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Physician Supplemental Payments

These provisions may be contingent upon the approval from the Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

Qualifying Criteria – State Owned or Operated Professional Services Practices

Physicians and other eligible professional service practitioners may qualify for supplemental payments if they are:

- Licensed by the state of Louisiana,
- Enrolled as a Louisiana Medicaid provider, and
- Employed by a state-owned or operated entity, such as a state-operated hospital or other state entity, including a state academic health system, which:
 - has been designated by the bureau as an essential provider, and
 - has furnished satisfactory data to Louisiana Medicaid regarding the commercial insurance payments made to its employed physicians and other professional service practitioners.

The supplemental payment to each qualifying physician or other eligible professional services practitioner in the practice plan will equal the difference between the Medicaid payments otherwise made to these qualifying providers for professional services and the average amount that would have been paid at the equivalent community rate defined as the average amount that would have been paid by commercial insurers for the same services.

The supplemental payments shall be calculated by applying a conversion factor to actual charges for claims paid during a quarter for Medicaid services provided by the state-owned or operated practice plan providers. The commercial payments and respective charges shall be obtained for the state fiscal year preceding the reimbursement year. If this data is not provided satisfactorily to Louisiana Medicaid, the default conversion factor shall equal “1”. This conversion factor shall be established annually for qualifying physicians/practitioners by:

- Determining the amount that private commercial insurance companies paid for commercial claims submitted by the state-owned or operated practice plan or entity, and
- Dividing that amount by the respective charges for these payers.

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The actual charges for paid Medicaid services shall be multiplied by the conversion factor to determine the maximum allowable Medicaid reimbursement. For eligible non-physician practitioners, the maximum allowable Medicaid reimbursement shall be limited to 80 percent of this amount.

The actual base Medicaid payments to the qualifying physicians/practitioners employed by a state-owned or operated entity shall then be subtracted from the maximum Medicaid reimbursable amount to determine the supplemental payment amount.

The supplemental payment for services provided by the qualifying state-owned or operated physician practice plan will be implemented through a quarterly supplemental payment to providers, based on specific Medicaid paid claim data.

Qualifying Criteria – Non-State Owned or Operated Professional Services Practices

Physicians and other professional service practitioners who are employed by, or under contract with, a non-state owned or operated governmental entity, such as a non-state owned or operated public hospital, may qualify for supplemental payments for services rendered to Medicaid recipients. To qualify for the supplemental payment, the physician or professional service practitioner must be:

- Licensed by the state of Louisiana, and
- Enrolled as a Louisiana Medicaid provider.

The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level defined as the rates paid by commercial payers for the same service.

The non-state governmental entity shall periodically furnish satisfactory data for calculating the community rate as requested by Louisiana Medicaid.

Supplemental payments shall be made on a quarterly basis. The supplemental payment amount shall be determined by establishing a Medicare to community rate conversion factor for the physician or physician practice plan. For each Medicaid claim paid during the quarter, a Medicare payment amount will be calculated and the Medicare to community rate conversion factor will be applied to the result. Medicaid payments made for the claims paid during the quarter will then be subtracted from this amount to establish the supplemental payment amount for that quarter. To allow claims to be captured in the computations, calculations and payments will be made the quarter following the actual quarter of service provision.

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The Medicare to community rate conversion factor shall be recalculated periodically as determined by Louisiana Medicaid.