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**OUTPATIENT SERVICES**

Outpatient hospital services are defined as diagnostic and therapeutic services rendered under the direction of a physician or dentist to an outpatient in an enrolled, licensed and certified hospital. The hospital must also be Medicare certified. Covered outpatient hospital services provided to Medicaid recipients are reimbursable.

Included in this section are general guidelines pertaining to Medicaid coverage of outpatient services.

Inpatient services shall not be billed as outpatient, even if the stay is less than 24 hours. Federal regulations are specific in regard to the definition of both inpatient and outpatient services. Billing outpatient services for a recipient who is admitted as an inpatient within **24 hours of the performance of the outpatient service is not allowed and the facility may be subjected to financial sanctions.**

The following requirements apply:

- All outpatient services except outpatient therapy performed within 24 hours of an inpatient admission shall be included on the inpatient claim.
- All outpatient services except outpatient therapy performed within 24 hours before an inpatient admission and 24 hours after the discharge shall be included on the inpatient claim. This includes outpatient services that are either related or unrelated to the inpatient stay.
- If an inpatient in one hospital has outpatient services performed at another hospital, the inpatient hospital is responsible for reimbursing the hospital providing the outpatient services. The inpatient hospital may reflect the outpatient charges on its claim.

If a recipient is treated in the emergency room and requires surgery, which cannot be performed for several hours because arrangements need to be made, the services may be billed as outpatient provided that the recipient is not admitted as an inpatient.

Physicians responsible for a recipient's care at the hospital are responsible for deciding whether the recipient should be admitted as an inpatient. Physicians should use a 24 hour period as a benchmark, i.e., they should order admission for recipients who are expected to need hospital care for 24 hours or more, and treat other patients on an outpatient basis. However, the decision

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to admit a patient is a complex medical judgment, which can be made only after the physician has considered a number of factors. Admissions of particular recipients are not covered or non-covered solely on the basis of the length of time the recipient actually spends in the hospital.

Medicaid will reimburse up to 48 medically necessary hours for a recipient to be in an outpatient status. This time frame is for the physician to observe the recipient and to determine the need for further treatment, admission to an inpatient status or for discharge. If the recipient is admitted as an inpatient, the admit date will go back to the beginning of the outpatient services.

**NOTE:** Outpatient ambulatory surgery and other applicable revenue codes associated with the surgery may now be billed as outpatient regardless of the duration of the outpatient stay.

**Therapeutic and Diagnostic Services**

All outpatient services, including, but not limited to, therapeutic and diagnostic radiology services, chemotherapy, end stage renal disease (ESRD) (formerly referred to as hemodialysis), and laboratory services, are subject to nationally mandated code editing limits. These services must be medically necessary as substantiated by the recipient's medical records.

**Proton Beam Therapy**

The Medicaid Program no longer covers proton beam radiation therapy (PBRT) for recipients 21 years of age and older.

**Emergency Room Services**

Louisiana Medicaid is not obligated to pay for non-emergency (routine) care provided in the emergency room, unless the person has presenting symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of medical attention to result in:

- Placing the health of the individual, or in the case of a pregnant woman, the health of the woman or her unborn child, in serious jeopardy;
- Serious impairment of bodily function; or
- Serious dysfunction of any organ or body part.

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Hospitals are required by EMTALA (Emergency Medical Treatment and Labor Act) to perform a Medical Screening Exam (MSE) on all persons who present to the emergency room for services. If the MSE does not reveal the existence of an emergency medical condition, the recipient should be advised that Medicaid does not cover routine/non-emergent care provided in the emergency room when the presenting symptoms do not meet the prudent layperson standard of an emergency condition and that he/she may receive a bill if they are treated in the emergency room. The enrollee should be referred back to his/her primary care physician (PCP) for follow-up and evaluation.

Providers must bill revenue code 450 or 459 when submitting claims for outpatient emergency room services. Only one revenue code 450 or 459 may be used per emergency room visit. These revenue codes must be billed with the appropriate accompanying CPT codes of 99281, 99282, 99283, 99284, 99285, and 99291. Claims for emergency room services are not to be billed as a single line item. Claims must include all revenue codes (i.e., pharmacy, lab, x-rays and supplies) which were utilized in the recipient's treatment, using the appropriate revenue code and HCPCS where applicable.

