

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION Medical and Remedial
42 CFR Care and Services
440.160 Item 16
OBRA-90
P.L. 101-508
Sections
4702-4703

Inpatient Psychiatric Hospital Services for Individuals Under 21 are reimbursed as follows:

1. Reimbursement Methodology

- a. Effective for dates of service October 21, 2003, the reimbursement is increased for inpatient psychiatric hospital services provided in a state owned or operated free-standing psychiatric hospital or distinct part psychiatric unit to a per diem rate based on the 50th percentile facility for costs as reported on the cost report for the year ending between July 1, 2001 and June 30, 2002. The costs utilized to determine the 50th percentile facility will include all free-standing psychiatric hospitals and distinct part psychiatric units providing services to Medicaid recipients in the state. Costs will be trended to the midpoint of the rate year using the Medicare PPS Market Basket Index.
- b. Effective for dates of service on or after July 1, 2004, the reimbursement is increased for inpatient psychiatric hospital services provided in private and public non-state owned and operated free-standing psychiatric hospitals based on the weighted average for costs reported on the cost report ending in SFY 2002. The costs utilized to determine the weighted average shall include all free-standing psychiatric hospitals and distinct part psychiatric units providing services to Medicaid recipients in the state. Costs shall be trended to the midpoint of the rate year using the Medicare PPS Market Basket Index.
- c. Effective for dates of services on or after August 1, the inpatient psychiatric per diem rates paid to private hospitals are increased by 3.85% of the rates in effect on July 31, 2006.
- d. For dates of service on or after September 1, 2007, the prospective per diem rate paid to private (non-state) free-standing psychiatric hospitals shall be increased by 4.75 percent of the rate on file for August 31, 2007.

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STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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- e. Effective for dates of service on or after February 20, 2009, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals shall be reduced by 3.5 percent of the rate on file as of February 19, 2009.
- f. Effective for dates of service on or after August 4, 2009, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals shall be reduced by 5.8 percent of the rate on file as of August 3, 2009.
- g. Effective for dates of service on or after October 1, 2009, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals shall be increased by 3 percent of the rate on file.
- h. Effective for dates of service on or after February 3, 2010, the prospective per diem rate paid to non-rural, non-state free standing psychiatric hospitals shall be reduced by 5 percent of the per diem rate on file as of February 2, 2010.
- i. Effective for dates of service on or after August 1, 2010, the prospective per diem rate paid to non-rural, non-state free standing psychiatric hospitals shall be reduced by 4.6 percent of the per diem rate on file as of July 31, 2010.
- j. Effective for dates of service on or after January 1, 2011, the prospective per diem rate paid to non-rural, non-state free standing psychiatric hospitals shall be reduced by 2 percent of the per diem rate on file as of December 31, 2010.
- k. Effective for dates of service on or after January 1, 2017, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals shall be increased by 2 percent of the per diem rate on file as of December 31, 2016. Inpatient hospital psychiatric services provided by state owned and operated hospitals shall be exempt from this rate increase.
- l. Effective for dates of service on or after January 1, 2018, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals within non-rural, non-state acute care hospitals, shall be increased by indexing to 31 percent of the small rural hospital prospective per diem rate in effect on January 1, 2017. Psychiatric hospitals and units whose per diem rates as of January 1, 2017, excluding the graduate medical education portion of the per diem, are greater than 31 percent of the January 1, 2017 small rural hospital rate shall not be increased. Inpatient hospital psychiatric services provided under a public-private partnership shall be exempt from this rate increase.
- m. Effective for dates of service on or after January 1, 2020, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals within non-rural, non-state acute care hospitals, shall be increased by indexing to 32 percent of the small rural hospital prospective per diem rate in effect on January 1, 2019. Psychiatric hospitals and units whose per diem rates as of January 1, 2019, excluding the graduate medical education portion of the per diem, are greater than 32 percent of the January 1, 2019 small rural hospital rate, shall not be increased. Inpatient hospital psychiatric services provided under a public-private partnership by Northlake Behavioral Hospital shall be exempt from this rate increase.

