

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

State of Louisiana
Department of Health and Hospitals
Office of the Secretary

May 11, 2010

The Honorable Bobby Jindal
Governor, State of Louisiana
P.O. Box 94004, Capitol Station
Baton Rouge, LA 70804-4004

Dear Governor Jindal:

In response to Senate Bill No. 337 (SB 337/Act 540) of the 2008 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to provide that as a condition of payment of uncompensated care costs, all state and non-state hospitals and other health care facilities, excluding rural hospitals included in the Rural Hospital Preservation Act and their provider based rural health clinics, report to DHH patient specific data on the amount and type of uncompensated care provided and all requested data on the amount and type of other services and activities financed by uncompensated care payments. The bill directs DHH to provide a quarterly summary of reported information to the governor and the legislature.

DHH is available to discuss the enclosed report with you at your convenience. Please contact Mr. Don Gregory, interim director of the bureau of health services financing (Medicaid), at (225) 342-3891 with any questions or comments you may have.

Sincerely,

Alan Levine
Secretary

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

State of Louisiana
Department of Health and Hospitals
Office of the Secretary

May 11, 2010

The Honorable Joel T. Chaisson, II, President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Dear President Chaisson:

In response to Senate Bill No. 337 (SB 337/Act 540) of the 2008 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to provide that as a condition of payment of uncompensated care costs, all state and non-state hospitals and other health care facilities, excluding rural hospitals included in the Rural Hospital Preservation Act and their provider based rural health clinics, report to DHH patient specific data on the amount and type of uncompensated care provided and all requested data on the amount and type of other services and activities financed by uncompensated care payments. The bill directs DHH to provide a quarterly summary of reported information to the governor and the legislature.

DHH is available to discuss the enclosed report with you at your convenience. Please contact Mr. Don Gregory, interim director of the bureau of health services financing (Medicaid), at (225) 342-3891 with any questions or comments you may have.

Sincerely,

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Alan Levine
Secretary

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

State of Louisiana
Department of Health and Hospitals
Office of the Secretary

May 11, 2010

The Honorable Jim Tucker, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

Dear Speaker Tucker:

In response to Senate Bill No. 337 (SB 337/Act 540) of the 2008 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to provide that as a condition of payment of uncompensated care costs, all state and non-state hospitals and other health care facilities, excluding rural hospitals included in the Rural Hospital Preservation Act and their provider based rural health clinics, report to DHH patient specific data on the amount and type of uncompensated care provided and all requested data on the amount and type of other services and activities financed by uncompensated care payments. The bill directs DHH to provide a quarterly summary of reported information to the governor and the legislature.

DHH is available to discuss the enclosed report with you at your convenience. Please contact Mr. Don Gregory, interim director of the bureau of health services financing (Medicaid), at (225) 342-3891 with any questions or comments you may have.

Sincerely,

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Alan Levine
Secretary

UNCOMPENSATED CARE COSTS REPORT

REPORT PREPARED IN RESPONSE TO SB
337/ACT 540 OF THE 2008 REGULAR SESSION

MAY 2010

Contact:

Louisiana Department of Health and Hospitals
Don Gregory
Bureau of Health Services Financing
628 N. 4th Street, P.O. Box 629
Baton Rouge, LA 70821
(225) 342-3891
don.gregory@la.gov

EXPLANATION OF DATA REPORT

Myers & Stauffer, L.C, a certified public accounting firm, was engaged by the Department of Health and Hospitals in SFY 2009 to collect and compile the uncompensated care cost data as required by Act 540 of the 2008 Legislative Session. The data was collected per survey for dates of service between 7/1/2008 and 12/31/2008.

