



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

VIA ELECTRONIC MAIL ONLY

March 14, 2019

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: LA SPA TN 18-0021 RAI Response
Outpatient Hospital Services – Non-Rural, Non-State Hospitals and
Children's Specialty Hospitals – Reimbursement Rate Increase**

Please refer to our proposed amendment to the Medicaid State Plan submitted under transmittal number (TN) 18-0021 with the proposed effective date of January 1, 2019. The State Plan amendment (SPA) proposes amend the provisions governing the reimbursement methodology for outpatient hospital services in order to increase the reimbursement rates paid to non-rural, non-state hospitals and children's specialty hospitals. We are providing the following in response to your request for additional information (RAI) dated January 10, 2019.

General Comments/Questions

1. CMS reviewed the Outpatient Upper Payment Limit (UPL) demonstration for State Fiscal Year 2018, which was submitted on July 6, 2018. The UPL provided by the State does not appear to support that there is enough room to allow for the additional Federal Financial Participation (FFP) requested in LA 18-0021. Regulations at 42 Code of Federal Regulations (CFR) 447.321 require that payments in the aggregate may not exceed a reasonable estimate of the amount of what Medicare would pay for similar services.

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Please provide a UPL demonstration applicable to the payments for the future rate period (SFY 2019) for the private facilities bucket.

RESPONSE:

The SFY 2019 Outpatient Upper Payment Limit Demonstration is attached.

Please consider this a formal request to begin the 90-day clock. We trust this additional information will result in the approval of the pending SPA. We look forward to negotiating with CMS to ensure approval.

As always, we appreciate the assistance of Cheryl Rupley in resolving these issues. If further information is required, you may contact Karen H. Barnes at Karen.Barnes@la.gov or by phone (225) 342-3881.

Sincerely,



Jen Steele
Medicaid Director

JS: KHB: RJ

Attachments (2)

c: Karen H. Barnes
Cheryl Rupley
Tamara Sampson