



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

August 1, 2023

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. 23-0032

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,

  
\_\_\_\_\_ for  
Stephen R. Russo, JD  
Secretary

Attachments (3)

SRR:TAL:UN

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <b>23-0032</b>	2. STATE <b>LA</b>
3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE <b>July 1, 2023</b>	
5. FEDERAL STATUTE/REGULATION CITATION <b>42 CFR 447, Subpart C Section 1902(bb) of the Social Security Act</b>	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 <b>Attachment 4.19-B, Item 2.b., Page 4</b>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Same (TN 21-0020)</b>


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 4<sup>th</sup> Street  
P.O. Box 91030  
Baton Rouge, LA 70821-9030**

**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 #: 23-0032  
 TITLE: Rural Health Clinics Reimbursement Methodology  
 EFFECTIVE DATE: July 1, 2023

FISCAL IMPACT:  
Increase

	year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY	2024		69.78%	12	July 2023 - June 2024	\$17,331,336
2nd SFY	2025		67.67%	12	July 2024 - June 2025	\$17,693,007
3rd SFY	2026		68.01%	12	July 2025 - June 2026	\$18,061,611

\*#mos-months remaining in fiscal year

**Total increase or decrease cost FFY 2023**

SFY 2024 \$17,331,336 for 12 months July 2023 - June 2024  
 \$17,331,336 / 12 x 3 July 2023 - September 2023 = \$4,332,834

FFP (FFY 2023 ) = \$4,332,834 X 69.78% = \$3,023,452

**Total increase or decrease cost FFY 2024**

SFY 2025 \$17,693,007 for 12 months July 2024 - June 2025  
 \$17,331,336 / 12 X 9 October 2023 - June 2024 = \$12,998,502

SFY 2026 \$18,061,611 for 12 months July 2025 - June 2026  
 \$17,693,007 / 12 X 3 July 2024 - September 2024 = \$4,423,252  
 \$17,421,754

FFP (FFY 2024 ) = \$17,421,754 X 67.67% = \$11,789,301

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.