DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services Dallas Regional Office 1301 Young Street, Suite 833 Dallas, Texas 75202



#### DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

July 30, 2014

Our Reference: SPA LA 14-21

Ms. Ruth Kennedy, State Medicaid Director Department of Health and Hospitals Bienville Building 628 North 4<sup>th</sup> Street Post Office Box 91030 Baton Rouge, LA 70821-9030

Attn: Darlene Budgewater

Jodie Hebert

Dear Ms. Kennedy:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 14-21. The SPA proposes to amend the provisions governing the reimbursement methodology for laboratory and radiology services to adopt a manual pricing methodology for covered services that do not have Medicare established rates.

Transmittal Number 14-21 is approved with an effective date of May 20, 2014 as requested. A copy of the HCFA-179, Transmittal No. 14-21 dated June 9, 2014 is enclosed along with the approved plan pages.

If you have any questions, please contact Ford Blunt III at ford.blunt@cms.hhs.gov or by phone at (214) 767-6381.

Sincerely,

Bill Brooks

Associate Regional Administrator

Bill Buch

**Enclosures** 

DEPARTMENT OF HEALTH AND HUMAN SERVICES BEALTH CARE FINANCING ADMINISTRATION		FORM APPROVED OMB NO. 0938-0193		
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:			
STATE PLAN MATERIAL	14-21			
FOR: HEALTH CARE FINANCING ADMINISTRATION	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  May 20, 2014			
5. TYPE OF PLAN MATERIAL (Check One):				
■ NEW STATE PLAN ■ AMENDMENT TO BE CONS		MENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMEN		ch amendment)		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:			
42 CFR 447 Subpart F	a. FFY <u>2014</u> b. FFY <u>2015</u>	<u>\$0</u>		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):			
Attachment 4.19-B, Item 3, Page 1	Same (TN 12-46)			
Attachment 4.19-B, Item 3, Page 2	Same (TN 12-46)			
	None (New Page)			
Attachment 4.19-B, Item 3, Page 3	Same (TN 12-46)			
Attachment 4.19-B, Item 9, Page 1.b	Same (11. 12-45)			
10. SUBJECT OF AMENDMENT: The SPA proposes to amen methodology for laboratory and radiology services to ad covered services that do not have Medicare established to 11. GOVERNOR'S REVIEW (Check One):  GOVERNOR'S OFFICE REPORTED NO COMMENT COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	lopt a manual pricing payment rates.  OTHER, AS SPECIFIED: The Governor does not revi	methodology for		
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL				
12. SIGNATURE OF SPATE AGENCY OFFICIAL:	16. RETURN TO:  J. Ruth Kennedy, Medicaid Director			
13. TVPED NAME:				
13. TYPED NAME: Kathy H. Kliebert	State of Louisiana	TT!4-1-		
14. TITLE:	Department of Health and	Hospitals		
Secretary	628 N. 4th Street			
15. DATE SUBMITTED:	PO Box 91030			
June 9, 2014	Baton Rouge, LA 70821-9	030		
FOR REGIONAL OF	FICE USE ONLY			
	10 DATE ADDROVED.	2014		
June 9, 2014	July 30, 2	2014		

PLAN APPROVED - ONE COPY ATTACHED

20. SIGNA

FICIAL:

22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health

23. REMARKS:

21. TYPED NAME:

19. EFFECTIVE DATE OF APPROVED MATERIAL:

Bill Brooks

May 20, 2014

Medical and Remedial Care and Services Item 3

ATTACHMENT 4.19-B Item 3, Page 1

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:

E DESCRIBED AS FOLLOWS: State: Louisiana

CITATION 42 CFR 447 Subpart F Date Received: 9 June, 2014 Date Approved: 30 July, 2014 Date Effective: 20 May, 2014 Transmittal Number: 14-21

## Other Laboratory and Radiology Services in a Setting Other Than a Hospital Outpatient Department or Clinic are Reimbursed as Follows:

#### I. Method of Payment

The state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and any annual/periodic adjustments to the fee schedule are published on the Medicaid provider website at www.lamedicaid.com.

#### A. Laboratory Services

Reimbursement for clinical laboratory procedures shall not exceed 100 percent of the current year's Medicare allowable. Reimbursement of clinical laboratory services shall be paid at the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Those services not subject to the Medicare fee schedule shall continue to be reimbursed to physicians and independent laboratories based on the published Medicaid fee schedule or billed charges, whichever is lower.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for laboratory services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement rates for laboratory services shall be reduced by 4.7 percent of the fee amounts on file as of August 3, 2009.

Effective for dates of service on or after January 22, 2010, the reimbursement rates for laboratory services shall be reduced by 4.42 percent of the fee amounts on file as of January 21, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement rates for laboratory services shall be reduced by 4.6 percent of the fee amounts on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the reimbursement rates for laboratory services shall be reduced by 2 percent of the fee amounts on file as of December 31, 2010.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for laboratory services shall be reduced by 3.7 percent of the fee amounts on file as of June 30, 2012.

