

## **Table of Contents**

**State/Territory Name: Louisiana**

**State Plan Amendment (SPA) #: LA 24-0012**

This file contains the following documents in the order listed:

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

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

September 16, 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: TN 24-0012

Dear Director Sullivan:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Louisiana state plan amendment (SPA) to Attachment 4.19-A LA 24-0012, which was submitted to CMS on July 2, 2014. This plan amendment updates the provisions governing qualifying criteria and reimbursement methodology for high Medicaid utilization academic hospitals in order to increase payments for inpatient hospital services.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan page.


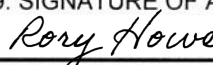
If you have any additional questions or need further assistance, please contact Tom Caughey at 517-487-8598 or via email at [tom.caughey@cms.hhs.gov](mailto:tom.caughey@cms.hhs.gov).

Sincerely,

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

Rory Howe  
Director  
Financial Management Group

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <b>24-0012</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>July 1, 2024</b>	
5. FEDERAL STATUTE/REGULATION CITATION  <b>42 CFR Part 447 Subpart C</b>		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <b>2024</b> <b>\$7,435,987</b> b. FFY <b>2025</b> <b>\$31,871,730</b>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <b>Attachment 4.19-A, Item 1, Page 8j (New Page)</b>		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)	
9. SUBJECT OF AMENDMENT <b>The purpose of this SPA is to adopt provisions governing qualifying criteria and reimbursement methodology for high Medicaid utilization academic hospitals in order to increase payments for inpatient hospital services.</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</b>			
13. TITLE <b>Secretary</b>			
14. DATE SUBMITTED <b>July 2, 2024</b>			
<b>FOR CMS USE ONLY</b>			
16. DATE RECEIVED <b>July 2, 2024</b>		17. DATE APPROVED <b>September 16, 2024</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
18. EFFECTIVE DATE OF APPROVED MATERIAL <b>July 1, 2024</b>		19. SIGNATURE OF APPROVING OFFICIAL 	
20. TYPED NAME OF APPROVING OFFICIAL <b>Rory Howe</b>		21. TITLE OF APPROVING OFFICIAL <b>Director, Financial Management Group</b>	
22. REMARKS			

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

**High Medicaid Utilization Academic Hospitals**

**Qualifying Criteria**

Effective for dates of service on or after July 1, 2024, the hospital shall meet the following criteria per the Medicare/Medicaid as filed cost report for their fiscal year ended in state fiscal year 2023:

1. have a Medicaid inpatient utilization of at least 39 percent; and
2. have an approved graduate medical education program with at least 400 intern and resident full-time equivalents (FTEs). The intern and resident FTE count must be included on the Medicare/Medicaid cost report on worksheet E-4, line 6 plus worksheet E-3, Part II, line 6.

Qualifying hospitals shall not add additional locations under their license without prior written approval of the Department. 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.

**Payment Methodology**

High Medicaid academic hospitals that meet all of the criteria above shall be reimbursed a prospective per diem rate of \$3,880.73 for acute inpatient hospital services, including special care units. This rate is based on the allowable Medicaid cost determined from the latest filed Medicare/Medicaid cost report as of March 31, 2024. The prospective graduate medical education component included in this rate is \$271.12.

Reimbursement for inpatient hospital psychiatric services to qualifying high Medicaid academic hospitals that meet all of the criteria above, shall be reimbursed a prospective per diem rate of \$1,705.76. This rate is based on the allowable Medicaid cost report as of March 31, 2024.

These rates are conditional on the hospital continuing to meet all qualifying criteria above. 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) are no longer met. The Department may review all above provisions every three years, at a minimum, to evaluate continuation of these enhanced reimbursements.

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. In accordance with 42 CFR 447.272 and 42 CFR 440.10, there will be no duplication of costs.