

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

MAR 16 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 15-0001

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) 15-0001. This amendment proposes to reduce the amount of the state appropriations for the Disproportionate Share Hospital (DSH) pool for federally mandated statutory hospitals from \$2,000,000 to \$1,000,000.

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 15-0001 is approved effective January 10, 2015. We are enclosing the CMS-179 and the new plan page.

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

Sincerely,


Timothy Hill
Director

Enclosures

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

c. Federally Mandated Statutory Hospitals

- 1) Hospitals that meet the federal DSH statutory utilization requirements in D.1.d.(i) and (ii).
- 2) DSH payments to individual federally mandated statutory hospitals shall be based on actual paid Medicaid days for a six-month period ending on the last day of the last month of that period, but reported at least 30 days preceding the date of payment. Annualization of days for the purposes of the Medicaid days pool is not permitted. The amount will be obtained by the Department from a report of paid Medicaid days by service date.
- 3) Disproportionate share payments for individual hospitals in this group shall be calculated based on the product of the ratio determined by:
 - (i) dividing each qualifying hospital's actual paid Medicaid inpatient days for a six month period ending on the last day of the month preceding the date of payment (which will be obtained by the Department from a report of paid Medicaid days by service date) by the total Medicaid inpatient days obtained from the same report of all qualified hospitals included in this group. Total Medicaid inpatient days include Medicaid nursery days but do not include skilled nursing facility or swing bed days; and
 - (ii) for the SFY 2014-2015, multiplying by \$1,000,000 which is the state appropriation share payments allocated for this pool of hospitals. Thereafter, multiplying by \$1,000,000, the state appropriation for disproportionate share payments allocated for this pool of hospitals.
- 4) A pro rata decrease necessitated by conditions specified in I.D.2. above for hospitals in this group will be calculated based on the ratio determined by dividing the hospitals' Medicaid days by the Medicaid days for all qualifying hospitals in this group; then multiplying by the amount of disproportionate share payments calculated in excess of the federal disproportionate share allotment or state disproportionate share appropriated amount as indicated in paragraph c.3) (ii) above.

Payments from this DSH category to hospitals qualifying for another DSH category will be made subsequent to the other DSH payments. Aggregate DSH payments for hospitals that received payment from this and any other DSH category shall not exceed the hospital's specific DSH limit as defined in section D.2.c. 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 adjusted downward not to exceed the limit.

State: Louisiana
Date Received: February 20, 2015
Date Approved:
Date Effective: January 10, 2015
Transmittal Number: 15-0001

TN# 15-0001
Supersedes 13-39
TN# _____

Approval Date MAR 16 2015

Effective Date 1-10-2015