Jeff Landry
GOVERNOR

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SECRETARY

State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

December 23, 2025

Courtney Miller, Director
CMS/Center for Medicaid and CHIP Services
Medicaid & CHIP Operations Group
601 East 12th Street, Room 355
Kansas City, Missouri 64106

RE: **LA SPA TN 25-0016 Professional Services Reimbursement Methodology**

Dear Ms. Miller:

Please refer to our proposed Medicaid State Plan submitted under transmittal number (TN) 25-0016 with a proposed effective date of July 3, 2025. The purpose of this SPA is to amend the provisions governing professional services reimbursement methodology in order to better align Medicaid rates to Medicare rates. This change will encourage providers to enroll in Medicaid and improve the quality of care and the health outcomes of Louisiana Medicaid beneficiaries.

We are providing the following in response to your formal request for additional information (RAI) dated December 11, 2025:

Attachment 4.19-B Item 5, page 2a(1) and page 2a(2):

During the informal review process, the state clarified that the payments are designated for specific providers. These include physicians, physician assistants, nurse practitioners, certified nurse midwives, licensed midwives, doula providers, psychologists, licensed professional clinical counselors, licensed clinical social workers, and marriage and family therapists.

According to the State effective for dates of service on or after July 3, 2025, the flat fee for reimbursement of maternity-related anesthesia services shall be 85 percent of the 2024 Louisiana Medicare Region 99 allowable for services rendered to Medicaid beneficiaries. If there is no equivalent Medicare fee, an alternate methodology may be used.

1. To ensure comprehensiveness, payment methodologies must be understandable, clear, and unambiguous. Additionally, since the plan serves as the basis for Federal Financial Participation (FFP), it is essential that the plan's language provides an auditable foundation for verifying the appropriateness of payments. Therefore, to fulfill the comprehensiveness requirements of section 430.10, further clarification is requested regarding the statement: "If there is no equivalent Medicare fee, an alternative methodology may be used." Please refer to Medicaid.gov for federal requirements regarding payment methodologies available to states.

   LDH RESPONSE:
   The language has been replaced with standard fee schedule language. Please see Attachment 4.19-B, Item 5, Page 2a (2).

Please consider this as a formal request to begin the 90-day clock. As always, we appreciate the assistance and guidance CMS has provided in resolving these issues. We trust this RAI response will result in the approval of the pending SPA. If additional information is required, you may contact Marjorie Jenkins via email at Marjorie.Jenkins@la.gov or by phone at (225) 342-3881.

Sincerely,

Seth Gold
Medicaid Executive Director

Attachments

SG:MJ:KC

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:

For newly added procedure codes for beneficiaries age 0 through 15 years old, the Medicaid fee shall be set at 90 percent of the current year's Louisiana Region 99 Medicare allowable fee. For newly added procedure codes for beneficiaries age 16 years and older, the Medicaid fee shall be set at 75 percent of the current year's Louisiana Region 99 Medicare allowable fee.

1. If there is no equivalent Medicare fee, the Medicaid fee shall be set based on the Medicare fee for a similar service. In the absence of any applicable Medicare fee, the fee shall be set at the Medicaid fee for a similar service or the Medicaid fee for other states.

2. If establishing a Medicaid fee based on Medicare rates results in a fee that is reasonably expected to be insufficient to ensure that the service is available to beneficiaries, an alternate methodology shall be used. The fee shall be set at the Medicaid fee for a similar service or the Medicaid fee for other states.

Effective for dates of service on or after July 1, 2012, the reimbursement rates for family planning services rendered by a physician shall be reduced by 3.7 percent of the rates in effect on June 30, 2012.

Effective for dates of service on or after February 1, 2013, the reimbursement for certain physician services shall be reduced by 1 percent of the rate in effect on January 31, 2013. Specified primary care services rendered by a physician with a specialty designation of family medicine, internal medicine, or pediatrics shall be excluded from the February 1, 2013 rate reduction. Rates for such services are exempt from the rate reduction, paralleling the January 1, 2013 implementation of Affordable Care Act requirements for Medicaid to reimburse at the Medicare rate for such services rendered in calendar years 2013 and 2014.