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STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

- n. Effective for dates of service on or after January 1, 2021, the prospective per diem rate paid to non-rural, free-standing psychiatric hospitals shall be increased by 3.2 percent of the per diem rate on file as of December 31, 2020. Inpatient hospital psychiatric services provided under a public-private partnership shall be exempt from this rate increase. This rate increase applies to all other non-rural freestanding psychiatric hospitals, including state owned.
2. Provisions for Disproportionate Share Payments
 - a. Effective for services provided on or after July 1, 1988, hospitals qualifying as disproportionate share providers shall have payment adjustment factors applied in accordance with the guidelines outlined in Attachment 4.19-A, Item 1, Section D.
 - b. Disproportionate share payments cumulative for all DSH payments under the pools or any other DSH payment methodology shall not exceed the federal disproportionate share state allotment for each federal fiscal year established under Public Law 102-234.
3. Supplemental Payments for Non-Rural, Non-State Hospitals

Effective for dates of service on or after July 1, 2009, Medicaid Supplemental payments will be made to qualifying non-rural non-state public and private hospitals for dates of service from July 1, 2009 through December 31, 2010 as follows:

 - a. Other Hospitals impacted by Hurricanes Katrina and Rita.

Maximum aggregate payments to all qualifying hospitals in this group (which includes inpatient hospital supplemental payments described in Attachment 4.19-A, Item 14a and Item 16) will not exceed \$10 million.

 - 1) Qualifying criteria – Non-state freestanding psychiatric hospital which is located in either the New Orleans or Lake Charles metropolitan statistical area (MSA), and had at least 1,000 paid Medicaid days for SFY 2008 dates of service and is currently operational.

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2) Payment Methodology – Effective for dates of service on or after July 1, 2009, each eligible qualifying hospital shall receive quarterly supplemental payments which in total do not exceed \$1,200,000 per hospital for the 18 month period. Payments are applicable to Medicaid service dates provided during each quarter and will end on December 31, 2010 or when the \$1,200,000 limit is reached, whichever occurs first. Payments distributed in the qualifying quarters will be calculated as follows using Medicaid paid days for state fiscal year 2008 service dates serving as a proxy for state fiscal years 2010 and 2011 service dates.

- i. Qualifying hospitals with greater than 7,500 paid Medicaid days for state fiscal year 2008 service dates will be paid \$60 per Medicaid paid day.
- ii. Qualifying hospitals with greater than 1,000, but less than or equal to 7,500 paid Medicaid days for state fiscal year 2008 service dates will be paid \$130 per Medicaid paid day.

b. Hospitals Impacted by Hurricanes Gustav and Ike.

Maximum aggregate payments to all qualifying hospitals in this group (which includes inpatient hospital supplemental payments described in Attachment 4.19-A, Item 1, Section I.B.9.b.3) will not exceed \$7,500,000.

1) Qualifying Criteria – Non-state freestanding inpatient psychiatric hospital which did not qualify for inclusion in Group a. above may receive a supplemental payment if the hospital is located in either DHH Administrative Region 2 (Baton Rouge) or 3 (Thibodaux), had at least 1,000 paid Medicaid days for state fiscal year 2008 service dates and is currently operational.

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STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

- 2) Payment Methodology – Effective for dates of service on or after July 1, 2009, each eligible hospital shall receive quarterly supplemental payments which in total do not exceed \$1,200,000 per hospital for the 18 month period. Payments are applicable to Medicaid service dates provided during each quarter and will end on December 31, 2010 or when the \$1,200,000 limit is reached, whichever occurs first. Payments distributed in the qualifying quarters will be calculated as follows using Medicaid paid days for state fiscal year 2008 service dates serving as a proxy for state fiscal years 2010 and 2011 service dates.
 - i. Qualifying hospitals with greater than 20,000 paid Medicaid days for state fiscal year 2008 service dates will be paid \$60 per Medicaid paid day.
 - ii. Qualifying hospitals with greater than 2,500, but less than or equal to 20,000 paid Medicaid days for state fiscal year 2008 service dates will be paid \$105 per Medicaid paid day.
 - iii. Qualifying hospitals with greater than 1,000, but less than or equal to 2,500 paid Medicaid days for state fiscal year 2008 service dates will be paid \$225 per Medicaid paid day.

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STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF INPATIENT PSYCHIATRIC FACILITY SERVICES FOR
INDIVIDUALS UNDER 21 YEARS OF AGE

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR
SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER
THE PLAN ARE DESCRIBED AS FOLLOWS:

Inpatient Psychiatric Services for Individuals Under 21 Years of Age

Psychiatric Residential Treatment Facility Reimbursement

Covered services rendered in a psychiatric residential treatment facility (PRTF) for individuals under 21 years of age shall be reimbursed by Medicaid.