When an emergency visit results in an inpatient admit, providers must bill all charges associated with the emergency visit on the inpatient bill. This policy applies to recipients admitted from the ER or if the recipient has been seen in the ER within 24 hours either prior to admit or after the inpatient discharge. The ER charges must be billed as a separate line. All associated charges for the emergency visit must be included by revenue code with the total charges for the inpatient stay.

**Hospital-Based Ambulances (Air or Ground)**

Hospital-based emergency ambulance services for Medicaid recipients may be reimbursed if circumstances exist that make the use of any conveyance other than an ambulance medically inadvisable for transport of the recipient. Such circumstances must be documented in the recipient's medical record.

Hospital-based ambulances can be used only to transport recipients to the hospital in an emergency so they may be stabilized. Any transfers to another hospital must occur only because the transporting hospital cannot provide appropriate services.

Non-emergency transport by a hospital-based ambulance is not covered. Claims for hospital-based ambulance services must be filed on the UB-04 as outpatient services under the hospital provider number. However, if the recipient is admitted to the hospital, the services must be billed on the UB-04 as part of the inpatient services, as the reimbursement for the services will be included in the per diem rate.

**NOTE:** Air ambulance charges are not covered as an outpatient service.

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Hospital-based ambulances must meet equipment and personnel standards set by the Bureau of Emergency Medical Services (EMS). Hospitals must submit a copy of EMS certification to Provider Enrollment for recognition to bill ambulance charges.

**Hospital Laboratory Services**

Hospitals are allowed by Medicaid to contract with an independent laboratory for performance of outpatient laboratory services. However, it is the responsibility of the hospital to ensure that both the physician who performs the professional service and the laboratory that performs the technical service meet all state and federal requirements. One such requirement is that both the physician and laboratory have a valid Clinical Laboratory Improvement Amendments (CLIA) number.

When a hospital contracts with a free-standing laboratory for the performance of the technical service only, it is the responsibility of the hospital to pay the laboratory. The laboratory cannot bill Medicaid because there is no mechanism in the system to pay a technical component only to a free-standing laboratory.

**Hyperbaric Oxygen Therapy**

Hyperbaric oxygen therapy may be performed as an outpatient service and is covered by the Medicaid Program. No authorization for these rehabilitative services is required if the procedures are performed for the diagnoses specified below:

- Acute carbon monoxide intoxication;
- Decompression illness;
- Gas embolism;
- Gas gangrene;
- Acute traumatic peripheral ischemia;
- Crush injuries and suturing of severed limbs;
- Progressive necrotizing infections;
- Acute peripheral arterial insufficiency;

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- Preparation and preservation of compromised skin grafts;
- Chronic refractory osteomyelitis;
- Osteoradionecrosis;
- Soft tissue radionecrosis;
- Cyanide poisoning; and
- Actinomycosis.
- Diabetic wounds of the lower extremities in recipients who meet the following three criteria:
  - Recipient has type 1 or 2 diabetes and has a lower extremity wound that is due to diabetes;
  - Recipient has a wound classified as Wagner grade 111 or higher; and
  - Recipient has failed an adequate course of standard wound therapy.

**NOTE:** This list may not be all-inclusive.

The covered diagnosis should be entered as the primary diagnosis for hyperbaric oxygen therapy claims. These claims will be reviewed by the Medical Director and/or other physicians in the fiscal intermediary's (FI) Medical Review Unit.

Requests for approval for hyperbaric oxygen therapy for other diagnoses must be submitted to the FI Medical Review Unit.

### **Long-Acting Reversible Contraceptives in the Outpatient Hospital Setting**

For LARCs inserted in the outpatient hospital setting, hospitals receive an additional payment for the LARC device when it is inserted during an outpatient hospital visit. Payment for the LARC device in the outpatient hospital setting is in addition to the reimbursement for the outpatient hospital claim. Providers have been instructed to bill the outpatient claim for the outpatient visit on the UB-04 and the claim for the LARC device on the CMS 1500 claim form.

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Providers inserting LARCs in the outpatient hospital setting may bill the DME revenue code of 290 with the appropriate accompanying HCPCS code for the LARC device on the UB-04. Providers should consult the DME fee schedule for covered LARCs and their reimbursement.