Effective for dates of service on or after May 20, 2014, the reimbursement for laboratory services shall be based on usual and customary billed charges or the Medicaid fee on file as of May 19, 2014, whichever is lesser. If laboratory, radiology and portable radiology services do not have Medicare established rates, fees will be based on review of statewide billed charges for that service in comparison with set charges for similar services. If there is no similar service, fees are based upon the consultant physicians' review and recommendations. Reimbursement shall be the lesser of the billed charges or the Medicaid fee on file.

TN#_	14-21	Approval Date_	07-30-14	Effective Date_	05-20-14
Super	sedes				
TN#	12-46				

### 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:

#### B. Radiology Services

Reimbursement of radiology services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for radiology services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement rates for radiology services shall be reduced by 4.7 percent of the fee amounts on file as of August 3, 2009.

Effective for dates of service on or after January 22, 2010, the reimbursement rates for radiology services shall be reduced by 4.42 percent of the fee amounts on file as of January 21, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement rates for radiology services shall be reduced by 4.6 percent of the fee amounts on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the reimbursement rates for radiology services shall be reduced by 2 percent of the fee amounts on file as of December 31, 2010.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for radiology services shall be reduced by 3.7 percent of the fee amounts on file as of June 30, 2012.

Effective for dates of services on or after May 20, 2014, the reimbursement for radiology services shall be based on usual and customary billed charges or the Medicaid fee on file as of May 19, 2014, whichever is lesser. If laboratory, radiology and portable radiology services do not have Medicare established rates, fees will be based on review of statewide billed charges for that service in comparison with set charges for similar services. If there is no similar service, fees are based upon the consultant physicians' review and recommendations. Reimbursement shall be the lesser of the billed charges or the Medicaid fee on file.

#### C. Portable Radiology Services

Reimbursement of portable radiology services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for portable radiology services shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement rates for portable radiology services shall be reduced by 4.7 percent of the fee amounts on file as of August 3, 2009.

Effective for dates of service on or after January 22, 2010, the reimbursement rates for portable radiology services shall be reduced by 4.42 percent of the fee amounts on file as of January 21, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement rates for portable radiology services shall be reduced by 4.6 percent of the fee amounts on file as of July 31, 2010.

TN# 14-21 Approval Date 07-30-14 Effective Date 05-20-14
Supersedes
TN# 12-46 State: Louisiana Date Received: 9 June, 2014
Date Approved: 30 July, 2014
Date Effective: 20 May, 2014

Transmittal Number: 14-21

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:

Effective for dates of service on or after July 1, 2012, the reimbursement rates for portable radiology services shall be reduced by 3.7 percent of the fee amounts on file as of June 30, 2012.

Effective for dates of services on or after May 20, 2014, the reimbursement for portable radiology services shall be based on usual and customary billed or the Medicaid fee on file as of May 19, 2014, whichever is lesser. If laboratory, radiology and portable radiology services do not have Medicare established rates, fees will be based on review of statewide billed charges for that service in comparison with set charges for similar services. If there is no similar service, fees are based upon the consultant physicians' review and recommendations. Reimbursement shall be the lesser of the billed charges or the Medicaid fee on file.

#### II. Standards for Payment

Payment as indicated above will be made for services provided by physicians, portable radiology providers, and by independent laboratories (other than a hospital outpatient department or clinic). Providers of these services must meet all provider enrollment criteria.

State: Louisiana

Date Received: 9 June, 2014
Date Approved: 30 July, 2014
Date Effective: 20 May, 2014
Transmittal Number: 14-21

TN#	14-21	Approval Date	07-30-14	Effective Date	05-20-14	
Supersed	es					
TN#	None-newpage					

# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE PROGRAM 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:

#### (b) Radiation Therapy Centers.

Radiation Therapy Centers are reimbursed fee for service according to the procedure code. Reimbursement of radiation therapy center services shall be the lower of billed charges or the fee on file, minus the amount which any third party coverage would pay. These services are included on the professional services fee schedule which was set as of January 1, 2008 and is published on the agency's provider website at www.lamedicaid.com.

Effective for dates of service on or after February 26, 2009, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 3.5 percent of the fee amounts on file as of February 25, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 4.7 percent of the fee amounts on file as of August 3, 2009.

Effective for dates of service on or after January 22, 2010, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 4.42 percent of the fee amounts on file as of January 21, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 4.6 percent of the fee amounts on file as of July 31, 2010.

Effective for dates of service on or after January 1, 2011, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 2 percent of the fee amounts on file as of December 31, 2010.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for radiology services provided by radiation therapy centers shall be reduced by 3.7 percent of the fee amount on file as of June 30, 2012.

Effective for dates of service on or after May 20, 2014 the reimbursement for radiology services provided by radiation therapy centers shall be based on usual and customary billed charges or the Medicaid fee on file as of May 19, 2014, whichever is lesser. If radiology services provided by radiation therapy centers do not have Medicare established rates, fees will be based on review of statewide billed charges for that service in comparison with set charges for similar services. If there is no similar service, fees are based upon consultant physicians' review and recommendations. Reimbursement shall be the lesser of the billed charges or the Medicaid fee on file.

Date Approved: 30 July, 2014
Date Effective: 20 May, 2014
Transmittal Number: 14-21