

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

February 3, 2016

Ms. Jen Steele
Interim Medicaid Director
Bureau of Health Services Financing
Louisiana Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 15-0032

Dear Ms. Steele:

We have reviewed the proposed State plan amendment (SPA) to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-0032. The SPA proposes to amend the reimbursement methodology governing inpatient hospital services for supplemental Medicaid payments to qualifying non-rural, non-state public hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act (the Act) and the regulations at 42 Code of Federal Regulations (CFR) 447 Subpart C. Before we can continue processing this amendment, we need additional or clarifying information.

The regulation at 42 CFR 447.252(b) requires that the State plan include a comprehensive description of the methods and standards used to set payment rates. Section 6002 of the State Medicaid Manual explains further that the State plan must be comprehensive enough to determine the required level of Federal Financial Participation (FFP) and to allow interested parties to understand the rate setting process and the items and services that are paid through these rates. Further, since the plan is the basis for FFP, it is important that the plan's language be clear and unambiguous. Therefore, we have the following questions/concerns regarding TN 15-0032:

FORM-179

1. Form 179, Block 7 – Please provide a detailed analysis of how the FFP determination was made and provide supporting documentation of the calculation for Federal Fiscal Year (FFY) 2016 and 2017.

STATE PLAN LANGUAGE – 4.19-A

2. Please clarify if there are one or more hospitals that qualify under this methodology. If only one hospital qualifies, then please correct Attachment 4.19-A, Item 1, page 8c (3) to reflect that only one hospital will qualify under this methodology. Additionally, please include the name of the hospital on the Attachment 4.19-A, Item 1, page 8c (3). Also, please clarify which hospitals currently qualify under the plan pages, and which hospitals will qualify under the proposed plan pages.
3. Is this facility a non-state or private acute care hospital? Please add clarifying language on the State plan page that specifies the type of hospital and if it is state, non-state or private hospital.
4. In the State's response to the RAI for LA 15-0004 and 15-0005, it was noted about "re-ordering the UPL priorities". The State will need to submit new plan pages to discuss this methodology regarding the UPL demonstration for inpatient hospital services. CMS considers this type of methodology similar to when a state distributes their DSH allotment. Louisiana SPA 15-0004, 15-0005, and 15-0006 may have to be resolved prior to CMS taking action on the SPA 15-0032.
5. CMS wants the State's assurance regarding financial transactions including IGT. The following sentence should be included in the reimbursement methodology:

"No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity."

6. Did the State receive any feedback or complaints from the public regarding the current proposal or about the changes to non-rural non-state public hospitals? If so, what were the concerns and how were they addressed and resolved?

Please clarify the additional questions related to the new supplemental payments:

7. Please justify why Louisiana needs to pay supplemental payments to non-rural non-state public hospitals.
8. Why do these payments need to be made to these specific providers?
9. Why has Louisiana decided to target non-rural non-state public hospitals to the exclusion of other providers of the same services?
10. Does the state expect that these payments will positively impact access to care or quality of care?
11. If it is to improve access, please provide data that shows there is an access issue.
12. What outcome does the state hope to achieve by targeting payments to non-rural non-state public hospitals?
13. Will the state monitor the impact of the supplemental payments with respect to the expected outcomes?

14. How will the state measure if targeting payments resulted in the desired outcome?
15. How do the supplemental payments compare to the base payments?
16. Has the State done any analysis to increase the base payments to non-rural non-state public hospitals?

ADDITIONAL

17. How did the State determine that the Medicaid provider payments are sufficient to enlist enough providers to assure access to care and services in Medicaid at least to the extent that care and services are available to the general population in the geographic area?
18. How were providers, advocates and beneficiaries engaged in the discussion around this SPA proposal? What were their concerns and how did the State address these concerns? Was there any direct communication (bulletins, town hall meetings, etc.) between the State and providers regarding the reductions proposed via this amendment?

In accordance with our guidelines to State Medicaid Directors dated January 2, 2001, if we have not received the State's response to our request for additional information within 90 days from the date of this letter, we will initiate disapproval action on the amendment.

We are requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material. A new 90-day clock will not begin until we receive your response to this request.

Please submit your response to the following address:

Centers for Medicare and Medicaid Services
Division of Medicaid and Children's Health Operations
Dallas Regional Office
Attention: Bill Brooks
1301 Young Street, Suite 833
Dallas, Texas 75202

If you have any questions, please contact Tamara Sampson, of my staff, at (214) 767-6431 or by e-mail at Tamara.Sampson@cms.hhs.gov

Sincerely,



Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health Operations