**Outpatient Rehabilitation Services**

The Medicaid Program provides coverage for outpatient rehabilitation services with prior approval. Outpatient rehabilitation services include:

- Physical therapy;
- Occupational therapy;
- Speech therapy; and
- Hearing therapy.

**Cardiac and Pulmonary/Respiratory therapy are not covered under Louisiana Medicaid. These services should not be prior authorized or billed using covered rehabilitation codes.** Hospitals are reimbursed based on covered HCPCS for outpatient rehabilitation services including speech, occupational and physical therapies at a flat fee for service which is not cost settled (with the exception of designated small rural hospitals).

**Initial therapy and extended therapy plans require PA.** Evaluation codes do not require PA, but are limited to one evaluation per 180 days.

| Description                           | HCPC  |
|---------------------------------------|-------|
| Evaluation of Speech Fluency          | 92521 |
| Evaluation of Speech Production       | 92522 |
| Speech Sound Lang Comprehension       | 92523 |
| Behavioral Qualit Analysis Voice      | 92524 |
| Speech/Lang/Hear Therapy – per 15 min | 92507 |
| Physical Therapy Evaluation: Low Comp | 97161 |

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| <b>Description</b>                         | <b>HCPC</b> |
|--|-------------|
| Physical Therapy Evaluation: Mod Comp      | 97162       |
| Physical Therapy Evaluation: High Comp     | 97163       |
| Re-Evaluation of Physical Therapy          | 97164       |
| Physical therapy – per 15 min              | 97110       |
| Occupational Therapy Evaluation: Low Comp  | 97165       |
| Occupational Therapy Evaluation: Mod Comp  | 97166       |
| Occupational Therapy Evaluation: High Comp | 97167       |
| Re-Evaluation of Occupational Therapy      | 97168       |
| Occupational Therapy – per 15 min          | 97530       |

Initial requests must include a physician's referral or prescription, a therapist's evaluation/plan of service, the completed Request for Prior Authorization (PA-01), and Rehabilitation Services Request (PA-02) forms. Requests should be submitted within the first week of therapy. In instances where delay of therapy would result in deterioration of a medical condition (i.e., burn cases, accidents or surgery) the authorization may be obtained later.

Extension requests should be submitted at least 25 days prior to the end of the approved period. This request must include both PA-01 and PA-02 forms along with progress reports from the prior period. Authorizations may be approved for up to one year for recipients under the age of 21 and for up to six months for recipients 21 and over.

When a recipient is being discharged from an inpatient acute care stay and requires outpatient rehab services immediately, a PA request should be submitted using the recipient's anticipated discharge date as the beginning date of service.

Physician recommended durable medical equipment (DME) must be approved by the Prior Authorization Unit (PAU) whether provided by a hospital or an independent DME provider.

Initial and extension requests must also be submitted to the PAU for approval.

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The PAU will recommend approval only for therapy plans for individuals who are likely to realize substantial gains in rehabilitation, self-care, or self-help.

"Rehabilitation" is defined as a program to prevent further impairment or physical deformity and malfunction, enabling a significant increase in the capacity of the individual, so the individual will require less care by others.

"Self-care" and "self-help" are defined as the ability of the individual to take care of personal needs (eating; dressing; and the ability to walk, talk, or use devices unassisted).

"Less individual care by others" is defined as the ability of the recipient to use a minimum of assistance to take care of personal needs. Optimum utilization of the device will be an additional criterion when prosthesis training is involved.

### **Outpatient Surgery**

Certain surgical procedures usually are covered by the Medicaid Program if they are performed as outpatient services. Reimbursement to hospitals for the performance of these outpatient surgical procedures is made on a flat-fee per service basis.

Outpatient surgical cases that have a physician order for outpatient statuses do not need to be pre-certified. There are no time limitations for an outpatient surgery.

Hospitals must bill all outpatient surgery charges for the specified surgeries using revenue code "490" – Ambulatory Surgery Care. All other charges associated with the surgery (for example, observation, labs, radiology) must be billed on the same claim form as the Ambulatory surgery charges. The only revenue code that will be paid will be the flat rate fee for the Ambulatory Surgery. The current payment rate for groupings can be found on the Louisiana Medicaid website (<https://www.lamedicaid.com/provweb1/default.htm>). The most appropriate CPT/HCPCS code for the surgical procedure must be entered in Form Locator 44 on the UB-04 claim form. Only one CPT/HCPCS code may be entered in the field. A list of the surgical procedures is provided on the Louisiana Medicaid website (<https://www.lamedicaid.com/provweb1/default.htm>).

