



**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

**VIA ELECTRONIC MAIL ONLY**

November 27, 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

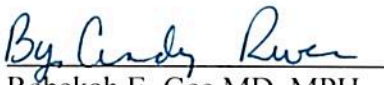
RE: Louisiana Title XIX State Plan  
Transmittal No. 19-0027

Dear Mr. Brooks:

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material.

I recommend this material for adoption and inclusion in the body of the State Plan.  
Should you have any questions or concerns regarding this matter, please contact Karen  
Barnes at (225) 342-3881 or via email at [Karen.Barnes@la.gov](mailto:Karen.Barnes@la.gov).

Warmly,

 for  
Rebekah E. Gee MD, MPH  
Secretary

Attachments (3)

REG:JS:SSJ

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
**19-0027**

2. STATE  
**Louisiana**

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  
**January 1, 2020**

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

**42 CFR 447 Subpart E**

7. FEDERAL BUDGET IMPACT

a. FFY **2020** **\$ 13,818,674**  
b. FFY **2021** **\$ 14,399,513**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-A, Item 1, Page 10d**  
**Attachment 4.19-A, Item 1, Page 10k(5)(e)**  
**Attachment 4.19-A, Item 1, Page 10k(5)(f)**

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If Applicable)

**Same (TN 16-0018)**  
**Same (TN 18-0009)**  
**None – new page**

10. SUBJECT OF AMENDMENT **The purpose of this SPA is to establish a qualification criteria and a disproportionate share hospital (DSH) payment methodology for major medical centers located in the southeastern area of Louisiana.**

11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED  
The Governor does not review State Plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL

*Cindy Rives*

13. TYPED NAME

**Cindy Rives, designee for Rebekah E. Gee MD, MPH**

14. TITLE

**Secretary**

15. DATE SUBMITTED

**November 27, 2019**

16. RETURN TO

**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**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

LA TITLE XIX SPA  
 TRANSMITTAL #: 19-0027  
 TITLE: DSH - Major Medical Centers  
 EFFECTIVE DATE: January 1, 2020

FISCAL IMPACT:  
Increase

	year	% inc.	fed. match	# mos	range of mos.	dollars
1st SFY	2020			12	July 2019 - June 2020	\$20,668,074
2nd SFY	2021			12	July 2020 - June 2021	\$21,329,452
3rd SFY	2020			12	July 2021 - June 2021	\$21,329,452

\*mos-Months remaining in fiscal year

Total increase in Cost FFY 2020 for 12 months July 2019 - June 2020 \$20,668,074

\$20,668,074

FFP (FFY 2020 ) = \$20,668,074 X 66.86% = \$13,818,674

Total Increase in Cost FFY 2021 for 12 months July 2020 - June 2021 = \$21,329,452

\$21,329,452

FFP (FFY 2021 ) = \$21,329,452 X 67.51% = \$14,399,513

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

- e. Meet the definition of a public non-rural community hospital as defined in I.D.3.e. below; **or**
- f. Effective September 15, 2006, be a private non-rural community hospital as defined in I.D.3.f. below; **or**
- g. Effective November 3, 1997, be a small rural hospital as defined in I.D.3.b.; **or**
- h. Effective for dates of service on or after January 1, 2008, be a Medicaid enrolled non-state acute care hospital that expands their existing distinct part psychiatric unit or that enrolls a new distinct part psychiatric unit, and signs an addendum to the Provider Enrollment form (PE-50) by April 3, 2008 with the Department of Health, Office of Behavioral Health; **or**
- i. Effective for dates of service on or after January 21, 2010, be a hospital participating in the Low Income and Needy Care Collaboration; **or**
- j. Effective for dates of service on or after May 24, 2014, meet the definition of a Louisiana Low-Income Academic Hospital; **or**
- k. Effective for dates of services on or after June 30, 2016, be a hospital defined as a major medical center in the central and northern areas of Louisiana; **or**
- l. Effective for dates of service on or after June 30, 2018, be a major medical center with a specialized care unit located in the southwestern area of the state; or
- m. Effective for dates of service on or after January 1, 2020, be a major medical center located in the southeastern area of the state; and
- n. In addition to the qualification criteria outlined in I.D.1.a.-m. above, effective July 1, 1994, the qualifying disproportionate share hospital must also have a Medicaid inpatient utilization rate of at least one percent.

