

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; **and 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
- ln. In addition to the qualification criteria outlined in I.D.1.a.-~~km~~. 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.

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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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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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