**NOTE:** When more than one surgical procedure is performed on the same date of service, only the primary surgical procedure will be paid. The CPT/HCPCS code for the primary surgical procedure must be entered in Form Locator 44 on the UB-04 form.

**Operating Room Services-Minor Surgery** (HR361) is now payable for billing minor surgeries that are medically necessary to be performed in the operating room but the associated CPT code is not included in the ambulatory surgery listing.



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Ambulatory surgery and other applicable revenue codes associated with the surgery may now be billed as outpatient regardless of the duration of the outpatient stay.

**Intraocular Lens Implants**

Intraocular lens (IOL) may be billed separately by the hospital if the hospital provides the device. Only one provider may bill for the IOL. Payment for the IOL is a flat fee-for-service.

Medicaid will pay for IOLs implanted during or subsequent to cataract extraction surgery performed on an outpatient basis. Lenses will be covered under the DME program but will not require PA as for other DME. When billing on an outpatient basis, claims must be submitted on the CMS-1500 by the provider who actually supplies the lens.

Providers are required to submit separate claim forms for the surgery and for the lens. The claim form for the lens **must** be submitted to a different post office box in order to be processed correctly. Failure to follow this procedure will result in denied claims. The initials “**DME**” should be written in **bold** letters on the very top of the claim form. The address to file DME claims can be found in Appendix B.

Refer to the DME manual for procedure codes and place of service codes that should be used. These procedures codes must be in conjunction with an ICD-10 CM diagnosis code for cataracts.

**NOTE:** If billing as an inpatient, the charges for the lens must be included on the inpatient claim form (UB-04).

**Observation Room Charges**

When applicable, hospitals should bill for treatment or observation room charges with the appropriate covered revenue code. The payable observation room services revenue code is 762. This revenue code must be billed with the appropriate accompanying CPT codes of G0378 and G0379 or the claim will deny with error code 114 (INVALID OR MISSING HCPCS). The entire outpatient visit, including observation, may not exceed 48 hours duration.

Hospitals billing for any of the outpatient surgical procedures listed in the fee schedule may not bill separately for treatment and observation room charges provided on the same day. Charges for these services have been included in the flat fee reimbursement for the outpatient surgical procedures.

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**Outpatient Hospital Clinic Services**

The payable revenue codes are 510, 514, 515, 517, and 519. These revenue codes must be billed with the appropriate accompanying CPT codes of 99201, 99202, 99203, 99204, 99205, 99211, 99212, 99213, 99214, and 99215.

**Psychiatric and Substance Abuse**

Outpatient psychiatric or substance abuse treatment is not covered.

**Screening Mammography**

When applicable, hospitals should bill for mammography screening services with the appropriate covered revenue code. The payable screening mammography revenue code is 403. This revenue code must be billed with the appropriate accompanying CPT codes for screening mammograms.

**Diabetes Self-Management Training**

Diabetes self-management training (DSMT) is a collaborative process through which recipients with diabetes gain knowledge and skills needed to modify behavior and successfully manage the disease and its related conditions. DSMT programs, at a minimum, must include the following:

- Instructions for blood glucose self-monitoring;
- Education regarding diet and exercise;
- Individualized insulin treatment plan (for insulin dependent recipients); and
- Encouragement and support for use of self-management skills.

DSMT programs should be aimed at educating recipients on the following topics to promote successful self-management:

- Diabetes overview, including current treatment options and disease process;
- Diet and nutritional needs;
- Increasing activity and exercise;

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- Medication management, including instructions for self-administering injectable medications (as applicable);
- Management of hyperglycemia and hypoglycemia;
- Blood glucose monitoring and utilizations of results;
- Prevention, detection, and treatment of acute and chronic complications associated with diabetes (including discussions on foot care, skin care, etc.);
- Reducing risk factors, incorporating new behaviors into daily life, and setting goals to promote successful outcomes;
- Importance of preconception care and management during pregnancy;
- Managing stress regarding adjustments being made in daily life; and
- Importance of family and social support.

