

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

CITATION

42 CFR 413.30
and 413.40

Inpatient hospital services (other than those provided in an institution for Tuberculosis or mental disease) are reimbursed as follows:

1. Reimbursement Methodology

Medicaid uses the Medicare (Title XVIII) principles of reimbursement in accordance with HIM I5 requirements as a guide to determine Medicaid (Title XIX) reimbursement.

A. Methods of Payment for State-operated hospitals.

1. For all hospitals participating as a Title XVIII/XIX provider, the State agency shall apply:
 - a. Medicare standards for reporting.
 - b. Medicare cost reporting periods for the ceiling on the rate of increase in operating costs under 42 CFR 413.40 The base year cost reporting period to be used in determining the target rate shall be the hospital's fiscal year ending on or after September 30, 1982.
2. Inpatient hospital services provided by state acute hospitals shall be reimbursed at allowable costs and shall not be subject to per discharge or per diem limits.
3. Effective for dates of service on or after October 16, 2010, a quarterly supplemental payment up to the Medicare upper payment limits will be issued to qualifying state-owned hospitals for inpatient acute care services rendered.

Qualifying Criteria: State-owned acute care hospitals located in DHH Administrative Region 8 will receive a quarterly supplemental payment.

4. Effective for dates of service on or after October 16, 2010, the Medicaid payments to state hospitals that do not qualify for the supplemental payment in #3 above as paid through interim per diem rates and final cost settlements shall be 60 percent of allowable Medicaid costs.

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5. Effective for dates of service **on or after February 1, 2012**, medical education payments for inpatient services which are reimbursed by a prepaid risk-bearing managed care organization (MCO) shall be paid monthly by Medicaid as interim lump sum payments.
 - a. Hospitals with qualifying medical education programs shall submit a listing of inpatient claims paid each month by each MCO. Qualifying medical education programs are defined as graduate medical education, paramedical education, and nursing schools.
 - b. Monthly payments shall be calculated by multiplying the number of qualifying inpatient days times the medical education costs included in each state hospital's interim per diem rate as calculated per the latest filed Medicaid cost report.
 - c. Final payment shall be determined based on the actual MCO covered days and allowable inpatient Medicaid medical education costs for the cost reporting period per the Medicaid cost report.
6. Effective for the dates of service on or after August 1, 2012, the inpatient per diem rate paid to state-owned acute care hospitals, excluding Villa Feliciana and inpatient psychiatric services, shall be reduced by 10 percent of the per diem rate on file as of July 31, 2012.
7. Effective for dates of service on or after January 1, 2020, the inpatient per diem rate paid to state-owned acute care hospitals, excluding inpatient psychiatric services shall be calculated based on allowable costs per the latest filed cost report. Final reimbursement is determined based on the allowable costs per the finalized Medicare/Medicaid cost report.
8. Effective for dates of service on or after September 20, 2021, acute care hospitals shall receive reimbursement for COVID-19 laboratory testing, in addition to the hospital per diem payment for the inpatient hospital stay.

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

<u>CITATION</u> 42 CFR 447 Subpart F	Medical and Remedial Care and Services Item 9 (cont'd.)	four groupings, not to exceed the Medicare maximums for ambulatory surgeries. Surgeries not included in these groupings continue to be reimbursed at the State's flat fee amount.
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The flat fee amounts for the four groupings and the State's flat fee amount cover all operative functions attendant to medically necessary surgery performed at the center by a private physician, osteopathic physician, or dentist (for emergency and life threatening conditions and for EPSDT eligibles) including admitting and laboratory tests, patient history and physical, operating room staffing and attendants, recovery room charges and discharge, except for those certain procedures that have been identified as having a separate reimbursement. It includes all supplies related to the surgical care of the patient while in the center. The flat fee payment excludes the physician fee, the radiologist fee, or the anesthesiology fee for private physicians not under contract to the Center as well as any prosthetic devices related to the surgery which must be billed separately.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers and the fee schedule and any adjustments to the fee schedule are published on the agency's provider website at www.lamedicaid.com. The agency's fee schedule rate was set as of December 1, 1985 and is effective for services provided on or after that date. All rates are published on the agency's website.

Effective for dates of service on or after February 26, 2009, the reimbursement for surgical services provided by an ambulatory surgical center shall be reduced by 3.5 percent of the rate in effect on February 25, 2009.

Effective for dates of service on or after February 5, 2010, the reimbursement for surgical services provided by an ambulatory surgical center shall be reduced by 5 percent of the rate in effect on February 4, 2010.

Effective for dates of service on or after August 1, 2010, the reimbursement for surgical services provided by an ambulatory surgical center shall be reduced by 4.4 percent of the fee amounts on file as of July 31, 2010.

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Effective for dates of service on or after January 1, 2011, the reimbursement for surgical services provided by an ambulatory surgical center shall be reduced by 2 percent of the fee amounts on file as of December 31, 2010.

Effective for dates of service on or after July 1, 2012, the reimbursement for surgical services provided by an ambulatory surgical center shall be reduced by 3.7 percent of the fee amounts on file as of June 30, 2012.

Effective for dates of service on or after September 20, 2021, reimbursement for COVID-19 laboratory testing shall be made, in addition to the ambulatory surgical center flat fee reimbursement amount.

C. Tuberculosis (TB) and Sexually Transmitted Disease (STD) Control Clinics

Effective for services on or after October 1, 2003, TB and STD clinics are reimbursed according to fee schedule amounts which in the aggregate are less than or equal to the Medicare payment.