Effective for dates of services on or after February 20, 2013, the 3.7 percent reimbursement rate reduction for family planning services rendered by a physician shall be adjusted to 3.4 percent of the rates in effect on June 30, 2012.

Effective for dates of service on or after May 1, 2021, the fee on file for inpatient neonatal critical care services (as specified in CPT), shall be increased by five percent. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of inpatient neonatal critical care services. The agency's fee schedule rate was set as of January 1, 2021 and is effective for services provided on or after that date. All rates are published on the Louisiana Medicaid website www.lamedicaid.com.

Effective for dates of service on or after July 3, 2025, the Medicaid fee shall be set at 85 percent of the 2024 Louisiana Region 99 Medicare allowable fee for both current and newly added procedure codes. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of professional services. The agency's fee schedule rate

was set as of July 3, 2025, and is effective for services provided on or after that date. All rates are published on the Louisiana Medicaid website www.lamedicaid.com.

Anesthesia Services

The most appropriate procedure codes and modifiers shall be used when billing for surgical anesthesia procedures and/or other services performed under the professional licensure of the physician (anesthesiologist or other specialty).

A. Formula Based Reimbursement.

Reimbursement is based on formulas related to 100 percent of the 2003 Medicare Region 99 payable.

Effective for dates of service on or after July 1, 2012, the reimbursement for formula-based anesthesia services shall be reduced by 3.7 percent of the rates in effect on June 30, 2012.

Effective for dates of service on or after July 20, 2012, the 3.7 percent reimbursement rate reduction for formula-based anesthesia services shall be adjusted to 3.4 percent of the rates in effect on June 30, 2012.

Effective for dates of service on or after July 3, 2025, the Medicaid fee for formula-based anesthesia services rendered by a physician shall be 85 percent of the 2024 Louisiana Medicare Region 99 allowable for services rendered to Medicaid beneficiaries.

B. Flat Fee Reimbursement.

Reimbursement for maternity related anesthesia services is a flat fee except for general anesthesia related to a vaginal delivery which is reimbursed according to a formula.

Other anesthesia services that are performed under the professional licensure of the physician (anesthesiologist or other specialty) are reimbursed a flat fee based on the appropriate procedure code.

Effective for dates of service on or after July 1, 2012, the flat fee reimbursement rates paid for anesthesia services shall be reduced by 3.7 percent of the rates in effect on June 30, 2012.

Effective for dates of service on or after July 20, 2012, the 3.7 percent reimbursement rate reduction for flat fee reimbursement of anesthesia services shall be adjusted to 3.4 percent of the rates in effect on June 30, 2012.

Effective for dates of service on or after July 3, 2025, the flat fee for reimbursement of maternity-related anesthesia services shall be 85 percent of the 2024 Louisiana Medicare Region 99 allowable for services rendered to Medicaid beneficiaries. ~~If there is no equivalent Medicare fee, an alternate methodology may be used.~~Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of maternity related anesthesia services. The agency's fee schedule rate was set as of July 3, 2025, and is effective for services provided on or after that date. All rates are published on the Louisiana Medicaid website www.lamedicaid.com.

C. Maternity Related Anesthesia Services

The delivering physician will be reimbursed when he initiates the epidural procedure with inclusion of the appropriate procedure code and modifier.

The anesthesiologist or CRNA who is called in to continue administering the anesthesia after the epidural was inserted will be reimbursed for the continued administration of the anesthesia.

Anesthesiologists and/or CRNAs may not bill for both continued administration and general anesthesia.

Surgeons shall not be reimbursed for the personal medical direction of a CRNA. The anesthesia service will be considered non-medically directed and should be billed as such by the CRNA. Reimbursement methodology for anesthesia services performed by CRNAs is listed in Attachment 4.19-B, Item 6.d.

Effective for dates of service on or after August 4, 2009, the reimbursement rates paid for anesthesia services that are performed under the professional licensure of a physician (anesthesiologist or other specialty) shall be reduced by 3.5 percent of the rates in effect on August 3, 2009.

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