



State of Louisiana
Louisiana Department of Health
Office of the Secretary

December 10, 2024

Via Statutorily Prescribed Email

To: The Honorable Patrick McMath, Chairman, Senate Health & Welfare Committee
The Honorable Dustin Miller, Chairman, House Health & Welfare Committee

From: Michael Harrington, MBA, MA
Secretary

Re: Second Report to Proposed Amendments to LAC 50:IX.15113 – Professional Services Program – Reimbursement Methodology

Pursuant to the Louisiana Administrative Procedure Act, the Louisiana Department of Health, Bureau of Health Services Financing, submits its second report regarding the Proposed Amendments to Professional Services Program – Reimbursement Methodology, LAC 50:IX.15113.

A Notice of Intent on the proposed amendments was published in the October 20, 2024 issue of the *Louisiana Register* (LR 50:1559). No written comments were received and there was no request for a public hearing during the notice period. Because there were no requests for a public hearing, one was not held for these proposed amendments. Additionally, no substantive changes were made to the proposed amendments since the report provide for in R.S. 49:966B-C was submitted.

Unless otherwise directed, the Department anticipates adopting the October 20, 2024 Notice of Intent when it is published as a final rule in the January 20, 2025 issue of the *Louisiana Register*.

Please contact WaRene Kimbell, WaRene.Kimbell@la.gov if you have any questions or require additional information about this matter.

Cc: Kimberly Sullivan, Medicaid Director, LDH
Brian Bennett, Medicaid Deputy Director, LDH
Catherine Brindley, Medicaid Program Manager, LDH
Bethany Blackson, Chief of Staff, LDH
Andrea Trantham, Editor, *Louisiana Administrative Code*, Office of the State Register

NOTICE OF INTENT

**Department of Health
Bureau of Health Services Financing**

Professional Services—Reimbursement Methodology
(LAC 50:IX.8305, 8505, 15113,
15133, 15135, and XIX.4334)

The Department of Health, Bureau of Health Services Financing proposes to adopt LAC 50:IX.8305, 8505, 15113, 15133, 15135, and XIX.4334 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

Effective July 1, 2025, the Department of Health, Bureau of Health Services Financing adopted a new methodology for Medicaid managed care organization reimbursement and fee-for-service reimbursement rates. This proposed Rule continues the provisions of the July 1, 2025 Emergency Rule (*Louisiana Register*, Volume 51, Number 7). These higher reimbursement rates may incentivize more providers to participate in Medicaid. Medicaid physician payment rates have historically been significantly lower than those of

Medicare, often averaging around two-thirds of the Medicare rate. This disparity can lead to access issues, as some providers may be reluctant to accept Medicaid patients due to the lower reimbursement rates. This proposed Rule better aligns Medicaid rates to Medicare rates, which will encourage providers to enroll in Medicaid. This rulemaking action will improve the quality of health care offered to Medicaid beneficiaries, thus improving the health outcomes of Medicaid beneficiaries throughout Louisiana.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part IX. Professional Services Program

Subpart 7. Immunizations

Chapter 83. Children's Immunizations

§8305. Reimbursement Methodology

A. - B. ...

C. Effective for dates of service on or after July 1, 2025, reimbursement for the administration of childhood and adolescent vaccines shall be set at 85 percent of the 2024 Louisiana Region 99 Medicare allowable fee, or billed charges, whichever is the lesser amount.

C.1. - D. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing, LR 35:71 (January 2009), amended by the Department of Health and Hospitals, Bureau of Health Services Financing and the Office of Public Health, LR 39:96 (January 2013), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 41:1289 (July 2015), amended by the Department of Health, Bureau of Health Services Financing LR 47:49 (January 2021), LR 47:887 (July 2021), LR 51:

Chapter 85. Adult Immunizations

§8505. Reimbursement Methodology

A. - D. ...

E. Effective for dates of service on or after July 1, 2025, the reimbursement for adult vaccine administration (beneficiaries age 19 and older) shall be set at 85 percent of the 2024 Louisiana Region 99 Medicare allowable fee or billed charges, whichever is the lesser amount.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing and the Office of Public Health, LR 39:97 (January 2013), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 41:1290 (July 2015), amended by the Department of Health, Bureau of Health Services Financing LR 47:50 (January 2021), LR 47:887 (July 2021), LR 51:

Subpart 15. Reimbursement

Chapter 151. Reimbursement Methodology

Subchapter B. Physician Services

§15113. Reimbursement Methodology

A. - N.1.b.ii. ...

O. Effective for dates of service on or after July 1, 2025, the Medicaid fee shall be set at 85 percent of the 2024 Louisiana Region 99 Medicare allowable fee for both current and newly added procedure codes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:1252 (June 2010), amended LR 36:2282 (October 2010), LR 37:904 (March 2011), LR 39:3300, 3301 (December 2013), LR 41:541 (March 2015), LR 41:1119 (June 2015), LR 41:1291 (July 2015), amended by the Department of Health, Bureau of Health Services Financing, LR 44:62 (January 2018), amended by the Department of Health, Bureau of Health Services Financing, LR 44:62 (January 2018), LR 47:477 (April 2021), LR 47:887 (July 2021), LR 48:1100 (April 2022), LR 51:71 (January 2025), LR 51:

Subchapter D. Anesthesia Services

§15133. Formula-Based Reimbursement

A. - F. ...

G. Effective for dates of service on or after July 1, 2025, the Medicaid fee for formula-based anesthesia services rendered by a physician shall be 85 percent of the 2024 Louisiana Medicare Region 99 allowable for services rendered to Medicaid recipients.

