagraph C.3.c. from an amount equal to the amount calculated for each of the emergency and non-emergency ambulance services under Subparagraph C.3.d.
- f. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the sum of each of the amounts calculated for emergency and non-emergency ambulance services under Subparagraph C.3.e.
- g. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate each provider's upper payment limit by totaling the provider's total Medicaid payment differential from Subparagraph C.3.f.

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- h. On a quarterly basis, the Department shall reimburse providers identified in Subparagraph C.3.a., up to 100 percent of the provider's average commercial rate.
4. No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.
5. Supplemental payments will occur within 180 days of the close of a quarter; however, in the year in which the average commercial rate is being set or updated, payment will be made within 180 days from the computation and final review of the average commercial rate.
6. Payments under this section will be made in the event the reimbursement amount paid under the Medicaid fee schedule to the provider is less than 100 percent of the provider's average commercial rate.

D. Effective Date of Payment

1. The enhanced reimbursement payment shall be made effective for emergency ambulance services provided on or after August 1, 2016, and for non-emergency ambulance transportation services provided on or after July 1, 2019. This payment is based on the average amount that would have been paid at the equivalent community rate.
2. After the initial calculation for fiscal year 2015-2016 for emergency ambulance services and after the initial calculation for fiscal year 2019-2020 for non-emergency ambulance transportation services, the Department will rebase the equivalent community rate using adjudicated claims data for services from the most recently completed fiscal year. This calculation may be made annually but shall be made no less than every three years.

E. Maximum Payment

The total maximum amount to be paid by the Department to any individually qualified Medicaid ambulance service provider for enhanced reimbursement Medicaid payments shall not exceed the total of the Medicaid payment differentials calculated under Subparagraph C.3.f.