Data Collection: Hospitals that received Medicaid Disproportionate Share Payments were required to report uninsured patient specific information which included name, dates of service, type of service, number of inpatient days, number of outpatient visits, billed charges and uninsured cash collections. The initial data report is for the first two quarters, which represents services provided between June 30, 2008 and December 31, 2008. The following acute hospitals did not report data for the initial two quarters: Glenwood Regional Medical Center, Lane Memorial Hospital, Louisiana Heart Hospital, Northshore Regional Medical Center, Tulane University Hospital, Ville Platte Medical Center, Willis Knighton Health Systems and Willis Knighton Bossier Health Center.

Uninsured Costs Calculation: Using each hospital's latest filed Medicare/Medicaid cost report, the cost to charge ratios were calculated and applied to the uninsured charges compiled from the survey to determine the uninsured costs. Inpatient routine, inpatient ancillary and outpatient uninsured costs are identified separately.

Total Hospital Costs: The total costs reported on Worksheet C per the latest filed annual cost report were prorated by 50% to equate to the six month uninsured patient data collection period.

Percentage of Uninsured Hospital Costs to Total Hospitals Costs: Calculated by dividing each hospital's uninsured patient costs by total hospital costs.

Uncompensated Care Adjusted: This is each hospital's net uncompensated care costs which is the result of subtracting uninsured patient cash payments from the uninsured patient costs.

SENATE BILL NO. 337

BY SENATORS MICHOT, THOMPSON AND WALSWORTH AND
REPRESENTATIVES KATZ AND MILLS

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AN ACT

To amend and reenact R.S. 46:2761(A), relative to uncompensated care payments; to provide for the type of data to be reported; to provide for reporting; to provide for legislative audits; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 46:2761(A) is hereby amended and reenacted to read as follows:

§2761. Uncompensated Care Hospital Payments

A. The Department of Health and Hospitals shall specify in the Medicaid State Plan how uncompensated care is defined and calculated and shall determine what facilities qualify for uncompensated care payments and the amount of the payments. In determining payments as provided in this Subsection, the department shall prioritize local access to care, and shall distribute uncompensated care payments in proportion to the amount and type of uncompensated care reported by all qualified facilities as required by rule and as allocated in appropriations to the Medical Vendor Payments Program. The secretary shall require as a condition of payment of uncompensated care costs provided under this Subsection, that **all state and non-state hospitals, excluding rural hospitals included in the Rural Hospital Preservation Act and their provider based rural health clinics**, and other health care facilities report to the department patient specific **Louisiana Medicaid universal billing revenue code format** data on the amount and type of uncompensated care provided **and all requested data on the amount and type of other services and activities financed by uncompensated care payments. This data shall be reported electronically by each hospital or other facility on a quarterly schedule as required by the department. The secretary shall provide after the close of each quarter a detailed summary of reported information to the governor and the legislature. Hospitals defined under the Rural Hospital Preservation Act shall continue to report the data collected on the Department**

1 **of Health and Hospitals' form "Schedule of Uncompensated Care Cost" in**
2 **accordance with the state plan as approved by the Centers for Medicare and**
3 **Medicaid Services. The secretary of the Department of Health and Hospitals**
4 **shall provide an annual report of the submitted information and related**
5 **payments to the governor and the legislature and shall make such data available**
6 **to the public on the Department of Health and Hospitals' web site.** In addition,
7 if a hospital or other health care facility does not provide the required patient specific
8 data, the secretary of the department may withhold an amount equal to five percent
9 of Medicaid payments due that provider. Such withholding shall increase by five
10 percent for each successive month that the required data is not received, but the total
11 amount withheld shall not exceed twenty-five percent of the total monthly amount
12 due the facility. Upon receipt of the required data, the department shall pay the
13 facility all amounts previously withheld as a result of the failure to submit the
14 required data. A hospital or other health care facility subject to withholding under
15 this provision may request an administrative review as provided by R.S. 46:437.4.
16 The format of the data submission shall be defined **as the current mandated**
17 **Louisiana Medicaid Program format** by the secretary of the department. Nothing
18 in this Subsection shall be construed to impede or preclude the Department of Health
19 and Hospitals from implementing the provisions of the Rural Hospital Preservation
20 Act.

21 * * *

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____