

John Bel Edwards
GOVERNOR



Dr. Courtney N. Phillips
SECRETARY

State of Louisiana
Louisiana Department of Health
Office of the Secretary

March 31, 2022

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. 22-0008

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".

FOR: Dr. Courtney N. Phillips
Secretary

Attachments (3)

CNP:PG:UN

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 22-0008	2. STATE LA
		3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE February 11, 2022	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447.321		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2022</u> \$ <u>48,939</u> b. FFY <u>2023</u> \$ <u>93,856</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Item 2.a, Page 1a(3) Attachment 4.19-B, Item 2.a, Page 2a Attachment 4.19-B, Item 2.a, Page 4a Attachment 4.19-B, Item 2.a, Page 5a Attachment 4.19-B, Item 2.a, Page 6 Attachment 4.19-B, Item 2.a, Page 10		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 20-0018) Same (TN 20-0018) Same (TN 10-54) Same (TN 13-30) Same (TN 10-12) Same (TN 13-21)	
9. SUBJECT OF AMENDMENT The purpose of this SPA is to amend the provisions governing outpatient hospital services in order to provide reimbursement for laboratory testing for Coronavirus Disease 2019 (COVID-19) separately from outpatient hospital surgery fee schedule payments.			
10. GOVERNOR'S REVIEW (Check One)			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review State Plan material.	
11. SIGNATURE OF STATE AGENCY OFFICIAL 		15. RETURN TO Patrick Gillies, Medicaid Executive Director Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030	
12. TYPED NAME Ruth Johnson, designee for Dr. Courtney N. Phillips			
13. TITLE Secretary			
14. DATE SUBMITTED March 31, 2022			
FOR CMS USE ONLY			
16. DATE RECEIVED		17. DATE APPROVED	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL		19. SIGNATURE OF APPROVING OFFICIAL	
20. TYPED NAME OF APPROVING OFFICIAL		21. TITLE OF APPROVING OFFICIAL	
22. REMARKS			

LA TITLE XIX SPA

TRANSMITTAL #: 22-0008

TITLE: Outpatient Hospital Services - Payment for Outpatient Surgery Services

EFFECTIVE DATE: February 11, 2022

FISCAL IMPACT:

Increase

	year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY	2022			0.00%	4.4 February 11, 2022 - June 2022	\$37,073
2nd SFY	2023			0.00%	12 July 2022- June 2023	\$139,500
3rd SFY	2024			0.00%	12 July 2023 - June 2024	\$139,500

*#mos-months remaining in fiscal year

Total increase or decrease cost FFY 2022

SFY 2022 \$37,073 for 4.4 months February 11, 2022 - June 2022 \$37,073

SFY 2023 \$139,500 for 12 months July 2022- June 2023
 \$139,500 / 12 X 3 July 2022 - September 2022 = \$34,875
\$71,948

FFP (FFY 2022) = \$71,948 X 68.02% = \$48,939

Total increase or decrease cost FFY 2023

SFY 2023 \$139,500 for 12 months July 2022- June 2023
 \$139,500 / 12 X 9 October 2022 - June 2023 = \$104,625

SFY 2024 \$139,500 for 12 months July 2023 - June 2024
 \$139,500 / 12 X 3 July 2023 - September 2023 = \$34,875
\$139,500

FFP (FFY 2023) = \$139,500 X 67.28% = \$93,856

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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:

Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery, shall be increased by 7.03 percent of the rates on file as of December 31, 2016. Our Lady of the Lake Regional Medical Center shall be exempted from this rate increase.

Effective for dates of service on or after January 1, 2018, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery, shall be increased by 4.82 percent of the rates on file as of December 31, 2017. Hospitals participating in public-private partnerships shall be exempted from this rate increase.

Effective for dates of service on or after January 1, 2019, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery shall be increased by 11.56 percent of the rates on file as of December 31, 2018. Hospitals participating in public-private partnerships shall be exempted from this rate increase.

Effective for dates of service on or after January 1, 2020, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery shall be increased by 3.2 percent of the rates on file as of December 31, 2019. Hospitals participating in public-private partnerships shall be exempted from this rate increase.

Effective for dates of service on or after January 1, 2021, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery shall be increased by 3.2 percent of the rates on file as of December 31, 2020. Hospitals participating in public-private partnerships shall be exempted from this rate increase.

Current HCPS codes and modifiers shall be used to bill for all outpatient hospital surgery services.

