

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



SEP 30 2013

Ms. Ruth Kennedy, Director
Bureau of Health Services Financing
Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, Louisiana 70821-9030

RE: Louisiana 12-62

Dear Ms. Kennedy:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-62. This amendment proposes to revise the reimbursement methodology for disproportionate share hospital (DSH) payments for non-state owned and private hospitals. The effect of this amendment is that three additional hospitals (Meridian Behavioral Health d/b/a Northlake Behavioral Hospital, River Oaks Hospital and Community Care Hospital) qualify for DSH payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding funding of the State share of expenditures under Attachment 4.19-A.

Based upon your assurances, Medicaid State plan amendment 12-62 is approved effective January 2, 2013. We are enclosing the HCFA-179 and the new plan page.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

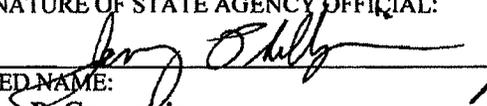

Cindy Mann
Director

Enclosures

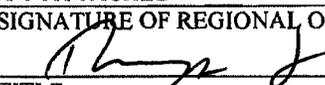
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 12-62	2. STATE Louisiana
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE November 1, 2012 * January 2, 2013	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447, Subpart E		7. FEDERAL BUDGET IMPACT: a. FFY <u>2012</u> ⁴ (\$ 14,429,353) SO b. FFY <u>2013</u> (\$ 10,868,156) SO	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Item 1, Page 10k(9)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 10-26)	

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to revise the reimbursement methodology for disproportionate share hospital (DSH) payments for non-state owned hospitals in order to encourage them to take over the operation and management of state-owned and operated hospitals that have terminated or reduced services.**

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED **The Governor does not review state plan material.**
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: J. Ruth Kennedy, Medicaid Director State of Louisiana Department of Health and Hospitals 628 N. 4th Street PO Box 91030 Baton Rouge, LA 70821-9030
13. TYPED NAME: Bruce D. Greenstein	
14. TITLE: Secretary	
15. DATE SUBMITTED: November 1, 2012	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: November 2, 2012	18. DATE APPROVED: SEP 30 2013
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 02 2013	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Penny Thompson	22. TITLE: Deputy Director, Policy & Financial Mgt., CMRS
23. REMARKS: * pen and ink change per the State's RAI response dated 7/23/2013	

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

determined on an annual basis.

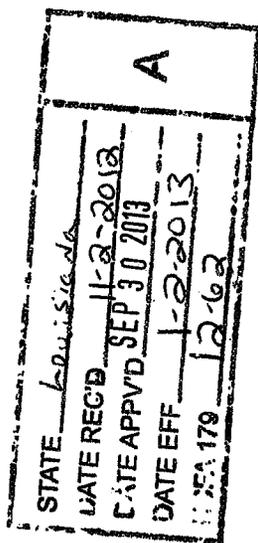
- h) Payments to hospitals qualifying under this DSH category shall be made subsequent to any DSH payments for which a hospital is eligible under another DSH category.
- i) Aggregate DSH payments for hospitals that receive payment from this category, and any other DSH category, shall not exceed the hospital's specific DSH limit. If payments calculated under this methodology would cause a hospital's aggregate DSH payment to exceed the limit, the payment from this category shall be capped at the hospital's specific DSH limit. The remaining payments shall be redistributed to the other hospitals in accordance with these provisions.

i. Freestanding Psychiatric Hospitals

Qualifying Criteria: Effective for dates of service on or after January 1, 2013, a Medicaid enrolled non-state (including private hospitals) owned and operated free standing psychiatric hospital may qualify for this category:

- 1). assuming the management and operation of services at a facility where such services were previously provided by a state owned and operated facility (Meridian Behavioral Health dba Northlake Behavioral); or
- 2). providing services that were previously delivered and terminated or reduced by a state owned and operated facility (River Oaks Hospital, and Community Care Hospital).

Reimbursement Methodology: Qualifying hospitals shall be paid a per diem rate of \$581.11 per day for each uninsured patient. Qualifying hospitals must submit costs and patient specific data in a format specified by the Department. Cost and lengths of stay will be reviewed for reasonableness before payments are made. Payments shall be made on a monthly basis. Aggregate DSH payments for hospitals that receive payment from this category, and any other DSH category, shall not exceed the hospital's specific DSH limit. If payments calculated under this methodology would cause a hospital's aggregate DSH payment to exceed the limit, the payment from this category shall be capped at the hospital's specific DSH limit.



TN# 12-62
Supersedes
TN# 10-26

Approval Date SEP 30 2013

Effective Date 1-2-2013