## STATE OF LOUISIANA

### PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

**CITATION** 42 CFR 447.252

Medical and Remedial Care and Services Item 1 (cont'd.)

H. Hospital Intensive Neurological Rehabilitation Care Units

Effective for services on or after January 1, 1993, reimbursement for neurological rehabilitation services provided by a Hospital Intensive Neurological Rehabilitation Care (HINRC) unit within an acute care general hospital is available separately from other hospital Establishment of such a unit is optional. Reimbursement for HINRC units is all inclusive and is not in addition to the hospital rate.

Admissions for neurological rehabilitation services provided by an enrolled HINRC unit shall be carved out and handled separately as a subprovider. A separate provider number shall be assigned to differentiate admissions to these units and their related costs from other hospital admissions and costs. Separate cost centers must be established as costs related to exempt neurological units shall not be allowed in the cost settlement process applicable to other admissions. Reimbursement for inpatient services provided in these units shall be a prospective statewide per diem.

An interim rate is established using reported partial year cost report data from state fiscal year 92-93. The prospective per diem rate is established using the audited statewide weighted average cost per day for all costs associated with HINRC units, using cost reporting periods ending in state fiscal year 93-94 as a base period. All payments made utilizing the interim rate shall be retroactively adjusted to concur with the prospective rate. Rates for subsequent years will be updated annually effective January 1 of each year by increasing the previous year's prospective per diem rate by HCFA's target rate percentage of non-PPS (PPS exempt) hospitals/units for the current federal fiscal year. The subsequent application

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STATE OF <u>LOUISIANA</u>
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CITATION 42 CFR 447.252 Medical and Remedial Care and Services Item 1 (cont'd.) of the inflationary adjustment shall apply only in years when the state legislature allocates funds for this purpose. The inflationary adjustment shall be made by applying the inflation factor applicable to the current fiscal year to the most recently ipaid per diem rate.

New units enrolling will be paid the statewide prospective per diem rate in effect at the time of enrollment.

If a unit enrolls at a time other than the beginning date for the hospital's new fiscal year, partial-year cost reports shall be submitted by the hospital for the pre-HINRC time period, and by the hospital and the HINRC unit for the period from the enrollment date of the HINRC unit through the end of the hospital's fiscal year.

Effective for dates of services on or after August 1, 2006, the statewide prospective per diem reimbursement rate shall be increased by 3.85% of the rates in effect on July 31, 2006.

For dates of service on or after September 1, 2007, the prospective per diem rate paid to hospital intensive neurological rehabilitation care units shall be increased by 4.75 percent of the rate on file for August 31, 2007.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

# 1. Supplemental Payments for Low Income and Needy Care Collaboration Hospitals

Effective for dates of service on or after January 1, 2010, quarterly supplemental payments will be issued to qualifying non-rural, non-state acute care hospitals for inpatient services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

- 1. Qualifying Criteria. In order to qualify for the supplemental payment, the non-rural, non-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement.
  - a. A non-state hospital is defined as a hospital which is owned or operated by a private entity.
  - b. A Low Income and Needy Care Collaboration Agreement is defined as an agreement between a hospital and a state or local governmental entity to collaborate for purposes of providing healthcare services to low income and needy patients.
- 2. Reimbursement Methodology. Each qualifying hospital shall receive quarterly supplemental payments for the inpatient services rendered during the quarter. Quarterly payment distribution shall be limited to one-fourth of the lesser of:
- a. the difference between each qualifying hospital's inpatient Medicaid billed charges and Medicaid payments the hospital receives for covered inpatient services provided to Medicaid beneficiaries recipients. Medicaid billed charges and payments will be based on a 12 consecutive month period for claims data selected by the Department; or
  - b. for hospitals participating in the Medicaid Disproportionate Share Hospital (DSH) Program, the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.