

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-13-15  
Baltimore, Maryland 21244-1850



**Center for Medicaid and State Operations, CMSO**

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Mr. Jerry Phillips, Director  
Bureau of Health Services Financing  
Department of Health and Hospitals  
Post Office Box 91030  
Baton Rouge, Louisiana 70821-9030

AUG 27 2009

Attention: Sandra Victor

RE: Louisiana 09-21

Dear Mr. Phillips:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-21. This amendment revises the state appropriation for Private, Non-Rural Community Hospitals for State Fiscal Year (SFY) 2009 as a result of supplemental appropriations by the 2009 Regular Session of the Legislature. It also revises the provisions governing DSH payments to these hospitals for SFY 2009.

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 we are pleased to inform you that Medicaid State plan amendment 09-21 is approved effective June 26, 2009. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Sandra Dasheiff, CPA at (214) 767-6490.

Sincerely,

Sindy Mann  
Director  
Center for Medicaid and State Operations (CMSO)

Enclosures



STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- 4) The Department shall determine each qualifying hospital's uninsured percentage on a hospital-wide basis utilizing charges for dates of service from July 1, 2006 through June 30, 2007.
- 5) Hospitals shall submit supporting patient specific data in a format specified by the Department, reports on their efforts to collect reimbursement for medical services from patients to reduce gross uninsured costs and their most current year-end financial statements. Those hospitals that fail to provide such statements shall receive no payments and any payment previously made shall be refunded to the Department. The deadline for submission of data used to determine qualification and the initial payment is December 3, 2007. Submitted hospital charge data must agree with the hospital's monthly revenue and usage reports which reconcile to the monthly and annual financial statements. The submitted data shall be subject to verification by the Department before DSH payments are made.
- 6) In the event that the total payments calculated for recipient hospitals qualifying in section 3) above are anticipated to exceed the total amount appropriated, the Department shall reduce payments on a pro rata basis in order to achieve a total cost that is not in excess of the amounts appropriated for this purpose. The \$104,000,000 appropriation for the non-rural community hospital pool shall be effective only for state fiscal year 2009 and distributions from the pool shall be considered nonrecurring.
- 7) Of the total appropriation for the non-rural community hospital pool, \$7,000,000 shall be allocated to public and private non-rural community hospitals with a distinct part psychiatric unit.
  - a) To qualify for this payment, hospitals must be a public or private non-rural community hospital, as defined in 3.e or 3.f. with uninsured cost of 3.5 percent or greater, and have a Medicaid enrolled distinct part psychiatric unit.
  - b) Payment shall be calculated by dividing each qualifying hospital's distinct part psychiatric unit's uninsured days by all qualifying psychiatric unit qualifying uninsured days and multiplying by \$7,000,000.

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TN# 09-21  
Supersedes  
TN# 08-24

Approval Date AUG 27 2009

Effective Date 6-26-09

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

- 2) Private, non-rural community hospitals located in the New Orleans and Lake Charles Metropolitan Statistical Areas (MSA) shall be reimbursed as follows:
  - a) If the hospital's qualifying uninsured cost is less than 3.5 percent of total hospital cost, the payment shall be 30 percent of qualifying uninsured costs.
  - b) If the hospital's qualifying uninsured cost is equal to or greater than 3.5 percent of the total hospital cost but less than 6.5 percent of total hospital cost, the payment shall be 50 percent of qualifying uninsured cost.
  - c) If the hospital's qualifying uninsured cost is equal to or greater than 6.5 percent of total hospital cost but less than or equal to 8 percent of total hospital cost, the payment shall be 80 percent of qualifying uninsured cost.
  - d) If the hospital's qualifying uninsured cost is greater than 8 percent of total hospital cost, the payment shall be 90 percent of qualifying uninsured cost for the portion in excess of 8 percent of total hospital cost and 80 percent of qualifying uninsured cost for the portion equal to 8 percent of total hospital cost.
  
- 3) Private, non-rural community hospitals located in all other parts of the state shall be reimbursed as follows:
  - a) If the hospital's qualifying uninsured cost is less than 3.5 percent of total hospital cost, the payment shall be 30 percent of qualifying uninsured cost.
  - b) If the hospital's qualifying uninsured cost is equal to or greater than 3.5 percent of total hospital cost but less than 6.5 percent of total hospital cost, the payment shall be 50 percent of qualifying uninsured cost.
  - c) If the hospital's qualifying uninsured cost is equal to or greater than 6.5 percent of total hospital cost, but less than or equal to 8 percent of total hospital cost, the payment shall be 80 percent of qualifying uninsured cost.
  - d) If the hospital's qualifying uninsured cost is greater than 8 percent of total hospital cost, the payment shall be 90 percent of qualifying uninsured cost for the portion in excess of 8 percent of total hospital cost and 80 percent of qualifying uninsured cost for the portion equal to 8 percent of total hospital cost.

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TN# 09-21  
Supersedes  
TN# 07-32

Approval Date AUG 27 2009

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