



State of Louisiana
Louisiana Department of Health
Office of the Secretary

VIA ELECTRONIC MAIL ONLY

September 7, 2021

James G. Scott, Director
Division of Program Operations
Medicaid & CHIP Operations Group
601 East 12th Street, Room 0300
Kansas City, Missouri 64106-2898

RE: Louisiana Title XIX State Plan
Transmittal No. 21-0020

Dear Mr. Scott:

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.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ruth Johnson".

Dr. Courtney N. Phillips
Secretary

Attachments (2)

CNP:MB:UN

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 21-0020	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 July 1, 2021


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 C and Section 1902(bb) of the Social Security Act	7. FEDERAL BUDGET IMPACT a. FFY 2021 \$ 0 b. FFY 2022 \$ 0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Item 2b, Page 4	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 07-20)

10. SUBJECT OF AMENDMENT **The purpose of this SPA is to amend the provisions governing Rural Health Clinics (RHCs) in order to establish an alternative payment methodology that requires managed care organizations to pay each RHC an encounter rate that is at least equal to the prospective payment system base rate specific to each RHC.**

11. GOVERNOR'S REVIEW (Check One)
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review State Plan material.
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Michael Boutte Interim Medicaid Executive Director State of Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030
13. TYPED NAME Ruth Johnson, designee for Dr. Courtney N. Phillips	
14. TITLE Secretary	
15. DATE SUBMITTED September 7, 2021	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED	18. DATE APPROVED
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME	22. TITLE
23. REMARKS	

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Alternative Payment Methodology for RHCs that are licensed as part of a small rural hospital defined in D.3.b.

Effective for dates of service provided on or after July 1, 2008, RHCs as defined in D.3.b. may elect to be reimbursed under this payment methodology. The RHCs that are licensed as part of a small rural hospital as of July 1, 2007 shall be reimbursed no less than in the aggregate at 110 percent of reasonable costs.

Interim payment for claims shall be the Medicaid PPS per visit rate for each provider. Final reimbursement shall be the greater of the BIPA PPS and the alternative payment methodology of 110 percent of allowable cost as calculated through the cost settlement process.

The payment received under this methodology will be compared each year to the Benefits Improvement and Protection Act of 2000 Prospective Payment System (BIP A PPS) rate to assure the center that their payment methodology under this alternative payment methodology is at least equal to the BIPA PPS rate. If the payment calculation at 110 percent of allowable cost is less than the BIPA PPS, the center will be paid the difference.

Managed Care Enrollees

Effective for dates of service on or after July 1, 2021, the State establishes an alternative payment methodology (APM) for beneficiaries enrolled with a managed care organization (MCO). The APM requires MCOs to pay each RHC, an encounter rate that is at least equal to the PPS base rate specific to each RHC. This APM must be agreed on by the State and each RHC, as authorized under Section 1902(bb)(6) of the Act.

To ensure that the appropriate rates are paid to each RHC, the State will perform a quarterly analysis to verify that RHCs receive at least the full PPS reimbursement rate and comply with the statutory requirements of the APM.

Standards for Payment

To be eligible for reimbursement, a rural health clinic must be located in a rural area and located in a DHEW designated health shortage area (an area having either a shortage of personal health services or a shortage of primary medical care manpower). It must be certified for participation in Medicare, Title XVIII and, therefore, deemed to meet the standards for certification under Louisiana's Medicaid program.