



**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

September 9, 2022

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

RE: Louisiana Title XIX State Plan  
Transmittal No. 22-0027

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](mailto: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:TAL:UN

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <b>22-0027</b>	2. STATE <b>LA</b>
		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 <b>July 1, 2022</b>	
5. FEDERAL STATUTE/REGULATION CITATION <b>42 CFR 447 Subpart C</b>		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>(2,978,120)</u> b. FFY <u>2024</u> \$ <u>(2,618,998)</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19-B, Item 2.a, Page 2a(1)</b>		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Same (TN 19-0026)</b>	
9. SUBJECT OF AMENDMENT <b>The purpose of this SPA is to amend the provisions governing outpatient hospitals in order to update reimbursement to out-of-state hospitals for consistency with in-state rates.</b>			
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 <b>Tara A. LeBlanc, Medicaid Executive Director Louisiana Department of Health 628 North 4<sup>th</sup> Street P.O. Box 91030 Baton Rouge, LA 70821-9030</b>	
12. TYPED NAME <b>Ruth Johnson, designee for Dr. Courtney N. Phillips</b>			
13. TITLE <b>Secretary</b>			
14. DATE SUBMITTED <b>September 9, 2022</b>			
<b>FOR CMS USE ONLY</b>			
16. DATE RECEIVED		17. DATE APPROVED	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
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 #: 22-0027

TITLE: Outpatient Hospital Services Reimbursement Methodology

EFFECTIVE DATE: July 1, 2022

FISCAL IMPACT:

Decrease

	year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY	2023			0.00%	12 July, 2022 - June 2023	-\$3,455,479
2nd SFY	2024			0.00%	12 July 2023- June 2024	-\$3,883,912
3rd SFY	2025			0.00%	12 July 2024 - June 2025	-\$4,000,429

\*#mos-months remaining in fiscal year

**Total increase or decrease cost FFY 2023**

SFY 2023 (\$3,455,479) for 12 months July, 2022 - June 2023 (\$3,455,479)

SFY 2024 (\$3,883,912) for 12 months July 2023- June 2024  
 (\$3,883,912) / 12 X 3 July 2023 - September 2023 = (\$970,978)  
(\$4,426,457)

FFP (FFY 2023 ) = (\$4,426,457) X 67.28% = (\$2,978,120)

**Total increase or decrease cost FFY 2024**

SFY 2024 (\$3,883,912) for 12 months July 2023- June 2024  
 (\$3,883,912) / 12 X 9 October 2023 - June 2024 = (\$2,912,934)

SFY 2025 (\$4,000,429) for 12 months July 2024 - June 2025  
 (\$4,000,429) / 12 X 3 July 2024 - September 2024 = (\$1,000,107)  
(\$3,913,041)

FFP (FFY 2024 )= (\$3,913,041) X 66.93% = (\$2,618,998)

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:

**Medical Education Payments (State-Owned Hospitals)**

**A. Outpatient Surgery**

Effective for dates of service on or after February 10, 2012, medical education payments for outpatient surgery services which are reimbursed by a prepaid risk-bearing managed care organization (MCO) shall be reimbursed by Medicaid annually through the cost report settlement process.

1. For purposes of these provisions, qualifying medical education programs are defined as graduate medical education, paramedical education, and nursing schools.
2. Final payment shall be determined based on the actual MCO covered outpatient surgery services and Medicaid medical education costs for the cost reporting period per the Medicaid cost report.

**B. Clinic Services**

Effective for dates of service on or after February 10, 2012, medical education payments for outpatient clinic services which are reimbursed by a prepaid risk-bearing managed care organization (MCO) shall be reimbursed by Medicaid annually through the cost report settlement process.

1. For purposes of these provisions, qualifying medical education programs are defined as graduate medical education, paramedical education, and nursing schools.
2. Final payment shall be determined based on the actual MCO covered outpatient clinic services and Medicaid medical education costs for the cost reporting period per the Medicaid cost report.

**Out-of-State Hospital Outpatient Services  
Reimbursement Methodology**

Outpatient services provided to Medicaid beneficiaries, including beneficiaries up to the age of 21, in out-of-state hospitals that are subject to a fee schedule in-state, shall be paid at the fee schedule amounts utilized for in-state non-rural, non-state hospitals.

Outpatient services provided in out-of-state hospitals that are not subject to a fee schedule in-state, shall be paid at the annual average cost to charge ratio calculated from the filed Medicaid cost reports for in-state non-rural, non-state hospitals multiplied by the percent of allowable cost that is in effect for the applicable time period for in-state non-rural, non-state hospitals. This ratio shall be applied to the billed charges for covered claims submitted by out-of-state hospitals to determine payment for non-fee schedule services.