

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 14a  
OBRA-90  
P.L. 101-508  
Sections  
4702-4703

Services for Individuals Age 65 or Older in Institutions for Mental Diseases 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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Supersedes  
TN# 06-29

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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.
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.

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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 1, Section I.B.9.b.2) 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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  - 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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