Except as otherwise noted in the plan, the state-developed per diem rates are the same for both governmental and private providers. The agency's fee schedule rate was set as of December 1, 2015 and is effective for services provided on or after that date. The fee schedule can be found on the state agency's website at http://www.lamedicaid.com/provweb1/fee_schedules/SBH_FS.pdf

State Psychiatric Residential Treatment Facility Reimbursement Rates

State and privately-owned and operated PRTFs shall be reimbursed for covered services according to the following provisions. The per diem rates paid shall take into consideration the following ownership and service criteria:

1. PRTF services specializing in sexually-based treatment programs;
2. PRTF services specializing in substance use disorders treatment programs; and
3. PRTF services specializing in behavioral health treatment programs.

Out-of-State Psychiatric Residential Treatment Facility Reimbursement Rates

Out-of-state PRTFs shall be reimbursed according to the Specialty Behavioral Health Fee Schedule found at http://www.lamedicaid.com/provweb1/fee_schedules/SBH_FS.pdf

Services provided under arrangement (outside the PRTF benefit) will be reimbursed according to the fee schedules found at the following link:

http://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm.

Psychiatric Residential Treatment Facility Cost Reports

1. All in-state Medicaid-participating PRTF providers are required to file an annual Medicaid cost report in accordance with Medicare/Medicaid allowable and non-allowable costs. Cost reports shall be submitted on or before the last day of the fifth month after the end of the provider's fiscal year end.
2. Separate cost reports must be submitted by central or home offices when costs of the central/home office are reported in the PRTF provider's cost report.

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STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF INPATIENT PSYCHIATRIC FACILITY SERVICES FOR
INDIVIDUALS UNDER 21 YEARS OF AGE

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR
SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER
THE PLAN ARE DESCRIBED AS FOLLOWS:

Inpatient Psychiatric Services for Individuals Under 21 Years of Age (continued)

New Psychiatric Residential Treatment Facilities and Change of Ownership of Existing Facilities

Changes of ownership (CHOW) exist if the beds of a new owner have previously been certified to participate in the Medicaid program under the previous owner's provider agreement. The acceptance of a CHOW will be determined solely by LDH. Reimbursement will continue to be based on the State of Louisiana Medicaid fee schedule.

New providers are those entities whose beds have not previously been certified to participate in the Medicaid program.

Initial and On-going Rate Setting Methodology:

Per diem PRTF rates effective July 1, 2011, will be developed as follows:

1. Comparable PRTF rates from other Medicaid programs will be examined.
2. These rates will be adjusted for cost of living variances between Louisiana and the state from which they came.
3. The adjusted rates will be indexed (inflated used the inflation factor) from the home state's rate effective date to July 1, 2011.
4. These rates will then be averaged or other measures of central tendency will be calculated.
5. The rate may be further adjusted to reflect ownership cost variances anticipated, or to recognize PRTF specialization. Additional adjustments to the average rates may be made as deemed necessary.
6. The initial rates will be subject to the risk-sharing provision to mitigate financial risk for both the Medicaid program and the PRTFs.

The Louisiana Medicaid program will collect cost information from providers participating in the PRTF program as indicated under the cost reporting section. This cost information will be utilized to monitor PRTF rates effective July 1, 2013, to ensure that:

1. Fee schedule payments continue to be adequate to attract provider participation; and
2. Rates are not excessive.

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STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR
SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER
THE PLAN ARE DESCRIBED AS FOLLOWS:

III. In-State Privately Owned or Operated Psychiatric Residential Treatment Facility (PRTF) Reimbursement Rates

- A. Medicaid certified providers will be reimbursed for covered PRTF services using a per diem rate consistent with the principles in I above. The fee schedule rate paid to the provider will be determined by the following ownership and service criteria:
1. Free-Standing privately owned and operated PRTF specializing in sexually-based treatment programs.
 2. Free-Standing privately owned and operated PRTF specializing in substance abuse treatment programs.
 3. Hospital-based privately owned or operated PRTF specializing in sexually-based treatment programs.
 4. Hospital-based privately owned or operated PRTF specializing in substance abuse treatment programs.

Except as otherwise noted in the Plan, the State-developed fee schedule is the same for both governmental and private individual practitioners and the fee schedule and any annual/periodic adjustments to the fee schedule are published in the Louisiana Register. The Agency's fee schedule rate was set as of January 1, 2012 and is effective for services provided on or after that date. All rates are published on the agency's website at www.lamedicaid.com.

