

John Bel Edwards
GOVERNOR



Rebekah E. Gee MD, MPH
SECRETARY

State of Louisiana
Louisiana Department of Health
Office of the Secretary

VIA ELECTRONIC MAIL ONLY

June 29, 2018

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. 18-0009

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 "Rebekah E. Gee".

Rebekah E. Gee MD, MPH
Secretary

Attachments (3)

REG:JS:MJ

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

18-0009

2. STATE

Louisiana

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

4. PROPOSED EFFECTIVE DATE

June 30, 2018

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 E

7. FEDERAL BUDGET IMPACT:

a. FFY 2018 **\$ 7,713,379**
b. FFY 2019 **\$ 8,108,192**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 4.19-A, Item 1, Page 10 k (5)(d)
Attachment 4.19-A, Item 1, Page 10 k (5)(e)**

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 PAGE NUMBER OF THE SUPERSEDED PLAN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

**None – new page
None – new page**

10. SUBJECT OF AMENDMENT: **The SPA proposes to amend the provisions governing disproportionate share hospital (DSH) payments for major medical centers in order to establish qualification criteria and a DSH payment methodology for large private hospitals located in the southwestern area of the state (LDH Region 4 5) which provide specialized intensive care burn units.**

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:

June 29, 2018

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

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:

The State request a pen and ink change to box # 10.

LA TITLE XIX SPA

TRANSMITTAL #: 18-0009

TITLE: DSH - Major Medical Centers - Specialized Burn Units

EFFECTIVE DATE: June 30, 2018

FISCAL IMPACT:
Increase

	year	% inc.	fed. match		*# mos	range of mos.	dollars
1st SFY	2018			0.00%	12	July 2017- June 2018	\$12,110,817
2nd SFY	2019			0.00%	12	July 2018 - June 2019	\$12,474,142
3rd SFY	2020			0.00%	12	July 2019 - June 2020	\$12,848,366

*#mos-Months remaining in fiscal year

Total Decrease in Cost FFY 2018

SFY 2018 \$12,110,817 for 12 months July 2017- June 2018 \$12,110,817

\$12,110,817

FFP (FFY 2019) =

\$12,110,817 X 63.69% = \$7,713,379

Total Decrease in Cost FFY 2019

SFY 2019 \$12,474,142 for 12 months July 2018 - June 2019 = \$12,474,142

\$12,474,142

FFP (FFY 2020) =

\$12,474,142 X 65.00% = \$8,108,192

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

Major Medical Centers with Specialized Burn Care Units Located in the Southwestern Area of the State

A. Qualifying Criteria

Effective for dates of service on or after June 30, 2018, hospitals qualifying for payments as major medical centers located in the southwestern area of the state shall meet the following criteria:

1. be a private, non-rural hospital located in Louisiana Department of Health administrative region 4;
2. have at least 175 inpatient beds as reported on the Medicare/Medicaid cost report, Worksheet S-3, column 2, lines 1-18, for the state fiscal year ending June 30, 2017. For qualification purposes, inpatient beds shall exclude nursery and Medicare-designated distinct part psychiatric unit beds;
3. have a burn intensive care unit that is reported on the Medicare/Medicaid cost report, Worksheet S-3, line 10, columns 1-8, for the state fiscal year ending June 30, 2017;
4. does not qualify as a Louisiana low-income academic hospital; and
5. does not qualify as a party to a low income and needy care collaboration agreement with the Department of Health.

B. Payment Methodology

Effective for dates of service on or after June 30, 2018, each qualifying hospital shall be paid a DSH adjustment payment which is the pro rata amount calculated by dividing their hospital specific allowable uncompensated care costs by the total allowable uncompensated care costs for all hospitals qualifying under this category and multiplying by the funding appropriated by the Louisiana Legislature in the applicable state fiscal year for this category of hospitals.

1. Costs, patient specific data and documentation that qualifying criteria is met shall be submitted in a format specified by the department.
2. Costs and lengths of stay shall be reviewed by the department for reasonableness before payments are made.
3. Aggregate DSH payments for hospitals that receive payment from this category, and any other DSH category, shall not exceed the hospital's specific DSH limit. If payments calculated under this methodology would cause a hospital's aggregate DSH payment to exceed the limit, the payment from this category shall be capped at the hospital's specific DSH limit.

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

4. A pro rata decrease, necessitated by conditions specified in.B.1, above, for hospitals described in this section, will be calculated based on the ratio determined by dividing the hospital's uncompensated costs by the uncompensated costs for all of the qualifying hospitals described in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment.
 - a. Additional payments shall only be made after finalization of the Centers for Medicare and Medicaid Services' (CMS) mandated DSH audit for the state fiscal year.
 - b. Payments shall be limited to the aggregate amount recouped from the qualifying hospitals described in this section, based on the reported DSH audit results.
 - c. If the hospitals' aggregate amount of underpayments reported per the audit results exceeds the aggregate amount overpaid, the payment redistribution to underpaid hospitals shall be paid on a pro rata basis calculated using each hospital's amount underpaid, divided by the sum of underpayments for all of the hospitals described in this section.

TN _____
Supersedes
TN _____

Approval Date _____

Effective Date _____