

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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Financial Management Group

December 02, 2021

Mr. Patrick Gillies  
Medicaid Director State of Louisiana  
Department of Health  
628 N 4th Street  
P.O. Box 91030  
Baton Rouge, LA 70821-9030

RE: Request for Additional Information (RAI) Transmittal Number LA 21-0020

Dear Mr. Gillies,

We have reviewed the proposed amendment submitted under transmittal number (TN) LA-21-0020. This plan amendment has an effective date of July 1, 2021. 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.

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

**Public Notice**

1. The State must document that the public was notified before July 1, 2021. The State noted that no public notice was conducted. CMS believes this SPA does not meet any of the conditions for when public notice in accordance with 42 CFR 447.205 is not required. Please see below.

42 CFR 447.205 Public notice of changes in Statewide methods and standards for setting payment rates.

- (a) When notice is required. Except as specified in paragraph (b) of this section, the agency must provide public notice of any significant proposed change in its methods and standards for setting payment rates for services.
- (b) When notice is not required. Notice is not required if –
  - (1) The change is being made to conform to Medicare methods or levels of reimbursement;
  - (2) The change is required by court order; or
  - (3) The change is based on changes in wholesalers' or manufacturers' prices of drugs or materials, if the agency's reimbursement system is based on material cost plus a professional fee.

## CMS Form-179

2. Please note that the earliest the effective date can be is one day after the public notice was conducted. The CMS-179, Block 4 will need to be modified.

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 December 6, 2021. 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](mailto:CMS_SPA_Waivers_Dallas_R06) and [SPA@cms.hhs.gov](mailto:SPA@cms.hhs.gov)

Please copy Tamara Sampson at [Tamara.Sampson@cms.hhs.gov](mailto:Tamara.Sampson@cms.hhs.gov) and Monica Neiman at [Monica.Neiman@cms.hhs.gov](mailto:Monica.Neiman@cms.hhs.gov)

Please address your response to:

Todd McMillion  
Director, Division of Reimbursement Review  
Financial Management Group  
Center for Medicaid & CHIP Services  
Centers for Medicare and Medicaid Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601

If you have any questions, please contact Monica Neiman at [Monica.Neiman@cms.gov](mailto:Monica.Neiman@cms.gov)

Sincerely,

*Todd McMillion*

Todd McMillion  
Director  
Division of Reimbursement Review