Effective for dates of service on or after February 10, 2022, the Medicaid Program shall provide reimbursement for Coronavirus Disease 2019 (COVID-19) laboratory testing in addition to the outpatient surgery fee schedule flat fee reimbursement amount.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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:

State Owned Hospitals

Effective for dates of services on or after July 1, 2008, state-owned hospitals shall be reimbursed for outpatient clinical laboratory services at 100 percent of the current Medicare Clinical Laboratory fee schedule.

Interim payment shall be one hundred percent of each hospital's cost to charge ratio as calculated from the latest filed cost report. Final reimbursement shall be one hundred percent of allowable cost as calculated through the cost report settlement process. Final cost is identified by mapping outpatient charges to individual cost centers on the Medicare Hospital Cost Report then multiplying such charges by the cost centers' individual cost to charge ratios. Dates of service associated with the charges match the rate year on the Medicare Hospital Cost Report.

Effective for dates of services on or after August 1, 2012, the reimbursement rate paid to state-owned hospitals for outpatient surgery, outpatient clinic services, outpatient laboratory services and outpatient hospital services, other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 10 percent of the fee schedule on file as of July 31, 2012. Final reimbursement shall be at 90 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after January 1, 2020, the reimbursement rates paid to state-owned hospitals for outpatient surgery and outpatient clinic services shall be increased by 14.67 percent of the rates on file as of December 31, 2019.

Effective for dates of service on or after January 1, 2020, the reimbursement rates paid to state-owned hospitals for outpatient rehabilitation services shall be increased by 3.2 percent of the rates on file as of December 31, 2019.

Effective for dates of service on or after January 1, 2020, the reimbursement rates paid to state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be increased by 11 percent of the rates on file as of December 31, 2019. Final reimbursement shall be at 100 percent of allowable cost as calculated through the cost report process.

Effective for dates of services on or after January 1, 2021, the reimbursement rates paid to state-owned hospitals for outpatient surgery shall be increased by 3.2 percent of the fee schedule rates on file as of December 31, 2020.

Effective for dates of service on or after January 1, 2021, the reimbursement rates paid to state-owned hospitals for outpatient laboratory services shall be reimbursed at 100 percent of the current Medicare clinical laboratory fee schedule.

Effective for dates of service on or after February 10, 2022, the Medicaid Program shall provide reimbursement for Coronavirus Disease 2019 (COVID-19) laboratory testing in addition to the outpatient surgery fee schedule flat fee reimbursement amount.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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:

Effective for dates of service on or after February 10, 2022, the Medicaid Program shall provide reimbursement for Coronavirus Disease 2019 (COVID-19) laboratory testing in addition to the outpatient surgery fee schedule reimbursement amount claim payment. The COVID-19 laboratory testing claim payment shall be a final payment and shall not be subject to cost settlement.

Qualifying Criteria:

- a. Public (non-state) small rural hospital- a small rural hospital as defined in Attachment 4.19-A, Section D 3.b.(1) which is owned by a local government and as of August 1, 2010 has a certified neonatal intensive care unit.
- b. Private small rural hospital- a small rural hospital as defined in Attachment 4.19-A, Section D.3.b.(1)(i)

Effective for dates of service on or after July 1, 2008, small rural hospitals as defined in D.3.b. shall be reimbursed for **outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient hospital facility fees as follows:**

Interim payment shall be one hundred ten percent of each hospital's cost to charge ratio as calculated from the latest filed cost report. Final reimbursement shall be one hundred ten percent of allowable cost as calculated through the cost report settlement process. Final cost is identified by mapping outpatient charges to individual cost centers on the Medicare Hospital Cost Report then multiplying such charges by the cost centers' individual cost to charge ratios. Dates of service associated with the charges match the rate year on the Medicare Hospital Cost Report.

Effective for the dates of service on or after August 1, 2010, small rural hospitals as defined below shall be reimbursed for **outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees** up to the Medicare outpatient upper payment limit.

Qualifying Criteria:

- a. Public (non-state) small rural hospital- a small rural hospital as defined in Attachment 4.19-A, Section D.3.b.(1) which is owned by a local government and as of August 1, 2010 has a certified neonatal intensive care unit.
- b. Private small rural hospital- a small rural hospital as defined in Attachment 4.19-A, Section D.3.b.(1)(i)

STATE OF LOUISIANA

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6. For each hospital, add the differences of the Medicaid costs less Medicaid payments for the cost-based services and the fee-for-service rate services.
7. Trend the difference forward to the midpoint of the current state fiscal year using the CMS Market Basket Index for PPS hospitals.
8. The sum of the difference for each hospital for all hospitals in the group is the upper payment limit for that group of hospitals.

