

ACCESS ANALYSIS

SPA TN: 17-0013

**TITLE: Disproportionate Share Hospital Payments
Federally Mandated Statutory Hospitals Pool Reduction**

EFFECTIVE DATE: March 1, 2017

SUBMISSION DATE: March 31, 2017

Purpose of the SPA

This State Plan Amendment (SPA) proposes to reduce the amount of the Disproportionate Share Hospital (DSH) pool for federally mandated statutory hospitals from \$1,000,000 to \$1,000.

Purpose of the Addendum

Louisiana Medicaid has determined that the impact of SPA TN 17-0013 may result in a reduction in payments to providers for inpatient hospital services rendered by hospitals classified as federally mandatory statutory hospitals; therefore, in compliance with the provisions of 42 CFR 447.203-204, the State is providing the following analysis of continued access to these services for covered Medicaid recipients.

DATA ANALYSIS

Pertinent Data Analysis

With Louisiana's Medicaid expansion beginning July 2016, and the reimbursement rate increases to hospitals for inpatient and outpatient hospital services, effective January 1, 2017 (refer to pending LA SPA TN 17-0004 and 17-0006), hospitals have less uncompensated care costs. Thus, the reduction to the Federally Mandated Statutory Hospital DSH pool will not have an impact on access to care relative to inpatient hospital services.

Characteristics of the Beneficiary Population

The beneficiary population for DSH related hospital services is primarily the uninsured.

Estimated Levels of Provider Payment from Other Sources

DSH payments are not paid by other payers, only Louisiana Medicaid.

PUBLIC INPUT ANALYSIS

Effect the Change Has on Access and the Concerns of Beneficiaries, Providers & Stakeholders

This DSH pool reduction will not have an impact on beneficiaries, and will not impede their continued access to inpatient hospital services.

Public notification of this change was provided to beneficiaries, providers and stakeholders through the publication of a public notice/legal ad ([DSH Pool Reduction Public Notice](#)) in the eight major daily newspapers of the state on or before February 24, 2017. As with the majority of proposed changes that may impact hospitals in the state, the Louisiana Department of Health (LDH) consults with the largest provider organization representing hospitals in the state, the Louisiana Hospital Association (LHA), and other key stakeholders (i.e., the Governor, Legislative Budget Committee, etc.) on potential changes to their payments prior to making the change.

State Response to Input and Concerns

There has not been any concerns received from beneficiaries, providers or stakeholders about this DSH pool reduction.

Mechanisms to Address Ongoing Beneficiary and Provider Input

Although this proposed DSH pool reduction will have no impact on beneficiaries, all interested parties (beneficiaries, providers and stakeholders) always have an open line of communication via telephone, the Department's website and email to the program manager(s) responsible for the oversight of hospital services. In the case of this SPA, the reduction of uninsured in the state through Medicaid expansion, the reduction to this DSH pool is not expected to have an adverse effect on hospitals.

Also, there are several different mechanisms that the State has in place for beneficiaries, providers and stakeholders to share their concerns, offer recommendations for service changes and inquire about issues relative to their Medicaid coverage. These mechanisms include, but are not limited to, a toll-free publicized hotline, global dedicated email addresses for electronic submissions to Louisiana Medicaid, publicized fax lines, direct contact through periodic meetings, etc.

The State also continues its review of concerns voiced through the analyzing of grievance and appeals data and complaints received.

BENEFICIARY IMPACT

Beneficiary Needs

The proposed DSH pool reduction will not affect Medicaid beneficiaries. Their needs will continue to be met.

Availability of Care

The proposed change will not affect the availability of care. The same infrastructure for inpatient hospital services will continue to exist, and Medicaid recipients will still have the same access to the services that exist currently.

Utilization Changes

Louisiana Medicaid does not anticipate any changes in beneficiary utilization as a result of this change. The DSH pool reduction will not have an adverse impact on beneficiaries' ability to access inpatient hospital services when necessary.

MONITORING PROCEDURES

Three-Year Monitoring Procedures

The State monitors utilization of hospital services very closely and will continue to monitor the uninsured statistics over the next three-year period to determine if the reduction to this DSH pool will have an unexpected adverse effect. According to an article published in The Advocate newspaper (February 8, 2017), Louisiana's uninsured rate has fallen to 12.5 percent. We anticipate that number to continue to fall as enrollment in Medicaid expansion rises. The State has enrolled more than 414,500 individuals through Medicaid expansion since the program's implementation in July of 2016.

Remediation Process for Inadequate Access

Although the State does not anticipate that this change in DSH payments will affect access to inpatient hospital services, the state will continue to monitor statistics and available data. Should an adverse impact be identified through data analysis, the State will move to immediately address areas of concern, and pursuant to the federal access to care monitoring requirements, submit a corrective action plan and timelines to specifically address the identified areas of impact.