

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



APR 11 2014

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 14-12

Dear Ms. Kennedy:

We have reviewed the proposed State plan amendment (SPA) to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-12. Louisiana Department of Health and Hospitals submitted this amendment to correct an inadvertent omission that occurred in TN#13-01, which eliminated the Disproportionate Share Hospital (DSH) methodology for Non-State Community Hospitals. The State plan proposal reinstates this methodology.

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 14-12 is approved effective March 30, 2014. We are enclosing the HCFA-179 and the new plan pages.

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. The signature is fluid and cursive.

Cindy Mann  
Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER:  <b>14-12</b>	2. STATE  <b>Louisiana</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE  <b>March 30, 2014</b>	

5. TYPE OF PLAN MATERIAL (Check One):  
 NEW STATE PLAN     AMENDMENT TO BE CONSIDERED AS NEW PLAN     AMENDMENT  
 COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: <b>42 CFR 447, Subpart E</b>	7. FEDERAL BUDGET IMPACT: a. FFY <u>2013</u> \$ 0 b. FFY <u>2014</u> \$ 0
---	---

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-A, Item 1, Pages 10k(2) and 10k(3)</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>Same (TN 13-01)</b>
--	---

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to correct an inadvertent omission of language which governed Disproportionate Share Hospital (DSH) payments to public, non-rural community hospitals in the approval for SPA TN 13-01.**

11. GOVERNOR'S REVIEW (Check One):  
 GOVERNOR'S OFFICE REPORTED NO COMMENT     OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED    **The Governor does not review state plan material.**  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO:  <b>J. Ruth Kennedy, Medicaid Director State of Louisiana Department of Health and Hospitals 628 N. 4<sup>th</sup> Street PO Box 91030 Baton Rouge, LA 70821-9030</b>
13. TYPED NAME: <b>Kathy H. Kliebert</b>	
14. TITLE: <b>Secretary</b>	
15. DATE SUBMITTED: <b>March 26, 2014</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: <b>3 27 2014</b>	18. DATE APPROVED: <b>APR 11 2014</b>
-------------------------------------	---------------------------------------

**PLAN APPROVED -- ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>MAR 30 2014</b>	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: <b>Penny Thompson</b>	22. TITLE: <b>Deputy Director, Policy + Financial Mgt. EMCS</b>
23. REMARKS:	

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

(ii) supporting patient specific demographic data that does not identify individuals, but is sufficient for audit of the hospitals' compliance with the Medicaid ineligibility requirement as required by the Department, including:

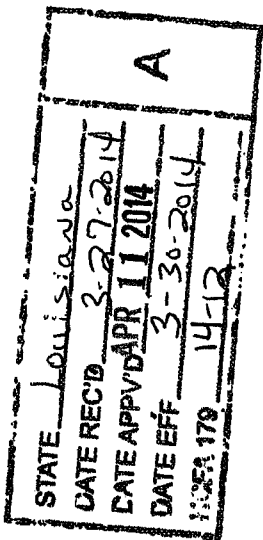
- (a) patient age;
- (b) family size;
- (c) number of dependent children; and
- (d) household income.

e. **Non-state (public), Non-Rural Community Hospitals Disproportionate Share Hospital (DSH)**

- 1) A public, non-rural community hospital is defined as any non-state, non-rural hospital (including hospitals with distinct part psychiatric units, long term care hospitals, rehabilitation, and free standing psychiatric hospitals) that is owned by a parish, city, or other local government agency or instrumentality; and meets the qualifying criteria for disproportionate share hospital in I.D.1.
- 2) Uncompensated care costs are defined as the hospital's costs of furnishing inpatient and outpatient hospital services, net of Medicare costs, Medicaid payments (excluding disproportionate share payments), costs associated with patients who have insurance for services provided, private payer payments, and all other inpatient and outpatient payments received from patients. Uncompensated care costs payments for the period(s) covering the state fiscal year to which the payment is applicable shall be calculated as follows:

- (i) Initial Payment – Based on data per the most recently filed Medicare cost report.
- (ii) Interim Reconciliation Payment – Based on as filed cost report(s) for applicable state fiscal year.
- (iii) Final Payment – Based on the final uncompensated care costs as calculated per the CMS mandated audit for the state fiscal year.

DSH payments to individual public non-rural community hospitals shall be equal to 100 percent of the hospital's uncompensated costs. DSH payments under this payment methodology shall be subject to the adjustment provision below in §3. Payments will be made annually.



TN# 14-12  
Supersedes  
TN# 13-01

Approval Date APR 11 2014

Effective Date 3-30-2014

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- 3) In the event it is necessary to reduce the amount of disproportionate share payments to remain within the federal disproportionate share allotment for this group, the Department shall calculate a pro rata decrease for each public non-rural community hospital based on the ratio determined by dividing that hospital's uncompensated cost by the total uncompensated cost for all qualifying public non-rural community hospitals during the state fiscal year; and then multiplying by the amount of disproportionate share payments calculated in excess of the federal disproportionate allotment.
- 4) It is mandatory that hospitals seek all third party payments including Medicare, Medicaid and other third party carriers and payments from patients. Hospitals must certify that excluded from net uncompensated cost are any costs for the care of persons eligible for Medicaid at the time of registration. Hospitals must maintain a log documenting the provision of uninsured care as directed by the Department. Hospitals must adjust uninsured charges to reflect retroactive Medicaid eligibility determination.
- 5) A hospital receiving DSH payments shall furnish emergency and nonemergency services to uninsured persons with family incomes less than or equal to 100 percent of the federal poverty level on an equal basis to insured patients.
- 6) 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. The remaining payments shall be redistributed to the other hospitals in accordance with these provisions.

f. **THIS SECTION RESERVED**

STATE	<u>Louisiana</u>	A
DATE REC'D	<u>3-27-2014</u>	
DATE APPV'D	<u>APR 11 2014</u>	
DATE EFF	<u>3-30-2014</u>	
ISSA 179	<u>1412</u>	

TN# 14-12 Approval Date APR 11 2014 Effective Date 3-30-2014  
Supersedes  
TN# 13-01