

DCFS Hospital Payment Policy Update

March 2026



**Department of
Children & Family Services**

Building a Stronger Louisiana

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DCFS Hospital Payment Policy Changes

- Updated
 - CW Form 490: Letter of Expectations Between DCFS and Hospital
 - CW Form 490: Letter of Expectations Between DCFS and Hospital Instructions
- New
 - CW Form 491: Discharge Recommendation

Updated 3/2/26

CW Form 490: Letter of Expectations Between DCFS and Hospital



CW Form 490: Letter of Expectations Between DCFS and Hospital

- Sets clear expectations for DCFS payment for inpatient hospital services for children in DCFS custody when Medicaid is not responsible
- Expands policy to include general acute care (medical) hospital stays (previously only psychiatric)
- Adds centralized intake for **clinical information** by DCFS Medical Services and Placement Teams at DCFS.treatment@la.gov
- Adds centralized intake for **billing information** by DCFS payment processing staff at DCFS.providerbilling@la.gov
- Reflects current Medicaid (managed care) program

CW Form 490

DCFS Case Worker Responsibilities



At or within 3 days of admission

- **The child's DCFS case worker:**

- Completes CW Form 490 *Letter of Expectations Between DCFS and Hospital*
- Presents letter to hospital
- Emails letter to DCFS.treatment@la.gov

- The **DCFS.treatment** email address provides for centralized intake of **clinical information** by DCFS Medical Services and Placement Teams staff for real-time case management purposes
- At this stage, the 490 serves as an “admit alert” to engage DCFS early in discharge planning

CW Form 490

Hospital Responsibilities



At admission and concurrent review

- Request required authorization for hospital services from the child's Medicaid managed care organization (MCO)
- If the MCO denies the authorization request, request an appeal of the denial
- If the MCO upholds the denial, provide immediate written notification to the child's caseworker and DCFS.treatment@la.gov including a brief description of the case information submitted to the MCO in support of the authorization request

If a child is enrolled in CSoC and an MCO

- Request required authorization for hospital services from the CSoC contractor
- If the CSoC contractor denies the authorization request, request an appeal of the denial
- If the CSoC contractor upholds the denial, provide immediate written notification to the child's caseworker and DCFS.treatment@la.gov including a brief description of the case information submitted to the CSoC contractor in support of the authorization request

Within 72 hours of when the child is to be discharged

- Complete and send to DCFS.treatment@la.gov:
 - CW Form 491: Hospital Discharge Recommendation
 - Standard format for communicating the anticipated discharge date and recommendation for continued treatment (e.g., PRTF, TGH, home, etc.)
 - **If the date or recommendation changes prior to discharge, send an updated Form 491**
 - Discharge summary
 - Include all necessary medical information on the patient's current course of illness and treatment, post-discharge goals of care, and treatment preferences, at the time of discharge, to the appropriate post-acute care service providers responsible for the patient's follow-up care.
 - CW Form 98-K: Recommendation and Authorization for Psychotropic Medication for Children in Foster Care
 - Detailed recommendations for psychotropic medications

When seeking payment from MCOs

- If the MCO denies the hospital's claim for payment for a hospitalization *that the treating physician or practitioner deems medically necessary*, the hospital is to pursue payment from the MCO, as provided for in Louisiana Department of Health Informational Bulletin 19-3: Medicaid Provider Issue Resolution (IB 19-3)
- **CW Form 490 references current Medicaid policy for resolving MCO provider claims issues**
- **DCFS does not require the hospital to pursue all or any particular resolution options**

When DCFS may pay

- If the treating physician or practitioner recommends **discharge to home** and the hospitalization extends beyond the length of stay authorized by the MCO, **DCFS may be financially responsible** for the extended hospitalization
- If the treating physician or practitioner recommends **discharge to PRTF, TGH or SUD** services and the hospitalization extends beyond the length of stay authorized by the MCO, **the child's MCO may be financially responsible** for the extended hospitalization

When seeking payment from DCFS

- DCFS payments may not be considered if the hospital has not met the expectations outlined in the 490 letter
- DCFS will reimburse the hospital at the Medicaid rate for the usual and customary charges
- The reimbursement is not to exceed the maximum allowable rate established by Medicaid for the same services
- No payments will be made until copies of all applicable denials are received at DCFS.providerbilling@la.gov

Documentation required to support payment (1/2)

- CW Form 490 Letter of Expectation between DCFS and Hospital
- CW Form 491 Discharge Recommendation
- CW Form 98-K Recommendation and Authorization for Psychotropic Medication for Children in Foster Care
- Hospital Service Claim form (UB-04 CMS-1450)
- MCO denial of original hospital service authorization request (e.g., decision letter, Explanation of Benefits)
- MCO denial of hospital's request for reconsideration of MCO's denial of original hospital service authorization request (e.g., decision letter)
- MCO claims payment denials (e.g., Remittance Advice, Explanation of Payment)
- If a child is enrolled in CSoC and the CSoC contractor denies, an MCO denial is also required if the discharge recommendation was to PRTF, TGH or SUD services

Documentation required to support payment (2/2)

- A statement of DCFS payment due from the hospital, which should include at a minimum:
 - Child name
 - Child TIPS number
 - Date of admission
 - Dates of service denied by the MCO
 - Number of units of service (days) denied by the MCO
 - Medicaid reimbursement rate (per diem) in effect on the dates of service
 - Total amount due from DCFS, equal to the number of units of service denied multiplied by the applicable Medicaid per diem

Documents should not contain any information unrelated to the child named on the CW Form 490, e.g., non-DCFS patient claims.

Be sure to send PHI in secure format!

New 3/2/26

CW Form 491: Discharge Recommendation



CW Form 491: Discharge Recommendation

- Newly required, standard format for communicating the discharge recommendation of treating physician/practitioner
 - Includes check boxes for hospital, PRTF, TGH, ICF/DD or home setting
- Documentation will support:
 - Real-time transitional case management efforts by DCFS Medicaid Services and Placement teams
 - Ongoing efforts by DCFS to ensure payment integrity, including engaging LDH for MCO contract compliance action as appropriate

CW Form 491

DCFS Case Worker Responsibilities



At or within 3 days of admission

■ The child's DCFS case worker:

- Provides CW Form 491 *Discharge Recommendation* to hospital
- Leaves **blank** for hospital personnel to complete

CW Form 491

Hospital Responsibilities



Within 72 hours of when the child is to be discharged

■ The hospital:

- Completes the form
- Sends the completed form to DCFS.treatment@la.gov



Questions

- For billing or payment questions, contact DCFS.providerbilling@la.gov
- For clinical concerns, contact DCFS.treatment@la.gov



THANK YOU

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