

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

December 19, 2016

Our Reference: SPA LA 16-0019

Ms. Jen Steele, State Medicaid Director
Department of Health and Hospitals
628 North 4th St.
Post Office Box 91030
Baton Rouge, LA 70821-9030

Attention: Darlene Budgewater

Dear Ms. Steele:

We have reviewed your request to amend the Louisiana State Plan submitted under Transmittal No. 16-0019, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 27, 2016. This state plan amendment (SPA) proposes to adopt provisions to establish enhanced Medicaid reimbursements through the Supplemental Payment program for qualifying emergency ground ambulance services.

We conducted our review of your submitted SPA. Before we can continue processing this amendment, we need additional or clarifying information. Since the plan is the basis for Federal financial participation, it is important that the plan's language be clear and unambiguous. Therefore, we have the following questions/concerns regarding TN 16-0019.

1. SPA amendment LA16-0019 proposes to establish a new supplemental payments methodology for ambulance providers. Section 1902(a) (30) (A) of the Social Security Act (the Act) requires that payment rates must be consistent with "efficiency, economy and quality of care." Please justify how the establishment of payments is consistent with the principles of "efficiency, economy, and quality of care."
2. Please explain the relationship between SPA LA 16-0019 and approved SPA LA 11-23. Will both SPAs impact the same population of providers or will payments under SPA 16-0019 impact a different population of providers?
3. State's response to IRAI question #2 and Attachment 4.19-B, Item 24.a. Page 1b (3), Section A - It is unclear how an ambulance service provider qualifies for the proposed supplemental payment.

Does a provider qualify, then is assessed a fee? Is a provider first assessed a fee, then qualifies? Please describe the fee, how it assessed, and the providers that will be impacted.

4. State's response to IRAI question #3 - It is unclear what category of providers will qualify for the supplemental payments. The state indicates there are no state or non-state emergency ambulance providers, but defines the providers as public or private. The category of non-state is usually synonymous with public. Please clarify the state's response.

5. Please explain if private providers will qualify for supplemental payments. If yes, please describe how payments to private providers would be funded and please provide any agreements, financial arrangements, or MOUs that would involve any private provider associated with the receipt of supplemental payments.

6. State's response to IRAI question #4 - Please provide a complete list of all ambulance providers that would qualify for supplemental payments.

7. State's response to IRAI question #6 - Please provide all calculations that support the commercial to Medicare ratio(s) that the state is proposing. Is the state proposing to establish a separate ratio for each provider or will a regional or average ratio be used?

8. State's response to IRAI question #7 - Please add the timelines for how supplemental payments will be made, to the payment page language.

9. Attachment 4.19-B, Item 24.a, Page 1b (5), h - Please explain the language that the Department shall reimburse providers up to 100 percent of the provider's average commercial rate.

10. Please add the following language to the payment page. "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."

11. Please list each governmental entity that will provide an intergovernmental transfer (IGT) and the ambulance provider to which the IGT will be applicable.

12. Please provide information on why the state finds it necessary to provide supplemental payments to these providers. Is it due to an access to care or quality of care issue? If so, please provide data to support these issues.

13. What outcome does the state hope to achieve by targeting supplemental payments to these providers? How will the state monitor the impact of the supplemental payments with respect to the expected outcomes? How will the state measure if the payments resulted in the desired outcomes?

14. How do the supplemental payments compare to the base payments? Has the state performed any analysis to increase the base payments to these specific providers?

This additional/clarifying information is being requested under the provisions of Section 1915(f) of the Act. This has the effect of stopping the 90-day time period for CMS to act on the material. A new 90-day time period will begin once we receive your response to our request.

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.

If you have any questions please contact Cheryl Rupley of my staff. Ms. Rupley may be reached at (214) 767-6278 or by Email at Cheryl.Rupley@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, slightly slanted style.

Bill Brooks
Associate Regional Administrator