

Bobby Jindal
GOVERNOR



Kathy H. Kliebert
SECRETARY

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

VIA ELECTRONIC MAIL ONLY

March 26, 2014

Bill Brooks
Associate Regional Administrator
Division of Medicaid & Children's Health
DHHS/Centers for Medicare and Medicaid Services
1301 Young Street, Room #833
Dallas, Texas 75202

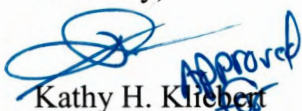
Dear Mr. Brooks:

RE: Louisiana Title XIX State Plan
Transmittal No. 14-12

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.

Sincerely,


Kathy H. Kliebert
Secretary

Attachments (2)

KHK/JRK/DA

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:
14-12

2. STATE
Louisiana

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
March 30, 2014

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:
42 CFR 447, Subpart E


7. FEDERAL BUDGET IMPACT:
a. FFY **2013** \$ **0**
b. FFY **2014** \$ **0**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, Item 1, Pages 10k(2) and 10k(3)

9. PAGE NUMBER OF THE SUPERSEDED PLAN
SECTION OR ATTACHMENT (If Applicable):
Same (TN 13-01)

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:

13. TYPED NAME:
Kathy H. Kliebert
14. TITLE:
Secretary
15. DATE SUBMITTED:
March 26, 2014

16. RETURN TO:
**J. Ruth Kennedy, Medicaid Director
State of Louisiana
Department of Health and Hospitals
628 N. 4th Street
PO Box 91030
Baton Rouge, LA 70821-9030**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

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. Public, Non-Rural Community Hospitals

- 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.

STATE OF LOUISIANA
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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