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State/Territory Name: Louisiana

State Plan Amendment (SPA) LA: 23-0033

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



Financial Management Group

February 27, 2024

Kimberly Sullivan
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 23-0033.

Dear Medicaid Executive Director Kimberly Sullivan:

We have reviewed the proposed Louisiana State Plan Amendment (SPA) to Attachment 4.19-B pages under LA- 23-0033, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 15, 2023. The purpose of this SPA is to revise the provisions governing Outpatient Hospital Services in order to establish quarterly supplemental payments for certain public non-state small rural hospitals located in administrative region 3 that render qualifying services during the quarter.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. 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 via email at: Monica.Neiman@cms.hhs.gov.

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 23-0033	2. STATE LA
3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE July 1, 2023	
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2024 \$0 b. FFY 2025 \$0	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 440.20 42 CFR 447 Subpart F	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 11-35) Same (TN 22-0008)
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Pages 4b-4e Attachment 4.19-B, Page 4f (new page) Attachment 4.19-B, Item 2.a., Page 4a Attachment 4.19-B, Item 2.a., Page 4a(1) (new page)	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES


9. SUBJECT OF AMENDMENT
The purpose of this SPA is to revise the provisions governing Outpatient Hospital Services in order to establish quarterly supplemental payments for certain public non-state small rural hospitals located in administrative region 3 that render qualifying services during the quarter.

10. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL


☒ OTHER, AS SPECIFIED:

The Governor does not review State Plan material.

11. SIGNATURE OF STATE AGENCY OFFICIAL 
12. TYPED NAME Pam Diez, designee for Stephen R. Russo, JD
13. TITLE Secretary
14. DATE SUBMITTED August 15, 2023

15. RETURN TO Kimberly Sullivan Interim Medicaid Executive Director Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030
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FOR CMS USE ONLY

16. DATE RECEIVED August 15, 2023	17. DATE APPROVED February 27, 2024
PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2023	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review

22. REMARKS
The State requests a pen and ink change to boxes 5, 7, and 8.
Attachment 4.19-B, Item 2a, Pages 4b-4f are being withdrawn from consideration and are replaced by Attachment 4.19-B, Item 2a, pages 4a and 4a(1).

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:

Effective for dates of service on or after July 1, 2008, small rural hospitals as defined in D.3.b. shall be reimbursed for **outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient hospital facility fees as follows:**

Interim payment shall be one hundred ten percent of each hospital's cost to charge ratio as calculated from the latest filed cost report. Final reimbursement shall be one hundred ten percent of allowable cost as calculated through the cost report settlement process. Final cost is identified by mapping outpatient charges to individual cost centers on the Medicare Hospital Cost Report then multiplying such charges by the cost centers' individual cost to charge ratios. Dates of service associated with the charges match the rate year on the Medicare Hospital Cost Report.

Supplemental Payments for Outpatient Services in Small Rural Hospitals

Effective for the dates of service on or after August 1, 2010, small rural hospitals as defined below shall be reimbursed for outpatient hospital surgery services, rehabilitation services, and outpatient hospital facility fees up to the Medicare outpatient upper payment limit.

Qualifying Criteria:

- a. Public (non-state) small rural hospital: a small rural hospital as defined in Attachment 4.19-A, Section D.3.b.(1) which is owned by a local government and as of August 1, 2010 has a certified neonatal intensive care unit.
- b. Private small rural hospital: a small rural hospital as defined in Attachment 4.19-A, Section D.3.b.(1)(i)

Effective for the dates of service on or after August 1, 2010, small rural hospitals as defined below shall be reimbursed for **outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees** up to the Medicare outpatient upper payment limit.

Qualifying Criteria:

- a. Public (non-state) small rural hospital: a small rural hospital as defined in Attachment 4.19-A, Section D.3.b.(1) which is owned by a local government and as of August 1, 2010 has a certified neonatal intensive care unit.
- b. Private small rural hospital: a small rural hospital as defined in Attachment 4.19-A, Section D.3.b.(1)(i)

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:

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital surgery services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital clinic services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital rehabilitation services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation, and outpatient facility fees clinic services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

In order to qualify for the quarterly supplemental payments, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

In accordance with 42 CFR 447.321 and 440.20, there will be no duplication of costs.

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.