All educational material must be pertinent and age appropriate for each recipient. Recipients under the age of 18 must be accompanied by a parent or legal guardian. Claims for these services shall be submitted under the child's Medicaid number.

**Provider Qualifications**

Providers of DSMT services must be:

- Enrolled as a Louisiana Medicaid provider;
- Employed by an enrolled Louisiana Medicaid provider; or
- Contracted to provide services by an enrolled Louisiana Medicaid provider.

Providers must be enrolled as a Louisiana Medicaid provider through the Professional Services (Physician Directed Services), Rural Health Clinic (RHC), Federally Qualified Health Center (FQHC), or Outpatient Hospital programs and must meet all of the required criteria.

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**DSMT is not a separately recognized provider type;** therefore, Louisiana Medicaid will not enroll a person or entity for the sole purpose of performing DSMT.

**Accreditation**

DSMT programs must be accredited as meeting quality standards by a national accreditation organization. Louisiana Medicaid recognizes the following as approved accreditation organizations:

- American Diabetes Association (ADA);
- American Association of Diabetes Educators (AADE); and
- Indian Health Service (IHS).

Services provided by a program without accreditation by one of the listed organizations are **not covered**. Providers must maintain and provide proof of accreditation, as requested by Louisiana Medicaid or its fiscal intermediary.

At a minimum, the instructional team must consist of a registered dietitian, a registered nurse, or a pharmacist. Each member of the instructional team must be a certified diabetes educator (CDE) or have recent didactic and experiential preparation in education and diabetes management, and at least one member of the instructional team must be a CDE who has been certified by the National Certification Board for Diabetes Educators (NCBDE). Providers must maintain and provide proof of certification, as requested, for staff members.

**All enrolled Diabetes Self-Management Programs must adhere to the National Standards for Diabetes Self-Management Education.**

**Coverage Requirements**

Louisiana Medicaid provides coverage of DSMT for eligible Medicaid recipients who have a written order from their primary care provider, and have been diagnosed with Type I, Type II, or gestational diabetes.

The ordering provider is required to maintain a copy of all DSMT orders. Each written order must be signed and must specify the total number of hours being ordered, not to exceed the below coverage limitations:

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- A **maximum** of 10 hours of initial training (one hour of individual and nine hours of group sessions) are allowed during the first 12 month period beginning with the initial training date.
- A **maximum** of two hours of individual sessions are allowed for each subsequent year.

If special circumstances occur in which the ordering provider determines a recipient would benefit from individual sessions rather than group sessions, the order must also include a statement specifying that individual sessions would be more appropriate, along with an explanation.

If a DSMT order must be modified, the updated order must be signed by the primary care provider and copies must be retained in the medical record.

Recipients enrolled in a managed care organization will receive DSMT through their health plan.

**Medicaid Recipients Not Eligible for DSMT**

The following recipients are not eligible for DSMT:

- Recipients residing in an inpatient hospital or other institutional setting such as a nursing care facility, or a residential care facility;
- Recipients receiving hospice services; or
- Recipients enrolled in a managed care organization.

**Initial DSMT**

Initial DSMT training may begin after receiving the initial order date and is allowed for a continuous 12-month period, following the initial training date. In order for services to be considered initial, the recipient must not have previously received initial or follow up DSMT training.

The 10 hours of initial training may be provided in any combination of 30-minute increments over the 12-month period. Louisiana Medicaid does not reimburse for sessions that last less than 30 minutes.

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Group sessions may be provided in any combination of 30-minute increments. Sessions that are less than 30 minutes are not covered. Each group session shall contain between 2-20 recipients.

**Follow-Up DSMT**

After receiving the initial training, a recipient is eligible to receive a maximum of two hours of follow-up training each year, if ordered by their primary care provider.

Follow-up training is based on a **12-month calendar year following completion of initial training**. If a recipient completes 10 hours of initial training, the recipient would be eligible for two hours of follow-up training for the next **calendar year**. If all 10 hours of initial training are not used within the first calendar year, then the recipient has 12 months to complete the initial training prior to follow up training.

- Example #1:

If a recipient receives his first training in April 2011 and completes the initial 10 hours by April 2012, the recipient would be eligible for two hours of subsequent training beginning May 2012, since that would be the 13<sup>th</sup> month. If the recipient completes the two hours of subsequent training in November 2012, then he is not eligible for additional training until January 2013.

