

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

<u>CITATION</u>	Medical and Remedial	<b>Rural Health Clinic Services and Other Ambulatory Services</b>
Section	Care and Services	<b>Provided by a Rural Health Clinic</b>
1902(aa) of	Item 2.b.	
Social Security		
Act		

I. Method of Payment

In accordance with Section 1902(aa)/the provisions of the Benefits Improvement Act (BIPA) of 2000, effective January 1, 2001 payments to Rural Health Clinics (RHCs) for Medicaid covered services will be made under a Prospective Payment System (PPS) and paid on a per visit basis.

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STATE	Louisiana
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HCFA 179	LA-01-02

The PPS per visit rate will be provider specific. To establish the baseline rate for 2001, each RHC's 1999 and 2000 allowable costs, as taken from the RHC's filed 1999 and 2000 Medicaid cost reports, will be totaled and divided by the total number of Medicaid patient visits for 1999 and 2000. A patient visit is defined as receipt of services from a licensed practitioner and includes doctors, dentists, psychologists, social workers, nurse practitioners and physicians' assistants.

For RHCs beginning operation in 2000 and having only a 2000 cost report available for determining the initial PPS per visit rate, the 2000 allowable costs will be divided by the total number of Medicaid patient visits for 2000. Upon receipt of the 2001 cost report, the rate methodology will be applied using 2000 and 2001 costs and Medicaid patient visits to determine a new rate.

Upon receipt of the final audited cost reports for 1999 and 2000, the rate will be recalculated using costs and Medicaid patient visits from those reports. Payments will be reconciled against the initial PPS per visit rate, with recoupments and lump sum payments issued in accordance with existing State processes for cost report settlement.

SUPERSEDES: TN- LA-96-05

TN# LA-01-02 Approval Date 27 June 2001 Effective Date 1 January 2001  
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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

The baseline calculation will include all Medicaid coverable services provided by the RHC regardless of existing methods of reimbursement for said services. This will include, but not be limited to, ambulatory, transportation, laboratory (where applicable), KidMed and dental services previously reimbursed on a fee-for-service or other non-encounter basis. The per visit rate will be all inclusive-RHCs will not be eligible to bill separately for any Medicaid covered services. RHCs will be responsible for maintaining licensure/accreditation/program participation standards for all such services. In the event an RHC does not currently participate in any such program, but wishes to begin participation, the RHC will be responsible for meeting all enrollment criteria of the program.

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For the purpose of the calculation methodology, fiscal year is defined as the fiscal year of the participating RHC. Beginning with 2001, RHCs will be responsible for submission of their annual cost report for the year ending on June 30.

RHCs will be responsible for apportioning patient visits and statistical data in their 2001 cost report. The apportionment will be for the period from the first day of the 2001 cost reporting period through December 31, 2000. This data will be used to calculate cost settlements due from/to providers for the final cost-based reimbursement period in calendar year 2000. Note: Providers with a 12/31 fiscal year end do not have to conduct this apportionment.

Upon completion and implementation of PPS rate determination, the State will reconcile payments back to January 1, 2001. This will be accomplished by calculating a payment amount for eligible patient visits under PPS and comparing it to payments made for encounters under the existing cost-based reimbursement methodology.

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PAYMENT OF MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION  
42 CFR  
447.201 &  
Section 1902(aa) of the  
Social Security Act

Medical and Remedial Care and Services  
Item 2.b.

STATE	<u>Louisiana</u>
DATE REC'D	<u>12-16-11</u>
DATE APPV'D	<u>3-5-12</u>
DATE EFF	<u>12-1-11</u>
MEFA 179	<u>11-39</u>

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No interim or alternate payment methodologies will be developed by the State without prior notification to each enrolled Medicaid RHC.

Should an RHC increase or decrease its scope of services through new program development, program closure, program enhancement, etc., it is responsible for notifying the Bureau of Health Services Financing, Institutional Reimbursements Section of the scope of change in writing. The RHC shall include with this notification a budgetary presentation showing the impact on costs and Medicaid patient visits. The Institutional Reimbursements Section will be responsible for incorporating allowable costs and visits into the PPS per visit rate calculation and determining a new rate.

For an RHC which enrolls and receives approval to operate on or after January 1, 2001, the facility's initial PPS per visit rate will be determined first through comparison to other RHCs in the same town/city/parish. Scope of services will be considered in determining which proximate RHC most closely approximates the new provider. If no RHCs are available in the proximity, comparison will be made to the nearest RHC offering the same scope of services. The rate will be set to that of the RHC comparative to the new provider.

Beginning with Federal fiscal year 2002, the PPS per visit rate for each facility will be increased annually by the percentage increase in the published Medicare Economic Index (MEI) for primary care services. The MEI increase will be applied on July 1 of each year.

Effective for dates of services on or after February 21, 2011, the Medicaid Program shall provide reimbursement for diabetes self-management training (DSMT) services rendered by qualified health care professionals in the RHC encounter rate. Separate encounters for DSMT services are not permitted and the delivery of DSMT services alone does not constitute an encounter visit.

Effective for dates of service on or after December 1, 2011, the Medicaid Program shall provide reimbursement for fluoride varnish applications by qualified health care professionals to recipients under the age of 6 years in the RHC encounter rate when performed on the same date of service as an office visit or preventative screening.

Separate encounters for fluoride varnish services are not permitted and the application of fluoride varnish does not constitute an encounter visit.

**Alternate Payment Methodology**

Effective for dates of service on or after October 21, 2007, the Medicaid Program shall provide for an alternate payment methodology. This alternate methodology will include the aforementioned PPS methodology plus an additional reimbursement for adjunct services provided by rural health clinics when these services are rendered during evening, weekend or holiday hours.

Reimbursement is limited to services rendered between the hours of 5 p.m. and 8 a.m. Monday through Friday, on weekends and State legal holidays. (NOTE: A payment for adjunct services is not allowed when the encounter is for dental services only.)

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TN# 11-03  
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PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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reimbursement for the associated office encounter (PPS methodology). The agency's rates were set as of October 21, 2007 and are effective for services on or after that date. All rates are published on the agency's website (www.lamedicaid.com). The same add-on rate for services delivered between the hours of 5pm and 8am on Monday through Friday, on weekends, and State legal holidays is paid to governmental and non-governmental providers.

**Alternative Payment Methodology for RHCs that are licensed as part of a small rural hospital defined in D.3.b.**

Effective for dates of service provided on or after July 1, 2008, RHCs as defined in D.3.b. may elect to be reimbursed under this payment methodology. The RHCs that are licensed as part of a small rural hospital as of July 1, 2007 shall be reimbursed no less than in the aggregate at 110 percent of reasonable costs.

Interim payment for claims shall be the Medicaid PPS per visit rate for each provider. Final reimbursement shall be the greater of the BIPA PPS and the alternative payment methodology of 110 percent of allowable cost as calculated through the cost settlement process.

The payment received under this methodology will be compared each year to the Benefits Improvement and Protection Act of 2000 Prospective Payment System (BIPA PPS) rate to assure the center that their payment methodology under this alternative payment methodology is at least equal to the BIPA PPS rate. If the payment calculation at 110 percent of allowable cost is less than the BIPA PPS, the center will be paid the difference.

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STATE <u>LOUISIANA</u>	
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**II. Standards for Payment**

To be eligible for reimbursement, a rural health clinic must be located in a rural area and located in a DHEW designated health shortage area (an area having either a shortage of personal health services or a shortage of primary medical care manpower). It must be certified for participation in Medicare, Title XVIII and, therefore, deemed to meet the standards for certification under Louisiana's Medicaid program.

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