- B. Risk Sharing: In-state privately owned and operated PRTF covered services provided during the time period from January 1, 2012 through June 30, 2013 will also receive risk sharing payments. These payments will be made as part of a transitional plan to include these services within the Medicaid program. The risk sharing payments will be determined as follows:
1. The facilities allowable per diem cost will be determined from the Medicaid cost report submitted in accordance with subsection V cost reporting requirements. The provider will receive a risk sharing payment (or recoupment of Medicaid payments) equal to 50% of the difference between the actual Medicaid allowable per diem cost and the Medicaid fee schedule for each covered PRTF patient day.

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STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR
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2. The risk sharing payment will not recognize provider allowable cost beyond the threshold of 150% of the per diem fee schedule amount paid during each fiscal year. For example: If the fee schedule rate is \$200, the maximum allowable cost recognized for risk sharing payments would be \$300.

C. Effective July 1, 2013, no risk-sharing will be paid. All covered inpatient psychiatric residential treatment facility activities for non-public facilities will be reimbursed using the State of Louisiana Medicaid Fee Schedule reimbursement rates as noted in I and III.A above. All rates are published on the agency's website at www.lamedicaid.com.

IV. Out-of-State Psychiatric Residential Treatment Facility (PRTF) Reimbursement Rates

- A. Out of state psychiatric residential treatment facilities will be reimbursed in accordance with the State of Louisiana Medicaid Fee Schedule by applicable provider type. Any publically owned and operated PRTF outside of Louisiana will not receive cost settlements, nor will they receive risk sharing payments as addressed in subsections II and III.

V. Psychiatric Residential Treatment Facility (PRTF) Cost Reports

- A. All in-state Medicaid-participating psychiatric residential treatment facility (PRTF) providers are required to file an annual Medicaid cost report. The cost report fiscal year must correspond to the state fiscal year of July 1 through June 30.
 1. All providers shall submit the uniform cost report form prescribed by the Department on an annual basis. Financial information shall be based on the provider's financial records. When records are not kept on an accrual basis of accounting, the provider shall make the adjustments necessary to convert the information to an accrual basis for reporting.
 2. Cost reports shall be submitted on or before the last day of the fifth month after the end of the provider's fiscal year end.
 3. Separate cost reports must be submitted by central/home offices when costs of the central/home office are reported in the PRTF provider's cost report.
 4. Failure to maintain records to support the cost report, or failure to file a timely cost report may result in penalties determined solely by DHH. Only those cost that are reported, document and allowable per the Medicare and Medicaid provider reimbursement manual will be recognized as cost by DHH.
 5. All cost reports may be subject to an audit or desk review by the DHH audit contractor.

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6. If the PRTF provider experiences unavoidable difficulties in preparing the cost report by the prescribed due date, a filing extension may be requested. A filing extension request must be submitted to DHH prior to the cost report due date. Facility filing a reasonable extension request will be granted an additional 30 days to file their cost reports.

VI. New Psychiatric Residential Treatment Facilities and Change of Ownership of Existing Facilities

- A. Changes of ownership (CHOW) exist if the beds of a new owner have previously been certified to participate in the Medicaid program under the previous owner's provider agreement. The acceptance of a CHOW will be determined solely by DHH. Reimbursement will continue to be based on the State of Louisiana Medicaid Fee Schedule.
- B. New providers are those entities whose beds have not previously been certified to participate in the Medicaid program.
 1. For dates of service January 1, 2012 – June 30, 2013, reimbursement shall be in accordance with Section III (A).
 2. For dates of service beginning on or after July 1, 2013, new providers shall be paid in accordance with Section III (B).

VII. Initial and On-going PRTF Rate Setting Methodology:

- A. Per diem PRTF rates effective July 1, 2011, will be developed as follows:
 1. Comparable PRTF rates from other Medicaid programs will be examined.
 2. These rates will be adjusted for cost of living variances between Louisiana and state from which they came.
 3. The adjusted rates will be indexed (inflated used the inflation factor) from the home state's rate effective date to July 1, 2011.
 4. These rates will then be average or other measures of central tendency will calculated.
 5. The rate may be further adjusted to reflect ownership cost variances anticipated, or to recognize PRTF specialization. Additional adjustment to the average rates may be made as deem necessary.
 6. The initial rates will be subject to the risk-sharing provision contained in subsection III to mitigate financial risk for both the Medicaid program and its PRTF providers.
- B. The Louisiana Medicaid program will collect cost information from providers participating in the PRTF program as indicated in subsection V. This cost information will be utilized to monitor PRTF rates effective July 1, 2013 to ensure our fee schedule payments continue to be adequate to attract provider participation in the program, while also ensuring that rates are not excessive.

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