



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

VIA ELECTRONIC MAIL ONLY

May 23, 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. 14-25

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,

A handwritten signature in blue ink, appearing to read "Kathy H. Kliebert".

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:

14-25

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

May 24, 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 2014 **\$508,031.14**
b. FFY 2015 **\$460,447.88**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Item 1, Page 10d
Attachment 4.19-A, Item 1, Page 10k (4)

9. PAGE NUMBER OF THE SUPERSEDED PLAN
SECTION OR ATTACHMENT (If Applicable):

Same (TN 10-26)
Same (TN 13-01)

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to amend the provisions governing DSH payments in order to establish payments to Louisiana Low-Income Academic Hospitals.**

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

The Governor does not review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Kathy H. Kliebert

14. TITLE:

Secretary

15. DATE SUBMITTED:

May 23, 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:

LOUISIANA TITLE XIX STATE PLAN

TRANSMITTAL #: 14-25

TITLE: DSH Payments-Louisiana Low-Income Academic Hospitals

EFFECTIVE DATE: May 24, 2014

FISCAL IMPACT:

Increase

	year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY	2014		62.11%	1.2	May 24, 2014 - June 2014	\$633,820,004
2nd SFY	2015	3.0%	62.05%	12	July 2014 - June 2015	\$736,535,416
3rd SFY	2016	3.0%	62.05%	12	July 2015 - June 2016	\$758,631,478

*#mos-Months remaining in fiscal year

	Total Increase in Cost FFY		2014					
SFY	2014	\$633,820,004	for	1.2	months	May 24, 2014 - June 2014		\$633,820,004
SFY	2015	\$736,535,416	for	12	months	July 2014 - June 2015		
		\$736,535,416 /		12 X	3	July 2014 - September 2014	=	\$184,133,854
								<u>\$817,953,858</u>
			FFP (FFY 2014) =			\$817,953,858 X 62.11%	=	<u>\$508,031,141</u>
	Total Increase in Cost FFY		2015					
SFY	2015	\$736,535,416	for	12	months	July 2014 - June 2015		
		\$736,535,416 /		12 X	9	October 2014 - June 2015	=	\$552,401,562
SFY	2016	\$758,631,478	for	12	months	July 2015 - June 2016		
		\$758,631,478 /		12 X	3	July 2015 - September 2015	=	\$189,657,870
								<u>\$742,059,432</u>
			FFP (FFY 2015) =			\$742,059,432 X 62.05%	=	<u>\$460,447,878</u>

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- e. Meet the definition of a public non-rural community hospital as defined in I.D.3.e. below; **or**
- f. Effective September 15, 2006, be a private non-rural community hospital as defined in I.D.3.f. below; **or**
- g. Effective November 3, 1997, be a small rural hospital as defined in I.D.3.b.; **or**
- h. Effective for dates of service on or after January 1, 2008, be a Medicaid enrolled non-state acute care hospital that expands their existing distinct part psychiatric unit or that enrolls a new distinct part psychiatric unit, and signs an addendum to the Provider Enrollment form (PE-50) by April 3, 2008 with the Department of Health and Hospitals, Office of Mental Health; **or**
- i. Effective for dates of service on or after April 7, 2008, be a Medicaid-enrolled non-state acute care hospital that establishes a Mental Health Emergency Room Extension (MHERE), and signs a Provider Enrollment form (PE-50) by June 1, 2008 with the Department of Health and Hospitals, Office of Mental Health; **or**
- j. Effective for dates of service on or after January 21, 2010, be a hospital participating in the Low Income and Needy Care Collaboration; **or**
- k. Effective for dates of service on or after May 24, 2014, meet the definition of a Louisiana Low-Income Academic Hospital; **and**
- l. In addition to the qualification criteria outlined in I.D.1.a.-k. above, effective July 1, 1994, the qualifying disproportionate share hospital must also have a Medicaid inpatient utilization rate of at least one percent (1%).

2. General Provisions for Disproportionate Share Payments

- a. Total cumulative disproportionate share payments under any and all DSH payment methodologies shall not exceed the federal disproportionate share state allotment for Louisiana for each federal fiscal year. The Department shall make necessary downward adjustments to hospitals' disproportionate share payments to remain within the federal disproportionate share allotment.

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

DSH REIMBURSEMENT METHODOLOGIES (continued)

f. Louisiana Low-Income Academic Hospitals

Qualifying Criteria

A. Hospitals Located Outside of the Lake Charles Metropolitan Statistical Area

Effective for dates of service on or after May 24, 2014, a hospital may qualify for this category by:

- a. being a private acute care general hospital that is located outside of the Lake Charles Metropolitan Statistical Area (MSA);
- b. having uninsured patient utilization, as measured by allowable uninsured inpatient and outpatient charges, greater than 20 percent. Qualification shall be based on uninsured utilization data per the prior state fiscal year date of service time period; and
- c. maintaining at least 15 unweighted intern and resident full-time equivalent positions, as reported on the Medicare Cost Report Worksheet E-4, Line 6.

B. Hospitals Located In the Lake Charles Metropolitan Statistical Area

Effective for dates of service on or after May 24, 2014, a hospital may qualify for this category by:

- a. being a private acute care general hospital that is located in the Lake Charles MSA;
- b. having uninsured patient utilization, as measured by allowable uninsured inpatient and outpatient charges, greater than 10 percent. To determine qualification in state fiscal year 2014, the first six month dates of service time period (July 1, 2013 through December 31, 2013) shall be used. In subsequent state fiscal years, qualification shall be based on uninsured utilization data per the prior state fiscal year date of service time period; and
- c. maintaining at least 20 unweighted intern and resident full-time equivalent positions, as reported on the Medicare Cost Report Worksheet E-4, Line 6.

Payment Methodology

Each qualifying hospital shall be paid DSH adjustment payments equal to 100 percent of allowable hospital specific uncompensated care costs. Costs, patient specific data, and documentation that qualifying criteria is met shall be submitted in a format specified by the Department. Costs and lengths of stay shall be reviewed by the Department for reasonableness before payments are made.

TN# 14-25 Approval Date _____ Effective Date 05/24/14

Supersedes

TN# 13-01