



**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

**VIA ELECTRONIC MAIL ONLY**

January 20, 2017

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. 17-0006

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.

Warmly,

A handwritten signature in blue ink, appearing to read "Approved" followed by a signature.

Rebekah E. Gee MD, MPH  
Secretary

Attachments (3)

REG:JS:JH

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

**17-0006**

2. STATE

**Louisiana**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

**January 1, 2017**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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 C**

7. FEDERAL BUDGET IMPACT:

a. FFY **2017**

**\$736.45**

b. FFY **2018**

**\$1,012.61**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 4.19-B, Page 1a**

**Attachment 4.19-B, Page 1a(1)**

**Attachment 4.19-B, Page 1d**

**Attachment 4.19-B, Page 1d(1)**

**Attachment 4.19-B, Page 2**

**Attachment 4.19-B, Page 6b**

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 PAGE NUMBER OF THE SUPERSEDED PLAN  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

**Same (TN 13-03)**

**Same (TN 13-03)**

**None (New Page)**

**None (New Page)**

**Same (TN 13-03) - Reserved**

**None (New Page)**

10. SUBJECT OF AMENDMENT: **The SPA proposes to amend the reimbursement methodology for outpatient hospital services to increase the Medicaid reimbursement rates paid to non-rural, non-state hospitals and children's specialty 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:

**Rebekah E. Gee MD, MPH**

14. TITLE:

**Secretary**

15. DATE SUBMITTED:

**January 20, 2017**

16. RETURN TO:

**Jen Steele, Medicaid Director**

**State of Louisiana**

**Department of Health and Hospitals**

**1201 Capitol Access Road**

**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:

LA TITLE XIX SPA

TRANSMITTAL #: 17-0006

TITLE: Outpt Svcs NR, NS Rate Increase (HCR 51)

EFFECTIVE DATE: January 1, 2017

FISCAL IMPACT:

Increase

	Year	% Inc.	fed. match	* # mos	range of mos.	dollars
1st SFY	2017		0.00%	6	January 2017- June 2017	\$780,514
2nd SFY	2018	3.0%	0.00%	12	July 2017- June 2018	\$1,607,859
3rd SFY	2019	3.0%	0.00%	12	July 2018- June 2019	\$1,656,095

\* #mos-Months remaining in fiscal year

Total Increase in Cost FFY 2017

SFY 2017 \$780,514 for 6 months January 2017- June 2017

\$780,514

SFY 2018 \$1,607,859 for 12 months  
\$1,607,859 / 12 X 3 months

July 2017- June 2018  
July 2017 - June 2018

= \$401,965

\$1,182,479

FFP (FFY 2017 ) =

\$1,182,479

X

62.28%

=

\$736,448

Total Increase in Cost FFY 2018

SFY 2018 \$1,607,859 for 12 months  
\$1,607,859 / 12 X 9 months

July 2017- June 2018  
July 2017 - June 2018

= \$1,205,894

SFY 2019 \$1,656,095 for 12 months  
\$1,656,095 / 12 X 3 months

July 2018- June 2019  
July 2019 - July 2019

= \$414,024

\$1,619,918

FFP (FFY 2018 ) =

\$1,619,918

X

62.51%

=

\$1,012,611



METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN AS DESCRIBED AS FOLLOWS:

Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient laboratory services shall be increased by 7.03 percent of the rates on file as of December 31, 2016. Our Lady of the Lake Regional Medical Center shall be exempted from this rate increase.

State-owned Hospitals

Effective for dates of services on or after July 1, 2008, state-owned hospitals shall be reimbursed for outpatient clinical laboratory services at 100 per cent of the current Medicare Clinical Laboratory Fee Schedule.

**Outpatient hospital facility fees for office/outpatient visits** are reimbursed at the lower of:

- 1) billed charges; or
- 2) the State maximum amount (70% of the Medicare APC payment rates as published in the 8/9/02 Federal Register). The fee schedule is published on the Medicaid provider website at [www.lamedicaid.com](http://www.lamedicaid.com).

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

Effective for the dates of service on or after February 3, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 5 percent of the fee schedule on file as of February 2, 2010.

Effective for the dates of service on or after August 1, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 4.6 percent of the fee schedule on file as of July 31, 2010.

Effective for the dates of service on or after January 1, 2011, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 2 percent of the fee schedule on file as of December 31, 2010.

Effective for dates of service on or after August 1, 2012, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 3.7 percent of the fee schedule on file as of July 31, 2012.

Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital facility fees for office/outpatient visits shall be reduced by 1 percent of the fee schedule on file as of January 31, 2013.

Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient clinic services shall be increased by 7.03 percent of the rates on file as of December 31, 2016. Our Lady of the Lake Regional Medical Center shall be exempted from this rate increase.

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

**Outpatient hospital surgery facility fees** are reimbursed at the lower of:

- 1) billed charges; or
- 2) established Medicaid payment rates assigned to each Healthcare Common Procedure Coding System (HCPCS) code based on the Medicare payment rates for ambulatory surgery center services. These rates are published on the Medicaid provider website at [www.lamedicaid.com](http://www.lamedicaid.com).

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient surgery shall be reduced by 3.5 percent of the fee schedule on file as of February 19, 2009.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital facility surgery fees shall be reduced by 5.65 percent of the fee schedule on file as of August 3, 2009.

Effective for the dates of service on or after February 3, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital surgery facility fees shall be reduced by 5 percent of the fee schedule on file as of February 2, 2010.

Effective for the dates of service on or after August 1, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient surgery facility fees shall be reduced by 4.6 percent of the fee schedule on file as of July 31, 2010.

Effective for the dates of service on or after January 1, 2011, the reimbursement paid to non-rural, non-state hospitals for outpatient surgery facility fees shall be reduced by 2 percent of the fee schedule on file as of December 31, 2010.

Effective for dates of service on or after August 1, 2012, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery facility fees shall be reduced by 3.7 percent of the fee schedule on file as of July 31, 2012.

Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery facility fees shall be reduced by 1 percent of the fee schedule on file as of January 31, 2013.

Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery, shall be increased by 7.03 percent of the rates on file as of December 31, 2016. Our Lady of the Lake Regional Medical Center shall be exempted from this rate increase.

Current HCPS codes and modifiers shall be used to bill for all outpatient hospital surgery services.



PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

**Outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation services, and outpatient hospital facility fees for office/outpatient visits are paid as follows:**

**In-state private hospital outpatient services** are reimbursed on a hospital specific cost to charge ratio calculation based on the latest filed cost reports. Updated cost to charge ratios will be calculated as filed cost reports are received. Cost to charge ratios for the hospitals on which a filed cost report was received will be adjusted at the beginning of the next quarter. Final reimbursement is adjusted to 83% of allowable cost through the cost report settlement process. The allowable costs are determined from the Medicare/Medicaid cost report for each hospital. The costs and charges on these cost reports are reported in accordance with the instructions in the HIM-15 (Medicare Reimbursement Manual).

Effective for dates of services on or after August 1, 2006, the outpatient rates paid to private hospitals for cost-based services are increased by 3.85% of the rates in effect on July 31, 2006. Final reimbursement will be 86.2% of allowable cost through the cost report settlement process.

Effective for dates of service on or after February 20, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 3.5 percent of the rates effective as of February 19, 2009. Final reimbursement will be 83.18% of allowable cost through the cost settlement process.

Effective for dates of service on or after August 4, 2009, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 5.65 percent of the rates effective as of August 3, 2009. Final reimbursement shall be at 78.48 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after February 3, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 5 percent of the rates effective as of February 2, 2010. Final reimbursement shall be at 74.56 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after August 1, 2010, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 4.6 percent of the rates effective as of July 31, 2010. Final reimbursement shall be at 71.13 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after January 1, 2011, the reimbursement paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 2 percent of the rates effective as of November 30, 2010. Final reimbursement shall be at 69.71 percent of allowable cost through the cost settlement process.

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Effective for dates of service on or after August 1, 2012, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 3.7 percent of the rates in effect on July 31, 2012. Final reimbursement shall be at 67.13 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after February 1, 2013, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 1 percent of the fee schedule in effect on January 31, 2013. Final reimbursement shall be at 66.46 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be increased by 7.03 percent of the rates in effect as of December 31, 2016. Final reimbursement shall be at 71.13 percent of allowable cost through the cost settlement process.

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

RESERVED



PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

- (10) Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to children's specialty hospitals for outpatient surgery, outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation services and outpatient hospital facility fees for office/outpatient visits shall be increased by 7.03 percent of the rates in effect as of December 31, 2016.

Final reimbursement for outpatient surgery, and outpatient services other than rehabilitation services and outpatient facility fees for office/outpatient visits shall be 87.91 percent of allowable cost as calculated through the cost report settlement process.