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State/Territory Name: Louisiana

State Plan Amendment (SPA) LA: 23-0032

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

August 22, 2023

Tara LeBlanc
Medicaid Executive Director
Louisiana Medicaid Program
Louisiana Department of Health
Bureau of Health Services
Financing 628 North Fourth Street
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana TN 23-0032

Dear Medicaid Executive Director Tara LeBlanc:

We have reviewed the proposed Louisiana State Plan Amendment (SPA) to Attachment 4.19-B pages under LA- 23-0032, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 1, 2023. The purpose of this SPA is to amend the provisions governing rural health clinics (RHCs) in order to remove the cutoff date to allow existing RHCs licensed as small rural hospital outpatient departments after July 1, 2007 and new RHCs to be reimbursed at 110 percent of cost.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Monica Neiman at via email at: Monica.Neiman@cms.hhs.gov.

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

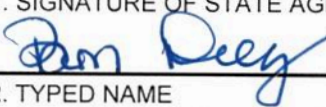
1. TRANSMITTAL NUMBER 23-0032	2. STATE LA
3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE July 1, 2023	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447, Subpart C Section 1902(bb) of the Social Security Act	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>3,023,452</u> b. FFY <u>2024</u> \$ <u>11,789,301</u>
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Item 2.b., Page 4	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 21-0020)

9. SUBJECT OF AMENDMENT **The purpose of this SPA is to amend the provisions governing rural health clinics (RHCs) in order to remove the cutoff date to allow existing RHCs licensed as small rural hospital outpatient departments after July 1, 2007 and new RHCs to be reimbursed at 110 percent of cost.**

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
The Governor does not review State Plan material.

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Pam Diez, designee for Stephen R. Russo, JD

13. TITLE
Secretary

14. DATE SUBMITTED
August 1, 2023

15. RETURN TO

**Tara A. LeBlanc, Medicaid Executive Director
Louisiana Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030**

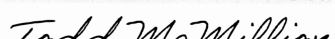
FOR CMS USE ONLY

16. DATE RECEIVED
August 1, 2023

17. DATE APPROVED
August 22, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

Alternative Payment Methodology for Rural Health Clinics that are licensed as part of a small rural hospital defined in Attachment 4.19-A, Item 1

Effective for dates of service on or after July 1, 2008, Rural Health Clinics (RHCs) as defined in Attachment 4.19-A Item 1 may elect to be reimbursed under this Alternative Payment Methodology (APM). The RHCs that are licensed as part of a small rural hospital as of July 1, 2007, shall be reimbursed no less than, in the aggregate, 110 percent of allowable costs.

Interim payment for claims shall be the Medicaid PPS per visit rate for each provider. Final reimbursement shall be the greater of the BIPA PPS and the APM of 110 percent of allowable cost as calculated through the cost settlement process.

The payment received under this methodology will be compared each year to the BIPA PPS rate to ensure that the payment methodology under this APM is at least equal to the BIPA PPS rate. If the payment calculation at 110 percent of allowable cost is less than the BIPA PPS rate, the RHC will be paid the difference.

Effective for dates of service on or after July 1, 2023, the reimbursement methodology for services rendered by a RHC licensed as part of a small rural hospital and included as a hospital outpatient department on the hospital's fiscal year end cost report prior to July 1, 2023, shall be eligible for the APM at 110 percent of allowable costs as calculated through cost settlement, as follows:

1. Future qualifications for the 110 percent APM reimbursement shall be determined by the Louisiana Department of Health on an annual basis for hospital-based rural health clinics enrolling and licensing as hospital outpatient departments during the hospital's fiscal year end cost reporting periods subsequent to June 30, 2023. Payments shall begin effective for dates of service beginning on July 1 of the year subsequent to qualification.
2. Hospital-based rural health clinics that terminate their licensing as hospital outpatient departments will no longer be eligible for the APM at 110 percent of allowable costs upon the effective date of the termination.

Managed Care Enrollees

An RHC that furnishes services that qualify as an encounter to Medicaid beneficiaries pursuant to a contract with a managed care entity, as defined in Section 1932(a)(1)(B) of the Social Security Act, where the payment(s) from such entity is less than the amount the RHC would be entitled to receive under PPS or APM, will be eligible to receive a wrap-around supplemental payment processed and paid by Louisiana Department of Health. The wrap-around supplemental payment shall be made no less frequently than every four months and reconciled no less than annually. Payments related to yearly reconciliations will be made within the two year payment requirements at 42 CFR Section 447.45 and 45 CFR Section 95, Subpart A.

Standards for Payment

To be eligible for reimbursement, a rural health clinic must be located in a rural area and located in a U.S. Department of Health and Human Services designated health shortage area (an area having either a shortage of personal health services or a shortage of primary medical care manpower). It must be certified for participation in Medicare, Title XVIII and, therefore, deemed to meet the standards for certification under Louisiana's Medicaid program.