

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS-REGION VI

January 24, 2019

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

Attention: Jen Steele

RE: State Plan Amendment LA 18-0020

Ms. Steele:

We have completed our review of the proposed amendment submitted under transmittal number (TN) 18-0020. This plan amendment has an effective date of January 1, 2019 and was submitted in order to amend the provisions governing the reimbursement methodology for rural health clinics (RHC) in order to implement a payment methodology to allow reimbursement for mammography screening and diagnosis services outside of the perspective payment system (PPS) rate.

Before we can continue processing this amendment, we need additional or clarifying information.

General Comments/Questions

The state has proposed a methodology which would no longer consider mammography as an RHC service or as an RHC billable encounter, but would pay for mammography at a separate fee-for-service payment rate anytime mammography is provided by an RHC. This change is a departure from a long standing state policy that mammography is an RHC service and such services qualify as an encounter in the RHC. The PPS rate is an all-inclusive encounter rate which includes cost of all of the RHC services the RHC provides, as is stated in the Louisiana state plan (Att. 4.19 B, Item 2c, Page 2). States have flexibility to define a billable encounter, but states have an obligation to review and modify the PPS rate when there is a change in scope of services.

The statute requires all in-scope RHC services to be paid under the PPS methodology. States cannot redefine RHC services to exclude items that have long been considered RHC services. In order to proceed with this plan amendment, the state has the following options:

1. The state may withdraw the SPA.
2. Pay the PPS rate for RHC services including mammography, which may or may not include a review of change in scope of services.
3. Allow the providers to be paid under an Alternative Payment Methodology (APM), where mammography is a billable encounter eligible for PPS. When provided on the same day as another RHC service, the state could pay an add-on rate. Mammography delivered as a stand-alone encounter would receive PPS.

We are requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material, which would have expired on January 29, 2019. A new 90-day clock will not begin until we receive your response to this request.

In accordance with our guidelines to all State Medicaid directors dated January 2, 2001, and subsequently reiterated in the August 16, 2018 Center for Medicaid and CHIP Services Informational Bulletin, if a response to a formal request for additional information from CMS is not received from the state within 90 days of issuance, CMS will initiate disapproval of the SPA or waiver action. In addition, because this amendment was submitted after January 2, 2001 and is effective after January 1, 2001, please be advised that we will defer federal financial participation (FFP) for state payments made in accordance with this amendment until it is approved. Upon approval, FFP will be available for the period beginning with the effective date through the date of approval.

We ask that you respond to this RAI via the Dallas Regional Office SPA/Waiver e-mail address at CMS SPA_Waivers_Dallas_R06. The original signed response should also be sent to the Dallas Regional Office.

If you have any questions, please contact Cheryl Rupley at 214-767-6278.

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
Division of Medicaid & Children's Health Operations