Maximum payments shall not exceed the upper payment limit pursuant to 42CFR 447.321.

Reimbursement for In-State Outpatient Children's Specialty Hospitals

a. Qualifications

In order to qualify to receive Medicaid reimbursement as an in-state children's specialty hospital, a non-rural, non-state acute care hospital must meet the following criteria. The hospital must:

- 1) be recognized by Medicare as a prospective payment system (PPS) exempt children's specialty hospital;
- 2) not qualify for Medicare disproportionate share hospital payments; and
- 3) have a Louisiana Medicaid inpatient days utilization rate greater than the mean plus two standard deviations of the Medicaid utilization rates for all hospitals in the state receiving Medicaid payments.

b. Reimbursement Methodology

- 1) Effective for the dates of service on or after September 1, 2009, the reimbursement amount paid to children's specialty hospitals that meet the above qualifications shall be reimbursed as follows for **outpatient surgeries and rehabilitation services (physical, occupational, and speech therapy):**

Initial payments shall be equal to the Medicaid fee schedule payments per Item 2.a., Page 1. After the fiscal year end cost report is filed, final annual payment for these services will be 97 percent of cost as calculated per the cost report.

- 2) Effective for the dates of service on or after September 1, 2009, the reimbursement amount paid to children's specialty hospitals that meet the above qualifications shall be reimbursed as follows for **outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation services, and outpatient hospital facility fees:**

Initial payments shall be 97 percent of the hospital's interim cost to charge ratio as calculated from the latest filed cost report. After the fiscal year end cost report is filed, final annual payment for these services will be 97 percent of cost as calculated per the cost report.

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- 3) Effective for the dates of service on or after February 3, 2010, the reimbursement paid to children's specialty hospitals for outpatient surgery services, rehabilitation services provided to recipients over the age of 3, and outpatient hospital services other than clinical diagnostic laboratory services, facility fees for outpatient surgeries, rehabilitation services, and outpatient hospital facility fees shall be reduced by 5 percent of the fee schedule on file as of February 2, 2010. Final reimbursement shall be 92.15 percent of allowable cost as calculated through the cost report settlement process.

Effective for the dates of service on or after February 3, 2010, the reimbursement paid to children's specialty hospitals for outpatient hospital clinic services, and clinical diagnostic laboratory services shall be reduced by 5 percent of the fee schedule on file as of February 2, 2010.

Effective for dates of service on or after February 10, 2022, the Medicaid Program shall provide reimbursement for Coronavirus Disease 2019 (COVID-19) laboratory testing in addition to the outpatient surgery fee schedule reimbursement amount claim payment. The COVID-19 laboratory testing claim payment shall be a final payment and shall not be subject to cost settlement.

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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:

Reimbursement for Our Lady of the Lake Hospital, Inc.

Effective for dates of service on or after April 15, 2013, Our Lady of the Lake Hospital, Inc. shall be reimbursed as follows:

1. **Outpatient Surgery:** The reimbursement amount for outpatient hospital surgery services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement will be cost settled using the final audited cost report CMS-2552-1 0 to 95 percent of allowable Medicaid costs.
2. **Clinic Services:** The reimbursement amount for outpatient clinic services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement will be cost settled using the final audited cost report CMS-2552-1 0 to 95 percent of allowable Medicaid costs.
3. **Laboratory Services:** The reimbursement amount for outpatient clinical diagnostic laboratory services shall be the Medicaid fee schedule amount on file for each service.
4. **Rehabilitative Services:** The reimbursement amount for outpatient clinic services shall be an interim payment equal to the Medicaid fee schedule amount on file for each service, and a final reimbursement will be cost settled using the final audited cost report CMS-2552-1 0 to 95 percent of allowable Medicaid costs.
5. **Other Outpatient Hospital Services:** Outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reimbursed a hospital specific cost to charge ratio calculation based on the latest filed cost report. The final reimbursement will be cost settled using the final audited cost report CMS-2552-1 0 to 95 percent of allowable Medicaid costs.

Effective for dates of service on or after February 10, 2022, the Medicaid Program shall provide reimbursement for Coronavirus Disease 2019 (COVID-19) laboratory testing in addition to the outpatient surgery fee schedule reimbursement amount claim payment. The COVID-19 laboratory testing claim payment shall be a final payment and shall not be subject to cost settlement.