H. Effective for dates of service on or after July 1, 2025, the reimbursement for formula-based anesthesia services rendered by a certified registered nurse anesthetist (CRNA) shall be 85 percent of the 2024 Louisiana Medicare Region 99 allowable for services rendered to Medicaid recipients.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:1251 (June 2010), amended LR 36:2282 (October 2010), LR 39:1781 (July 2013), amended by the Department of Health, Bureau of Health Services Financing, LR 51:

§15135. Flat Fee Reimbursement

A. - G. ...

H. Effective for dates of service on or after July 1, 2025, the flat fee for reimbursement of maternity related anesthesia services shall be 85 percent of the 2024 Louisiana Medicare Region 99 allowable for services rendered to Medicaid recipients. If there is no equivalent Medicare fee, an alternate methodology may be used.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:1251 (June 2010), amended LR 36:1251 (June 2010), LR 39:1781 (July 2013), amended by the Department of Health, Bureau of Health Services Financing, LR 51:

Part XIX. Other Services

Subpart 3. Laboratory and Radiology Services

Chapter 43. Reimbursement

§4334. Radiology Services Reimbursement

Methodology

A. - B. ...

C. Effective for dates of service on or after July 1, 2025, the Medicaid fee for radiology services shall be set at 85 percent of the 2024 Louisiana Region 99 Medicare allowable fee. This applies to both current and newly added procedure codes.

1. Repealed.

D. - I. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1897 (September 2009), amended LR 36:1248 (June 2010), LR

36:2563 (November 2010), LR 37:3029 (October 2011), LR 39:1284 (May 2013), LR 41:539 (March 2015), amended by the Department of Health, Bureau of Health Services Financing, LR 44:283 (February 2018), amended by the Department of Health, Bureau of Health Services Financing, LR 47:252 (February 2021), LR 47:1638 (November 2021), LR 51:

Implementation of the provisions of this Rule may be contingent upon the approval of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will have no impact on family functioning, stability and autonomy as described in R.S. 49:972.

Poverty Impact Statement

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973.

Small Business Impact Statement

In compliance with the Small Business Protection Act, the economic impact of this proposed Rule on small businesses has been considered. It is anticipated that this proposed Rule may have a positive impact on small businesses, as described the Act, because it will increase the rates provided to physicians for specified services.

Provider Impact Statement

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, but may decrease the total direct and indirect cost to the provider to provide the same level of service, and may enhance the provider's ability to provide the same level of service as described in HCR 170 because this will increase the reimbursement rates for specified services.

Public Comments

Interested persons may submit written comments to Kimberly Sullivan, JD, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. Sullivan is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is September 19, 2025.

Public Hearing

Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on September 9, 2025. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on September 25, 2025 in Room 118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether or not a public hearing will be held, interested persons should first call

Allen Enger at (225) 342-1342 after September 9, 2025. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing.

Bruce D. Greenstein
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Professional Services Reimbursement Methodology

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is anticipated that implementation of this proposed rule will result in increased costs to the state of \$57,882,086 (\$22,310,297 SGF; \$28,465,789 Statutory Dedications out of the Hospital Stabilization Fund; and \$7,106,000 Premium Tax Statutory Dedications out of the Medical Assistance Trust Fund (MATF)) for FY 25-26. For FY 26-27 and subsequent fiscal years, implementation of this proposed rule is anticipated to result in increased costs to the state of \$116,144,794 (\$66,306,005 SGF; \$28,465,789 Statutory Dedications out of the Hospital Stabilization Fund; and \$21,373,000 Premium Tax Statutory Dedications out of MATF). It is anticipated that \$972 (\$486 SGF and \$486 FED) will be expended in FY 25-26 for the state's administrative expense for promulgation of the proposed rule and the final rule.

This proposed rule continues the provisions of the July 1, 2025 Emergency Rule, which increased the reimbursement rates for physicians in order to align them with 100% of Medicare rates over a two year period. The Medicaid reimbursement rate will increase to 85 percent of the Medicare rate in FY 25-26, and 100 percent in FY 26-27. This was done as a result of compliance with Act 306 of the 2024 Regular Legislative Session.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that implementation of this proposed rule will result in an impact on Statutory Dedications out of the Hospital Stabilization Fund of \$28,465,789, Premium Tax Statutory Dedications out of MATF of \$7,106,000, and federal revenue collections of \$200,518,886 for FY 25-26. In FY 26-27 and subsequent fiscal years, implementation of this proposed rule is anticipated to result in an impact on Statutory Dedications out of the Hospital Stabilization Fund of \$28,465,789, Premium Tax Statutory Dedications out of MATF of \$21,373,000, and federal revenue collections of \$402,655,206. It is anticipated the \$486 will be collected in FY 25-26 for the federal share of the expense for promulgation of this proposed rule and the final rule.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

This proposed rule continues the provisions of the July 1, 2025 Emergency Rule, which increased the reimbursement rates for physicians in order to align them with the Medicare rates. This was done as a result of compliance with Act 306 of the 2024 Regular Legislative Session. This proposed rule is expected to have a positive impact on providers and beneficiaries, since increased reimbursements may encourage higher provider participation in Medicaid and improve coverage for beneficiaries. It is estimated that this proposed rule will result in increased payments to providers by \$258,400,000 for FY 26, \$518,800,000 for FY 27, and \$518,800,000 for FY 28.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)

This proposed rule has no known effect on competition and employment.

Kimberly Sullivan, JD
Medicaid Executive Director
2508#055

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office