**2. General Provisions for Disproportionate Share Payments**

- a. Total cumulative disproportionate share payments under any and all DSH payment methodologies shall not exceed the federal disproportionate share state allotment for Louisiana for each federal fiscal year. The Department shall make necessary downward adjustments to hospitals' disproportionate share payments to remain within the federal disproportionate share allotment.

TN \_\_\_\_\_  
Supersedes  
TN \_\_\_\_\_

Approval Date \_\_\_\_\_

Effective Date \_\_\_\_\_



STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

3. Aggregate DSH payments for hospitals that receive payment from this category, and any other DSH category, shall not exceed the hospital's specific DSH limit. If payments calculated under this methodology would cause a hospital's aggregate DSH payment to exceed the limit, the payment from this category shall be capped at the hospital's specific DSH limit.
4. A pro rata decrease, necessitated by conditions specified in B.1, above, for hospitals described in this section, will be calculated based on the ratio determined by dividing the hospital's uncompensated costs by the uncompensated costs for all of the qualifying hospitals described in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment.
  - a. If additional payments or recoupments are required based on the results of the mandated DSH audit report, they shall be made within one year after the final report for the state fiscal year is submitted to the Centers for Medicare and Medicaid Services (CMS).
  - b. Payments shall be limited to the aggregate amount recouped from the qualifying hospitals described in this section, based on the reported DSH audit results.

**Major Medical Centers Located in the Southeastern Area of the State**

A. Qualifying Criteria

Effective for dates of service on or after January 1, 2020, hospitals qualifying for payments as major medical centers located in the southeastern area of the state shall meet the following criteria:

1. be a private, non-rural hospital located in Louisiana Department of Health administrative region 1;
2. have at least 175 inpatient beds as reported on the Medicare/Medicaid cost report, Worksheet S-3, column 2, lines 1-18, for the (SFY) ending June 30, 2018. For qualification purposes, inpatient beds shall exclude nursery and Medicare-designated distinct part psychiatric unit beds;
3. is certified as an advanced comprehensive stroke center by the Joint Commission as of June 30, 2018;
4. does not qualify as a Louisiana low-income academic hospital; and
5. does not qualify as a party to a low-income and needy care collaboration agreement with the Louisiana Department of Health.

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TN \_\_\_\_\_  
Supersedes  
TN \_\_\_\_\_

Approval Date \_\_\_\_\_

Effective Date \_\_\_\_\_

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

B. Payment Methodology

Effective for dates of service on or after January 1, 2020, each qualifying hospital shall be paid a DSH adjustment payment which is the pro rata amount calculated by dividing their hospital specific allowable uncompensated care costs by the total allowable uncompensated care costs for all hospitals qualifying under this category and multiplying by the funding appropriated by the Louisiana Legislature in the applicable SFY for this category of hospitals.

1. Costs, patient specific data and documentation that qualifying criteria is met shall be submitted in a format specified by the Department.
2. Reported uncompensated care costs shall be reviewed by the Department to ensure compliance with the reasonable costs definition in the Medicare Provider Reimbursement Manual. Allowable uncompensated care costs must be calculated using the Medicare/Medicaid cost report methodology.
3. Aggregate DSH payments for hospitals that receive payment from this category, and any other DSH category, shall not exceed the hospital's specific DSH limit. If payments calculated under this methodology would cause a hospital's aggregate DSH payment to exceed the limit, the payment from this category shall be capped at the hospital's specific DSH limit.
4. A pro rata decrease, necessitated by conditions specified in B.3, above, for hospitals described in this Section, will be calculated based on the ratio determined by dividing the hospital's uncompensated costs by the uncompensated costs for all of the qualifying hospitals described in this Section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment.
  - a. If additional payments or recoupments are required based on the results of the mandated DSH audit report, they shall may be made within one year after the final report for the SFY is submitted to the Centers for Medicare and Medicaid Services (CMS).
  - b. Additional payments shall be limited to the aggregate amount recouped from the qualifying hospitals described in this section, based on the reported DSH audit results.

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TN \_\_\_\_\_  
Supersedes  
TN \_\_\_\_\_

Approval Date \_\_\_\_\_

Effective Date \_\_\_\_\_