



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

September 30, 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. 24-0023

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 Marjorie Jenkins at (225) 342-3881 or via email at [Marjorie.Jenkins@la.gov](mailto:Marjorie.Jenkins@la.gov).

Sincerely,

  
Michael Harrington, MBA, MA  
Secretary

Attachments (3)

MH:KS:KC

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <b>24-0023</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  
**July 1, 2024**

5. FEDERAL STATUTE/REGULATION CITATION

**42 CFR 440.20  
42 CFR 447.321**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY <b>2024</b>	<b>\$1,760,335</b>
b. FFY <b>2025</b>	<b>\$7,832,358</b>

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-B, Item 2a, Pages 16-17 (New Pages)**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

**The purpose of this SPA is to adopt provisions governing qualifying criteria and reimbursement methodology for other rural hospitals in order to increase payments for outpatient hospital services.**

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

**Michael Harrington, MBA, MA**

13. TITLE

**Secretary**

14. DATE SUBMITTED

**September 30, 2024**

15. RETURN TO

**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**

**FOR CMS USE ONLY**

16. DATE RECEIVED

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS



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:

**Other Rural Hospitals**

In order to qualify as an other rural, non-state hospital the hospital shall meet the following criteria:

- a. Is a non-state owned hospital;
- b. Has no more than sixty licensed beds as of October 1, 2024, excluding distinct part psychiatric unit beds, distinct part rehabilitation unit beds, and nursery bassinets;
- c. Does not qualify as a rural hospital as defined in Attachment 4.19-A, Section D.3.b;
- d. Is not located within one of Louisiana's metropolitan statistical areas (MSA) as delineated in OMB Bulletin No. 23-01;
- e. Has an operational emergency room; and
- f. Is located in a municipality with a population of less than 23,000 as measured by the 2020 United States Census.

**Reimbursement Methodology**

Effective for dates of service on or after July 1, 2024, reimbursement rates paid to other rural, non-state hospitals for outpatient hospital services shall be as follows:

- a. Surgery Services. The reimbursement amount for outpatient hospital surgery services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement amount of 95 percent of allowable Medicaid cost as calculated through the cost report settlement process.
- b. Clinic Services. The reimbursement amount for outpatient hospital facility fees for clinic services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement amount of 95 percent of allowable Medicaid cost as calculated through the cost report settlement process.
- c. Laboratory Services. The reimbursement amount for outpatient clinical diagnostic laboratory services shall be the Medicaid fee schedule amount on file for each service.
- d. Rehabilitation Services. The reimbursement amount for outpatient rehabilitation services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement amount of 95 percent of allowable Medicaid cost as calculated through the cost report settlement process.

STATE OF LOUISIANA

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- e. Other Outpatient Hospital Services. The reimbursement amount for outpatient hospital services other than surgery services, clinic services, clinical diagnostic laboratory services, and rehabilitation services shall be an interim payment equal to 95 percent of allowable Medicaid cost as calculated per the latest filed cost report. Final payment shall be 95 percent of allowable cost as determined through the cost report settlement process.

If a qualifying hospital's outpatient costs is greater in subsequent cost reporting periods than the initial implementation year cost report period's cost, outpatient costs shall be subjected to a cap prior to determination of cost settlement amount. Calculation of reimbursable costs shall be as follows:

- a. An average cost per Medicaid outpatient unduplicated encounter per day shall be established using Medicaid cost report and paid claims data from the initial cost report period of implementation. The average unduplicated encounter cost per day shall be calculated by dividing the total outpatient allowable costs for all Medicaid outpatient services by the number of paid unduplicated encounters per day. Clinical diagnostic laboratory services and vaccines are not included in this calculation.
- b. To determine the capped limit for each subsequent year's allowable cost settlement reimbursement, the base year outpatient unduplicated encounter per day cost shall be multiplied by the unduplicated encounters from the applicable subsequent cost reporting period's Medicaid paid claims data and then increased by three percent cumulatively for each year subsequent to the initial implementation year.
- c. Final reimbursement shall be 95 percent multiplied by the lesser of capped cost amount calculated per a.-b., or actual allowable cost for the applicable cost report.