

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

July 2, 2018

Our Reference: SPA LA 17-0030

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

Attention: Karen Barnes

Dear Ms. Steele:

We have reviewed the State's proposed amendment to the Louisiana State Plan submitted under Transmittal Number 17-0030 dated December 6, 2017. This state plan amendment revises the reimbursement methodology governing services rendered by physicians and other professional services practitioners employed by, or under contract to provide services in affiliation with, a state-owned or operated entity in order to enhance reimbursement rates.

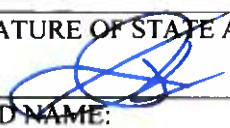
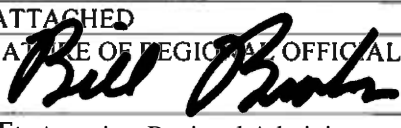
Based on the information submitted, we have approved the amendment for incorporation into the official Louisiana State Plan with an effective date change of February 1, 2018. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Cheryl Rupley 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 17-0030	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 February 1, 2018	
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 F		7. FEDERAL BUDGET IMPACT: a. FFY 2018 \$ 6,484,288 b. FFY 2019 \$11,344,559	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 5, Page 8a Attachment 4.19-B, Item 5, Page 8b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): None (New Page) None (New Page)	
10. SUBJECT OF AMENDMENT: The purpose of this SPA is to revise the reimbursement methodology governing services rendered by physicians and other professional services practitioners employed by, or under contract to provide services in affiliation with, a state-owned or operated entity in order to enhance the reimbursement rates.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review State Plan material.	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Jen Steele, Medicaid Director State of Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030	
13. TYPED NAME: Rebekah E. Gee MD, MPH			
14. TITLE: Secretary			
15. DATE SUBMITTED: December 6, 2017			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: December 6, 2017		18. DATE APPROVED: July 2, 2018	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: February 1, 2018		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

STATE OF LOUISIANA

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:

IV. Enhanced Reimbursement Rates

Effective for dates of service on or after February 1, 2018, physicians who qualify under provisions for services rendered in affiliation with a state-owned or operated entity that have been designated as an essential provider, shall receive enhanced reimbursement rates up to the community rate level for qualifying services.

State - Owned or Operated Professional Services Practices

1. Qualifying Criteria

- a. In order to qualify to receive enhanced rate payments for services rendered to Medicaid recipients under these provisions, physicians and other eligible professional service practitioners must be: licensed by the state of Louisiana;
- b. enrolled as a Louisiana Medicaid provider; and
- c. employed by, or under contract to provide services in affiliation with, a state-owned or operated entity, such as a state-operated hospital or other state entity, including a state academic health system, which has been designated by the Department as an essential provider. Essential providers include:
 - i. LSU School of Medicine – New Orleans;
 - ii. LSU School of Medicine – Shreveport; and
 - iii. LSU state-operated hospitals (Lallie Kemp Regional Medical Center and Villa Feliciana Geriatric Hospital).

2. Qualifying Provider Types

State-owned or operating entities shall identify to the Department which professional services practitioners/groups qualify for the enhanced rate payments.

3. Payment Methodology

Payments shall be made at the community rate level (the rates paid by commercial payers for the same service) for services rendered by physicians and other eligible professional service practitioners who qualify.

State: Louisiana
Date Received: 12-06-17
Date Approved : 7-02-18
Date Effective: 2-01-18
Transmittal Number: 17-0030

STATE OF LOUISIANA

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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:

Enhanced rates are based on average commercial rates (ACR) effective during the state fiscal year proceeding the fiscal year in which the ACR is calculated for each service designated by a current procedural terminology (CPT) code recognized by the Medicaid program as a covered service. The provider's ACR demonstration will be updated at least every three years.

For services rendered by physicians and other professional services practitioners, in affiliation with a state-owned or operated entity, the Department will collect from the state owned or operated entity its current commercial rates/fee schedules by CPT code for their top three commercial payers by volume. The Department will calculate the ACR for each CPT code for each professional services practice that provides services in affiliation with a state-owned or operated entity.

The Department will extract from its paid claims history file, for the preceding fiscal year, all paid claims for those physicians and professional practitioners who will qualify for the enhanced reimbursement rates. The Department will align the ACR for each CPT code to each Medicaid claim for the physician or professional services practitioner/practice plan and calculate the average commercial payments for the claims. The Department will also align the same paid Medicaid claims with the Medicare rates for each CPT code for the physician or professional services practitioner and calculate the Medicare payment amounts for those claims.

The Medicare rates will be the most currently available national non-facility rates.

The Department will calculate an overall Medicare to commercial conversion factor by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. This conversion factor will be applied to the current Medicare rates for all procedure codes payable for Medicaid to create the enhanced reimbursement rate.

Payment to physician-employed physician assistants and registered nurse practitioners shall be 80 percent of the maximum allowable rate paid to physicians.

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