

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**

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October 10, 2018

Our Reference: SPA LA 18-0014

Ms. Jen Steele, State Medicaid Director  
Department of Health  
628 North 4<sup>th</sup> 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 18-0014 dated September 7, 2018. This state plan amendment proposes to amend the provisions governing the reimbursement methodology for rural health clinics (RHCs) in order to implement a payment methodology to allow reimbursement for long-acting reversible contraceptive devices outside of the perspective payment system rate.

Based on the information submitted, we have approved the amendment for incorporation into the official Louisiana State Plan with an effective date change of January 1, 2019. 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](mailto: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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>18 - 0014</b>	2. STATE <b>Louisiana</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	

TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>January 1, 2019</b>
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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)

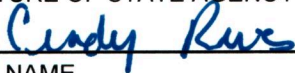
6. FEDERAL STATUTE/REGULATION CITATION  <b>42 CFR 447.201 and Section 1902(bb) of the Social Security Act</b>	7. FEDERAL BUDGET IMPACT a. FFY <b>2019</b> \$ <b>55,797.00</b> b. FFY <b>2020</b> \$ <b>74,958.00</b>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <b>Attachment 4.19-B, Item 2b, Page 3</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  <b>Same (TN 11-39)</b>
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10. SUBJECT OF AMENDMENT **The purpose of this SPA is to amend the provisions governing the reimbursement methodology for rural health clinics in order to implement a payment methodology to allow reimbursement for long-acting reversible contraceptive devices outside of the perspective payment system rate.**

11. GOVERNOR'S REVIEW (Check One)


GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      The Governor does not review State Plan material.  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO <b>Jen Steele, Medicaid Director State of Louisiana Department of Health 628 North 4<sup>th</sup> Street P.O. Box 91030 Baton Rouge, LA 70821-9030</b>
13. TYPED NAME <b>Rebekah E. Gee MD, MPH</b>	
14. TITLE <b>Secretary</b>	
15. DATE SUBMITTED <b>September 7, 2018</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED September 7, 2018	18. DATE APPROVED October 10, 2018
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2019	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 SERVICES LISTED IN SECTION 1905(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION

42 CFR 447.201 and Medical and Remedial Care and Services  
Section 1902(bb) of the Social Security Act Item 2.b.

No interim or alternate payment methodologies will be developed by the State without prior notification to each enrolled Medicaid RHC.

Should an RHC increase or decrease its scope of services through new program development, program closure, program enhancement, etc., it is responsible for notifying the Bureau of Health Services Financing, Institutional Reimbursements Section of the scope of change in writing. The RHC shall include with this notification a budgetary presentation showing the impact on costs and Medicaid patient visits. The Institutional Reimbursements Section will be responsible for incorporating allowable costs and visits into the PPS per visit rate calculation and determining a new rate.

For an RHC which enrolls and receives approval to operate on or after January 1, 2001, the facility's initial PPS per visit rate will be determined first through comparison to other RHCs in the same town/city/parish. Scope of services will be considered in determining which proximate RHC most closely approximates the new provider. If no RHCs are available in the proximity, comparison will be made to the nearest RHC offering the same scope of services. The rate will be set to that of the RHC comparative to the new provider.

Beginning with Federal fiscal year 2002, the PPS per visit rate for each facility will be increased annually by the percentage increase in the published Medicare Economic Index (MEI) for primary care services. The MEI increase will be applied on July 1 of each year.

Effective for dates of services on or after February 21, 2011, the Medicaid Program shall provide reimbursement for diabetes self-management training (DSMT) services rendered by qualified health care professionals in the RHC encounter rate. Separate encounters for DSMT services are not permitted and the delivery of DSMT services alone does not constitute an encounter visit.

**Alternate Payment Methodology**

Effective for dates of service on or after October 21, 2007, the Medicaid Program shall provide for an alternate payment methodology. This alternate methodology will include the aforementioned PPS methodology plus an additional reimbursement for adjunct services provided by rural health clinics when these services are rendered during evening, weekend or holiday hours. Reimbursement is limited to services rendered between the hours of 5 p.m. and 8 a.m. Monday through Friday, on weekends and State legal holidays. (NOTE: A payment for adjunct services is not allowed when the encounter is for dental services only.)

**Long-Acting Reversible Contraceptives**

Effective for dates of service on or after January 1, 2019, RHCs shall be reimbursed a separate payment outside of the PPS rate, accordingly, for long-acting reversible contraceptives (LARCs). This alternate methodology will include the PPS rate, plus reimbursement for the device.

Reimbursement for LARCs shall be at the lesser of, the rate on file or the actual acquisition cost, for entities participating in the 340B program. RHCs eligible for 340B pricing must bill Medicaid at their 340B actual acquisition cost for reimbursement.

State: Louisiana  
Date Received: 9-7-18  
Date Approved: 10-10-18  
Date Effective: 1-01-19  
Transmittal Number: 18-0014