



**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

March 22, 2024

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

RE: Louisiana Title XIX State Plan  
Transmittal No. 24-0007

Dear Mr. Scott:

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material.

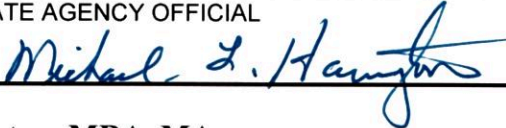
I recommend this material for adoption and inclusion in the body of the State Plan.  
Should you have any questions or concerns regarding this matter, please contact Karen  
Barnes at (225) 342-3881 or via email at [Karen.Barnes@la.gov](mailto:Karen.Barnes@la.gov).

Sincerely,

  
\_\_\_\_\_, designee for  
Ralph L. Abraham, M.D.  
Secretary

Attachments (3)

RLA:KS:UN

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <b>24-0007</b>	2. STATE <b>LA</b>
		3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <b>February 20, 2024</b>	
5. FEDERAL STATUTE/REGULATION CITATION  <b>42 CFR 447 Subpart C</b>		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2024</u> <b>\$ 904,216</b> b. FFY <u>2025</u> <b>\$ 1,361,200</b>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <b>Attachment 4.19-A, Item 1, Page 10d Attachment 4.19-A, Item 1, Page 10k (11-12) New Pages</b>		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  <b>Same (TN 19-0027)</b>	
9. SUBJECT OF AMENDMENT <b>The purpose of this SPA is to amend the provisions governing disproportionate share hospital (DSH) payments to establish the qualification criteria and methodology for payments for the uncompensated care costs of inpatient psychiatric hospitals located in the northern area of the state with an academic training mission for services provided to uninsured and low-income individuals from the payment pool created in accordance with Act 447.</b>			
10. GOVERNOR'S REVIEW (Check One) <div><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><input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review State Plan material.</div>			
11. SIGNATURE OF STATE AGENCY OFFICIAL 		15. RETURN TO <b>Kimberly Sullivan, J.D. Medicaid Executive Director Louisiana Department of Health 628 North 4<sup>th</sup> Street P.O. Box 91030 Baton Rouge, LA 70821-9030</b>	
12. TYPED NAME <b>Michael Harrington, MBA, MA Designee for Ralph L. Abraham, M.D.</b>			
13. TITLE <b>Secretary</b>			
14. DATE SUBMITTED <b>March 22, 2024</b>			
<b>FOR CMS USE ONLY</b>			
16. DATE RECEIVED		17. DATE APPROVED	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
18. EFFECTIVE DATE OF APPROVED MATERIAL		19. SIGNATURE OF APPROVING OFFICIAL	
20. TYPED NAME OF APPROVING OFFICIAL		21. TITLE OF APPROVING OFFICIAL	
22. REMARKS			

LA TITLE XIX SPA																			
TRANSMITTAL #:		24-0007										FISCAL IMPACT:							
TITLE:		Disproportionate Share Hospital Payments - Northern Area Psychiatric Hospitals										Increase							
EFFECTIVE DATE:		February 20, 2024																	
	year						*# mos		range of mos.			dollars							
1st SFY	2024				67.67%	5	February 2024 - June 2024					\$2,000,000							
2nd SFY	2025				68.06%	12	July 2024 - June 2025					\$2,000,000							
3rd SFY	2026				68.06%	12	July 2025 - June 2026					\$2,000,000							
										*#mos-months remaining in fiscal year.									
Total increase or decrease cost FFY		2024																	
		\$2,000,000	/	12	X	5	February 2024 - June 2024					\$833,333							
							\$833,333	X	67.67%				\$563,916						
		\$2,000,000	/	12	X	3	July 2024 - September 2024					\$500,000							
							\$500,000		68.06%				\$340,300						
										FFP (FFY 2024)		=	\$904,216						
Total increase or decrease cost FFY		2025																	
		\$2,000,000	/	12	X	#	October 2024 - September 2025				=	\$2,000,000							
							\$2,000,000	X	68.06%	=			\$1,361,200						
										FFP (FFY 2025)		=	\$1,361,200						

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

**j. Psychiatric Hospitals Located in the Northern Area of the State**

**Qualifying Criteria**

Effective for dates of service on or after February 20, 2024, hospitals qualifying for payments as psychiatric hospitals located in the northern area of the state shall meet the following criteria:

