

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 10, 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 18-0021

Ms. Steele:

We have completed our review of the proposed amendment submitted under transmittal number (TN) 18-0021. 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 outpatient hospital services in order to increase the reimbursement rates paid to non-rural, non-state hospitals and children's specialty hospitals.

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

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


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 31, 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