

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

CITATION 42CFR  
447.253, OBRA 90  
P.L. 101-508,  
Sections 4702-4703

~~Medical and Remedial  
Care and Services  
Item 1 (Cont.)~~

C. Out-of-State ~~Facilities~~Hospitals-

Effective for dates of service on or after April 1, 2003, out-of-state ~~facilities~~hospitals are reimbursed for inpatient hospital services at the lower of 40% ~~percent~~ of billed charges or the Medicaid per diem rate of the state wherein the services are provided for recipients age 21 and older and the lower of 60% ~~percent~~ of billed charges or the Medicaid per diem rate of the state wherein the services are provided for recipients under the age of 21. Hospitals designated as children's hospitals that are located in states that border Louisiana shall be reimbursed at the lower of the Medicaid per diem rate of the state wherein the services are provided or the Louisiana children's hospital Medicaid peer group rate. Neonatal intensive care unit services, pediatric intensive care unit services, and burn unit services provided in these children's hospitals shall be paid the Louisiana peer group rate for the qualifying level of service documented by the hospital. The hospital stay and the level of service shall be authorized by the Bureau.

Effective for dates of service on or after September 20, 2023, payment will be made to out-of-state hospitals for ~~provision of~~ inpatient services which meet at least one of the following conditions:

1. Medical services are needed because of a medical emergency;
2. Medical services are needed and the beneficiaries' health would be endangered if they were required to travel to their state of residence;
3. The state determines, on the basis of medical advice, that the needed medical services or necessary supplementary resources are more readily available in the other state; or
4. It is general practice for beneficiaries in a particular locality to use medical resources in another state.

Hospitals located in counties in Mississippi, Arkansas, and Texas that border the state of Louisiana are referred to as trade area hospitals. Trade area hospitals that are unable to fully treat presenting Louisiana beneficiaries shall transfer ~~patients~~ those beneficiaries to the Louisiana hospital within the closest proximity with available services.

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Payment for all out-of-state inpatient services, other than organ transplants, shall be made at the Louisiana in-state prospective peer group rate in effect for the corresponding type of non-teaching hospital or specialty carve out service.

Separate prospective per diem rates will be paid for out-of-state inpatient services provided in acute care general hospitals, psychiatric hospitals and services, rehabilitation hospitals, long term acute care hospitals, children's hospitals, nursery services, neonatal intensive care services, pediatric intensive care services, and burn unit intensive care services.

Payment for inpatient organ transplant service provided by out-of-state hospitals shall be paid as follows:

1. Forty percent of allowable covered billed charges for beneficiaries ages 21 and above; or
2. Sixty percent of allowable covered billed charges for beneficiaries under age 21.

D. Disproportionate Share Hospitals

Effective for inpatient hospital services provided on or after July 1, 2003, a payment adjustment for hospitals serving a disproportionate share of low income patients (DSH) shall be implemented in the following manner:

**1. Qualifying criteria for a Disproportionate Share Hospital:**

- a. ~~Hospital-h~~Has at least two obstetricians who have staff privileges and who have agreed to provide obstetric services to individuals who are Medicaid eligible. In the case of a hospital located in a rural area (i.e., an area outside of a metropolitan statistical area), the term obstetrician includes any physician who has staff privileges at the hospital to perform nonemergency obstetric procedures; or
- b. ~~Hospital-t~~Treats inpatients who are predominantly individuals under 18 years of age; or
- c. ~~Hospital-which-d~~Did not offer nonemergency obstetric services to the general population as of December 22, 1987; and
- d. ~~Hospital-h~~Has a utilization rate in excess of one or more of the following specified minimum utilization rates:

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- (i) Medicaid Utilization Rate is a fraction (expressed as a percentage). The numerator is the hospital's number of Medicaid (Title XIX) inpatient days. The denominator is the total number of the hospital's inpatient days for a cost reporting period. Inpatient days include newborn and psychiatric days and exclude swing bed and skilled nursing days. Hospitals shall be deemed disproportionate share providers if their Medicaid utilization rates are in excess of the mean, plus one standard deviation of the Medicaid utilization rates for all hospitals in the state receiving payments; or
- (ii) Hospitals shall be deemed disproportionate share providers if their low-income utilization rates are in excess of 25 percent. Low-Income Utilization Rate is the sum of:
  - (a) the fraction (expressed as a percentage), the numerator of which is the sum (for the period) of the total Medicaid patient revenues plus the amount of the cash subsidies for patient services received directly from state and local governments. The denominator is the total amount of revenues of the hospital for patient services (including the amount of such cash subsidies) in the cost reporting period from the financial statements; and
  - (b) the fraction (expressed as a percentage), the numerator of which is the total amount of the hospital's charges for inpatient services which are attributable to charity (free) care in a period, less the portion of any cash subsidy as described in (ii) (a) above in the period which are reasonably attributable to inpatient hospital services; and the denominator of which is the total amount of the hospital's charges for inpatient hospital services in the period. For public providers furnishing inpatient services free of charge or at a nominal charge, this percentage shall not be less than zero (0). The above numerator shall not include contractual allowances and discounts (other than for indigent patients ineligible for Medicaid), i.e., reductions in charges given to other third party payers, such as HMOs, Medicare, or Blue Cross; nor charges attributable to Hill-Burton obligations.

A hospital providing "free care" must submit its criteria and procedures for identifying patients who qualify for free care to BHSF for approval. The policy for free care must be posted prominently and all patients must be

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advised of the availability of free care and procedures for applying. Hospitals not in compliance with free care criteria will be subject to recoupment of DSH and Medicaid payments; ~~or~~.

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Approval Date \_\_\_\_\_

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Supersedes

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