

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

APR 15 2015

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 15-0012

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) 15-0012. Louisiana Department of Health and Hospitals submitted this SPA to amend the methodology for Disproportionate Share for Hospitals (DSH) by eliminating the mental health emergency room extensions pool payments (MHERE) for non-state acute care hospitals.

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 the information provided by the State, Medicaid State plan amendment 15-0012 is approved effective March 5, 2015. We are enclosing the CMS-179 and the new plan pages.

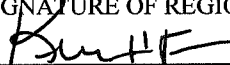
If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy Hill". The signature is fluid and cursive, written over the printed name.

Timothy Hill
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-0012	2. STATE Louisiana
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 March 5, 2015	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> 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 <u>2015</u> \$(979.30) b. FFY <u>2016</u> \$(3,938.68)	
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 (6)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 14-25) Same (TN 11-18)	
10. SUBJECT OF AMENDMENT: The SPA proposes to amend the provisions governing disproportionate share hospital payments to eliminate payments for Mental Health Emergency Room Extensions (MHERES).			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review state plan material. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Kathy H. Kliebert		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	
14. TITLE: Secretary			
15. DATE SUBMITTED: March 24, 2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: March 24, 2015		18. DATE APPROVED: APR 15 2015	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: March 5, 2015 MAR 05 2015		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Deputy Director, FMG	
23. REMARKS: The State requests a pen and ink change to box 7.			

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 January 21, 2010, be a hospital participating in the Low Income and Needy Care Collaboration; **or**
- j. Effective for dates of service on or after May 24, 2014, meet the definition of a Louisiana Low-Income Academic Hospital; **and**
- k. In addition to the qualification criteria outlined in I.D.1.a.-j. 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.

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g. RESERVED

h. Low Income and Needy Care Collaborating Hospitals

- 1) In order to participate under the Low Income and Needy Care Collaborating Hospital DSH category a hospital must be party to a Low Income and Needy Care Collaboration Agreement with the Department of Health and Hospitals. A Low Income and Needy Care Collaboration Agreement is defined as an agreement between a hospital and a state or local governmental entity to collaborate for purposes of providing healthcare services to low income and needy patients.
- 2) DSH payments to Low Income and Needy Care Collaborating Hospitals shall be calculated as follows:
 - a) In each quarter, the Department shall divide hospitals qualifying under this DSH category into two pools. The first pool shall include hospitals that, in addition to qualifying under this DSH category, also qualify for DSH payments under any other DSH category. Hospitals in the first pool shall be eligible to receive DSH payments under the

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TN# 15-0012
Supersedes
TN# 11-18

Approval Date **APR 15 2015**

Effective Date 03/05/2015