

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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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.