- Example #2:

If a recipient receives his first training in February 2011 and exhausts all 10 hours of initial training by November 2011, the recipient would be eligible for two hours of subsequent training beginning January 2012. If the recipient completes the two subsequent hours of training by May 2012, then he is not eligible for additional training until January 2013.

Providers are encouraged to communicate with recipients to determine if the recipient has previously received DSMT services or has exhausted the maximum hours of DSMT services for the given year.

Louisiana Medicaid will **only** cover up to 10 hours of initial training (for the first 12 months) and two hours of follow-up training (for each subsequent year) regardless of who provides the service.

**Provider Responsibilities**

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Providers must assure the following conditions are met in order to receive reimbursement for DSMT services:

- **The recipient meets one of the following requirements:**
  - Is a newly diagnosed diabetic, gestational diabetic, pregnant with a history of diabetes, or has received no previous diabetes education;
  - Demonstrates poor glycemic control ( $A1c > 7$ );
  - Has documentation of acute episode of severe hypoglycemia or hyperglycemia occurring in the past 12 months; or
  - Has received a diagnosis of a complication, a diagnosis of a co-morbidity, or prescription for new equipment such as an insulin pump.
- **The provider maintains the following documentation requirements:**
  - A copy of the order for DSMT from the recipient's primary care provider;
  - A comprehensive plan of care documented in the medical record;
  - Start and stop time of services;
  - Clinical notes, documenting recipient progress;
  - Original and ongoing pertinent lab work;
  - Individual education plan;
  - Assessment of the individual education needs;
  - Evaluation of achievement of self-management goals;
  - Proof of correspondence with ordering provider regarding recipient progress; and
  - All other pertinent documentation.

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Recipient records, facility accreditation, and proof of staff licensure, certification, and educational requirements must be kept readily available to be furnished, as requested, to the LDH, its authorized representatives, or the state's Attorney General's Medicaid Fraud Control Unit.

**Reimbursement**

Reimbursement for DSMT services is a flat fee based on the fee schedule established by the Bureau of Health Services Financing Professional Services Program minus the amount, which any third party coverage would pay. The following Healthcare Common Procedure Coding System (HCPCS) codes should be billed for DSMT services:

- G0108-Diabetes outpatient self-management training services, individual, per 30 minutes
- G0109- Diabetes self-management training services, group session (two or more) per 30 minutes

**NOTE:** Services provided to pregnant women with diabetes must be billed with the TH modifier.

Hospitals would bill the above HCPCS codes in the outpatient setting along with Revenue code 942. These would be the only HCPCS codes allowed to be billed with HR942.

Outpatient hospitals will be reimbursed a flat fee for these services. The flat fee is posted on the fee schedule.

**Trade Area**

In-state acute care provider resources must be utilized prior to referring a recipient to out-of-state providers. Acute care out-of-state providers in "trade areas" are treated the same as in-state providers. Trade areas are defined as being counties located in Mississippi, Arkansas and Texas that border the State of Louisiana. Acute care out-of-state providers in the above states that are not located in counties that border Louisiana are required to obtain prior authorization for all outpatient services unless it is of an emergent nature.

A referral or transfer made by a 'trade area' hospital to another hospital does not constitute approval by Louisiana Medicaid unless it is to either a Louisiana hospital or another 'trade area' hospital. Prior authorization is required for all other referrals or transfers.



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Below is list of counties located in the trade area:

| <b>Louisiana Trade Area</b> |                             |                       |
|-----------------------------|-----------------------------|-----------------------|
| <b>Arkansas Counties</b>    | <b>Mississippi Counties</b> | <b>Texas Counties</b> |
| Chicot County               | Hancock County              | Cass County           |
| Ashley County               | Pearl River County          | Marion County         |
| Union County                | Marion County               | Harrison County       |
| Columbia County             | Walthall County             | Panola County         |
| Lafayette County            | Pike County                 | Shelby County         |
| Miller County               | Amite County                | Sabine County         |
|                             | Wilkerson County            | Newton County         |
|                             | Adams County                | Orange County         |
|                             | Jefferson County            | Jefferson County      |
|                             | Claiborne County            |                       |
|                             | Washington County           |                       |
|                             | Issaquena County            |                       |
|                             | Warren County               |                       |