1. be a private, non-rural freestanding psychiatric hospital located in the Louisiana Department of Health administrative regions 7 or 8; and
2. have a current executed academic affiliation agreement for purposes of providing graduate medical education (GME) and training to at least five documented intern and resident full time equivalents (FTEs), annually.
  - a. The affiliation agreement must be with a medical school located in Louisiana.
  - b. The intern and resident FTE count must be included on the Medicare Medicaid cost report, annually, on worksheet S-3, column 9.
  - c. The hospital must be listed as a GME program training site on the Accreditation Council for Graduate Medical Education website.

**Payment Methodology**

Effective for dates of service on or after February 20, 2024, each qualifying hospital shall be paid a DSH adjustment payment which is the pro rata amount calculated by dividing their hospital specific allowable uncompensated care costs by the total allowable uncompensated care costs for all hospitals qualifying under this category, and multiplying by the funding appropriated by the Louisiana Legislature in the applicable state fiscal year (SFY) for this category of hospitals.

1. Costs, patient specific data and documentation that qualifying criteria is met, shall be submitted in a format specified by the Department.
2. Costs and lengths of stay shall be reviewed by the Department for reasonableness before payments are made.
3. Aggregate DSH payments for hospitals that receive payment from this category, and any other DSH category, shall not exceed the hospital's specific DSH limit. If payments calculated under this methodology would cause a hospital's aggregate DSH payment to exceed the limit, the payment from this category shall be capped at the hospital's specific DSH limit.

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PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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4. A pro rata decrease, necessitated by conditions specified in number 1 above, will be calculated based on the ratio determined by dividing the hospital's uncompensated costs by the uncompensated costs for all of the qualifying hospitals described in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment.

Additional payments shall only be made after finalization of the Centers for Medicare and Medicaid Services (CMS) mandated DSH audit for the SFY. Payments shall be limited to the aggregate amount recouped from the qualifying hospitals described in this section, based on these reported audit results. If the hospitals' aggregate amount of underpayments reported per the audit results exceeds the aggregate amount overpaid, the payment redistribution to underpaid hospitals shall be paid on a pro rata basis calculated using each hospital's amount underpaid, divided by the sum of underpayments for all of the hospitals described in this Section.

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.

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- e. Meet the definition of a public non-rural community hospital as defined in I.D.3.e. below; **or**
- f. Effective September 15, 2006, be a private non-rural community hospital as defined in I.D.3.f. below; **or**
- g. Effective November 3, 1997, be a small rural hospital as defined in I.D.3.b.; **or**
- h. Effective for dates of service on or after January 1, 2008, be a Medicaid enrolled non-state acute care hospital that expands their existing distinct part psychiatric unit or that enrolls a new distinct part psychiatric unit, and signs an addendum to the Provider Enrollment form (PE-50) by April 3, 2008 with the Department of Health, Office of Behavioral Health; **or**
- i. Effective for dates of service on or after January 21, 2010, be a hospital participating in the Low Income and Needy Care Collaboration; **or**
- j. Effective for dates of service on or after May 24, 2014, meet the definition of a Louisiana Low-Income Academic Hospital; **or**
- k. Effective for dates of services on or after June 30, 2016, be a hospital defined as a major medical center in the central and northern areas of Louisiana; **or**
- l. Effective for dates of service on or after June 30, 2018, be a major medical center with a specialized care unit located in the southwestern area of the state; **or**
- m. Effective for dates of service on or after January 1, 2020, be a major medical center located in the southeastern area of the state; **and**
- n. Effective for dates of service on or after February 20, 2024, be a psychiatric hospital located in the northern area of the state.
- o. In addition to the qualification criteria outlined in I.D.1.a.-n. above, effective July 1, 1994, the qualifying disproportionate share hospital must also have a Medicaid inpatient utilization rate of at least one percent.

**2. General Provisions for Disproportionate Share Payments**

- a. Total cumulative disproportionate share payments under any and all DSH payment methodologies shall not exceed the federal disproportionate share state allotment for Louisiana for each federal fiscal year. The Department shall make necessary downward adjustments to hospitals' disproportionate share payments to remain within the federal disproportionate share allotment.