



State of Louisiana
Louisiana Department of Health
Office of the Secretary

August 15, 2023

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

RE: Louisiana Title XIX State Plan
Transmittal No. 23-0033

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.

Sincerely,


_____, for
Stephen R. Russo, JD
Secretary

Attachments (2)

SRR:KS:KC

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

1. TRANSMITTAL NUMBER 23-0033	2. STATE LA
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
July 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart F

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024	\$0
b. FFY 2025	\$0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-B, Pages 4b-4e
Attachment 4.19-B, Page 4f (new page)**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same (TN 11-35)

9. SUBJECT OF AMENDMENT
The purpose of this SPA is to revise the provisions governing Outpatient Hospital Services in order to establish quarterly supplemental payments for certain public non-state small rural hospitals located in administrative region 3 that render qualifying services during the quarter.

10. GOVERNOR'S REVIEW (Check One)

<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review State Plan material.
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

11. SIGNATURE OF STATE AGENCY OFFICIAL


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

13. TITLE
Secretary

14. DATE SUBMITTED
August 15, 2023

15. RETURN TO

**Kimberly Sullivan
Interim 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	17. DATE APPROVED
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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

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:

Supplemental Payments for Low Income and Needy Care Collaboration Hospitals (Small Rural Hospitals)

- A. Effective for dates of service on or after October 20, 2011, quarterly supplemental payments will be issued to qualifying non-state hospitals for **outpatient surgery 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-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement as of October 31, 2011.
 - 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. Payment Methodology. Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter. Payments shall be distributed quarterly based on Medicaid paid claims for service dates from the previous state fiscal year not to exceed the maximum allowable cap. Payment to a hospital shall be proportional to the hospital's percentage of paid claims relative to the total paid claims for all eligible hospitals.

Payments to hospitals participating in the Medicaid Disproportionate Share Hospital (DSH) Program shall be limited to the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

Aggregate outpatient hospital service supplemental payments to all qualifying small rural hospitals (includes outpatient surgery services, hospital clinic services, rehabilitation services, and services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees) shall not exceed the maximum allowable cap of \$4,500,000 for each state fiscal year.

STATE OF LOUISIANA

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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:

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital surgery 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.

In order to qualify, as of September 30, 2022, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

B. Effective for dates of service on or after October 20, 2011, quarterly supplemental payments will be issued to qualifying non-state hospitals for **outpatient hospital clinic 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-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement as of October 31, 2011.

- 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. **Payment Methodology.** Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter. Payments shall be distributed quarterly based on Medicaid paid claims for service dates from the previous state fiscal year not to exceed the maximum allowable cap. Payment to a hospital shall be proportional to the hospital's percentage of paid claims relative to the total paid claims for all eligible hospitals.

Payments to hospitals participating in the Medicaid Disproportionate Share Hospital Program shall be limited to the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

Aggregate outpatient hospital service supplemental payments to all qualifying small

STATE OF LOUISIANA

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rural hospitals (includes outpatient surgery services, hospital clinic services, rehabilitation services, and services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees) shall not exceed the maximum allowable cap of \$4,500,000 for each state fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital clinic 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.

In order to qualify, as of September 30, 2022, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

C. Effective for dates of service on or after October 20, 2011, quarterly supplemental payments will be issued to qualifying non-state hospitals for **outpatient rehabilitation** 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-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement as of October 31, 2011.
 - 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. **Payment Methodology.** Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter. Payments shall be distributed quarterly based on Medicaid paid claims for services dates from the previous state fiscal year not to exceed the maximum

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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allowable cap. Payment to a hospital shall be proportional its percentage of paid claims relative to the total paid claims for all eligible hospitals.

Payments to hospitals participating in the Medicaid Disproportionate Share Hospital Program shall be limited to the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

Aggregate outpatient hospital service supplemental payments to all qualifying small rural hospitals (includes outpatient surgery services, hospital clinic services, rehabilitation services, and services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees) shall not exceed the maximum allowable cap of \$4,500,000 for each state fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital rehabilitation 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.

In order to qualify, as of September 30, 2022, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

D. Effective for dates of service on or after October 20, 2011, quarterly supplemental payments will be issued to qualifying non-state hospitals for **services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees** 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-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement as of October 31, 2011.
 - a. A non-state hospital is defined as a hospital which is owned or operated by a private entity.

STATE OF LOUISIANA

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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:

- 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. Payment Methodology. Each qualifying hospital shall receive quarterly supplemental. Payments for the outpatient services rendered during the quarter. Payments shall be distributed quarterly based on Medicaid paid claims for service dates from the previous state fiscal year not to exceed the maximum allowable cap. Payment to a hospital shall be proportional its percentage of paid claims relative to the total paid claims for all eligible hospitals.

Payment to hospitals participating in the Medicaid Disproportionate Share Hospital Program shall be limited to the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

Aggregate outpatient hospital service supplemental payments to all qualifying small rural hospitals (includes outpatient surgery services, hospital clinic services, rehabilitation services, and services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees) shall not exceed the maximum allowable cap of \$4,500,000 for each fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation, and outpatient facility fees clinic 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.

In order to qualify, as of September 30, 2022, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.