

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



JUL 23 2013

Ms. Ruth Kennedy, Director  
Bureau of Health Services Financing  
Department of Health and Hospitals  
Post Office Box 91030  
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 12-63

Dear Ms. Kennedy:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-63. The purpose of this amendment is to provide a Medicaid supplemental payment to a private acute care hospital, Our Lady of the Lake located in Baton Rouge.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding funding of the State share of expenditures under Attachment 4.19-A.

Based upon your assurances, Medicaid State plan amendment 12-63 is approved effective April 15, 2013. We are enclosing the HCFA-179 and the new plan page.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Mann", is written over the typed name.

Cindy Mann  
Director

Enclosures



STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

**f. Supplemental Payments for Private Hospitals**

**1. Baton Rouge Area**

**Qualifying Criteria**

Effective for dates of service on or after April 15, 2013, a quarterly supplemental payment shall be made to Our Lady of the Lake Hospital, Inc.

**Reimbursement Methodology**

Payments shall be made quarterly based on the annual upper payment limit calculation per state fiscal year. Payments shall not exceed the allowable Medicaid charge differential. The Medicaid inpatient charge differential is the Medicaid inpatient charges less the Medicaid inpatient payments (which includes both the base payments and supplemental payments). The payments will be made in four equal quarterly payments based on 100 percent of the estimated charge differential for the state fiscal year. The qualifying hospital will provide quarterly reports to DHH that will demonstrate that, upon implementation, the annual Medicaid inpatient payments do not exceed the annual Medicaid inpatient charges per 42CFR 447.271.

The Department will verify the Medicaid claims data of these interim reports using the state's MMIS system. When the Department receives the annual cost report as filed, the supplemental calculations will be reconciled to the cost report. If there is additional cap room, an adjustment payment will be made to assure that supplemental payments are the actual charge differential. The supplemental payments will also be reconciled to the final cost report. The annual supplemental payments will not exceed the allowable Medicaid inpatient charge differential per 42CFR 447.271. Maximum inpatient Medicaid payments shall not exceed the upper payment limit per 42CFR 447.272.

STATE <u>Louisiana</u>	A
DATE REC'D <u>11-2-2012</u>	
DATE APP'VD <u>JUL 23 2013</u>	
DATE EFF <u>4-15-2013</u>	
ISS# <u>179 1213</u>	

TN# LA 12-63 Approval Date JUL 23 2013 Effective Date 4-15-2013  
Supersedes  
TN# None - New page