


Special COVID-19 Letter of Direction #16

Date: October 23, 2020

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division 

Subject: 2020 COVID-19 Non-DRG Hospital Inpatient Payment Rates Effective April 1, 2020 through June 30, 2020

Title: 2020 COVID-19 Non-DRG Hospital Inpatient Payment Rate Increase

The purpose of this Letter of Direction (LOD) is to provide guidance to the Centennial Care 2.0 Managed Care Organizations (MCOs) for implementation of a 12.4% rate increase to Prospective Payment System exempt (PPS-exempt) rehabilitation hospitals (Provider type 202), inpatient hospital rehabilitation hospitals (Provider type 203), PPS-exempt psychiatric hospitals (Provider type 204), and psychiatric hospitals (Provider type 205) for inpatient services related to the national public health emergency associated with the 2019 Novel Coronavirus (COVID-19) outbreak. The purpose of this direction is to assure that these hospitals have the resources needed to address the outbreak and Medicaid members receive continuation of essential services with minimal disruption or delay. The hospital increases described in this LOD are in recognition of reduced hospital utilization during the public health emergency.

The Department acknowledges that inpatient hospital services may be paid using different methodologies from the Medicaid fee-for-service (FFS) program under Centennial Care. HSD is not directing the MCOs to revise their payment methodologies; however, the increase described in this LOD are applicable to these non-DRG reimbursed hospital providers at the percentage set forth by the Department below.

The MCOs should increase Medicaid reimbursement rates for inpatient hospital services for provider types 202-205 by increasing their specific inpatient hospital percentage by 12.4% for dates of service April 1, 2020 through June 30, 2020.

Rate Increase Implementation Timeframes and Reporting

The MCOs should implement changes associated with these instructions, including system changes and provider contract negotiations expeditiously and no later than 90 days from the date of issuance of

this LOD. For any claims submitted after April 1, 2020 for Provider types 202-205 with dates of service of April 1, 2020 through June 30, 2020 but not paid based on these new parameters, the MCOs are to readjust payments retroactive to April 1, 2020 no more than 90 days of issuance of this LOD. HSD directs the MCOs to provide weekly updates to HSD on the status of implementation and claim reprocessing every Friday by 5pm until further directed by HSD to cease reporting.

This Special COVID-19 LOD will sunset upon completion of all claims processing. Reporting requirements will cease after the claims run out period.