



JUL 25 2019

Jen Steele
State Medicaid Director
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030

Dear Ms. Steele:

I am responding to your request regarding Louisiana's state plan amendments (SPAs) 18-0019 and 18-0020. The Centers for Medicare & Medicaid Services (CMS) received SPAs 18-0019 and 18-0020 on November 1, 2018, with a proposed effective date of January 1, 2019. Proposed SPA 18-0019 would implement a methodology to pay Federally Qualified Health Centers (FQHCs) for mammogram screening and diagnostic services outside of the Prospective Payment System (PPS). SPA 18-0020 would apply the same payment policy to Rural Health Centers (RHCs).

Consistent with section 1902(bb) of the Social Security Act (the Act), the state's current FQHC/RHC PPS encounter rates were calculated using costs associated with services covered within the FQHC benefit, including mammogram screening and diagnostics. Under proposed SPAs 18-0019 and 18-0020, the state would change its policies and pay for mammogram screening and diagnostics separately from the PPS rate using a fee-for-service rate which is lower than PPS. When additional FQHC and RHC services are provided during the same visit that a patient receives mammogram screening and diagnostics, the FQHC/RHC would receive both the PPS rate and the fee-for-service rate. However, FQHC/RHC providers would receive only the fee-for-service payment for mammogram screening and diagnostic services when no additional services are provided during the visit, which would violate the statute.

Regretfully, CMS is unable to approve proposed SPAs 18-19 and 18-20 because these amendments do not reflect the requirements of section 1902(bb) the Act. Additionally, because the state has declined to respond to our formal Request for Additional Information (RAI) sent on January 24, 2019, CMS does not have an opportunity to consider changes to the proposed SPAs that could result in approval which is inconsistent with the procedures for action on state plan materials described at 42 CFR 430.16.

Statutory Background

Section 1902(bb) of the Act requires Medicaid programs to make payments to FQHCs and RHCs "in an amount (calculated on a per visit basis) that is equal to 100 percent of the average of the costs of the center or clinic of furnishing such services during fiscal years 1999 and 2000 which are reasonable and related to the cost of furnishing such services" and adjusted in subsequent

years by the factor set out at section 1902(bb)(3) of the Act. The calculation results in a PPS that factors all service costs into a per visit payment amount. States may also establish alternative payment methodologies (APMs) to pay FQHC/RHC providers as long as the APM “results in payment to the center or clinic of an amount which is at least equal to” the PPS, in accordance with section 1902(bb)(6)(B) of the Act.

Louisiana’s proposed methodology would redefine mammogram screening and diagnostic services as non-FQHC/RHC services under the state plan and exclude those services from the billable encounter paid using the PPS. While the statute requires states to rebase the PPS rate for any increase or decrease in the scope of services provided by a facility, it does not provide a basis for states to remove from the PPS rate certain covered services that continue to be provided by a facility and pay those services on a different basis (with the exception of an APM that meets the statutory requirements). Even assuming that Louisiana’s proposal constitutes an APM, the state’s proposal as described does not comply with section 1902(bb) of the Act.

Solutions Explored

In the formal RAI, CMS provided the state with recommendations to ensure that the proposed amendment would comport with section 1902(bb) of the Act. We discussed an option to pay the providers using an APM, which would allow the state to pay mammogram screening and diagnostic services as an add-on to the PPS payment when provided on the same day as other FQHC services. This would partially accomplish the state’s goal of separately recognizing costs associated with mammography; however, the state would need to continue to pay providers using the PPS rate for encounters where only mammogram screening and diagnostic services were provided. We also suggested Louisiana consider paying the PPS rate for mammogram screening and diagnostic services to providers that offer those services, while conducting reviews of changes in scope of services (and making appropriate reductions in the PPS) for providers that no longer offer mammogram screening and diagnostic services.

Louisiana declined to pursue the alternative approaches to the proposed SPAs and we advised the state to withdraw the SPAs from consideration in order to avoid disapproval. We notified state officials that they would be allowed reasonable time to explore the options detailed in the RAI with their providers. On December 10, 2018, governor John Bel Edwards signed into Louisiana State law: LAC 50:XI.10703, which required the state Medicaid plan to implement a payment methodology to allow reimbursement for mammography screening and diagnosis services outside of the PPS rate. The state declined to respond to the RAI or make changes to the proposed SPAs and requested that we disapprove them.

Conclusion

For these reasons, after consulting with the Secretary as required by 42 CFR 430.15, CMS is disapproving SPAs 18-0019 and 18-0020.

If you are dissatisfied with this determination, you may petition for reconsideration within 60 days of the receipt of this letter, in accordance with the procedure set forth in federal regulations

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at 42 CFR 430.18. Your request for reconsideration should be sent to Ms. Maritza Bodon, Centers for Medicare & Medicaid Services, Center for Medicaid & CHIP Services, 7500 Security Boulevard, Mail Stop S2-26-12, Baltimore, Maryland 21244-1850.

If you have any questions or wish to discuss this determination further, please contact: Mr. Bill Brooks, Director, Division of Medicaid Field Operations-South, Centers for Medicare & Medicaid Services, Region 6, 1301 Young Street, Room 714, Dallas, Texas 75202.

Sincerely,

A handwritten signature in black ink, appearing to read "Calder Lynch", written in a cursive style.

Calder Lynch
Acting Deputy Administrator and Director