

DECLARATION OF EMERGENCY

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

**Nursing Facilities
Reimbursement Methodology
(LAC 50:II.20001)**

The Department of Health, Bureau of Health Services Financing amends LAC 50:II.20001 in the Medical Assistance Program as authorized by R.S. 36:254, pursuant to Title XIX of the Social Security Act, and as directed by Act 3 of the 2017 Second Extraordinary Session of the Louisiana Legislature which states: "The secretary is directed to utilize various cost containment measures to ensure expenditures remain at the level appropriated in this Schedule, including but not limited to precertification, preadmission screening, diversion, fraud control, utilization review and management, prior authorization, service limitations, drug therapy management, disease management, cost sharing, and other measures as permitted under federal law." This Emergency Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:953 (B)(1) et seq., and shall be in effect for the maximum period allowed under the Act or until adoption of the final Rule, whichever occurs first.

As a result of a budgetary shortfall in state fiscal year (SFY) 2018-2019, the department has determined that it is

necessary to promulgate an Emergency Rule to amend the provisions governing the reimbursement methodology for nursing facility services in order to suspend the provisions of LAC 50:II.Chapter 200 governing the rebasing methodology and trending requirements for nursing facility rates, and to impose provisions to ensure that the current rates in effect do not increase for the SFY 2018-2019 rating period.

This action is being taken to avoid a budget deficit in the Medical Assistance Program. It is estimated that implementation of this Emergency Rule will reduce expenditures in the Medicaid Program by approximately \$57,020,345 for state fiscal year 2018-2019.

Effective July 1, 2018, the Department of Health, Bureau of Health Services Financing amends the reimbursement methodology for nursing facilities to suspend the provisions governing the rebasing methodology.

Title 50

**PUBLIC HEALTH—MEDICAL ASSISTANCE
Part II. Nursing Facilities
Subpart 5. Reimbursement**

Chapter 200. Reimbursement Methodology

§20001. General Provisions

A. - C.7. ...

D. Effective for the rate period of July 1, 2018 through June 30, 2019, the department shall suspend the following

provisions of LAC 50:II.Chapter 200 governing the reimbursement methodology for nursing facilities and impose the following provisions governing reimbursement for nursing facility services.

1. During this time period, rebasing of rates required under LAC 50:II.Chapter 200 shall be suspended.

2. During this time period, no inflation factor will be applied to the base resident day medians and prices calculated as of July 1, 2016.

3. During this time period, no costs and cost components will be trended forward.

4. During this time period, for each quarter, each facility's specific direct care component of both the statewide price and the statewide floor shall not be multiplied by each nursing facility's average case-mix index for the prior quarter and shall instead be multiplied by each nursing facility's average case mix index in effect for the rate period ending June 30, 2018.

5. During this period, each facility's fair rental value shall be equal to that in effect for the rate period ending June 30, 2018.

6. Base capital values for the Bed Buy-Back Program purposes will be set equal to the value of these items as of July 1, 2016.

7. No other provisions of the current nursing facility reimbursement methodology shall be suspended for this period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254, R.S. 46:2742, 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 28:1473 (June 2002), repromulgated LR 28:1790 (August 2002), amended LR 28:2537 (December 2002), LR 32:2262 (December 2006), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 38:825 (March 2012), amended by the Department of Health, Bureau of Health Services Financing, LR 42:1522 (September 2016), LR 43:525 (March 2017), LR 43:2187 (November 2017), LR 44:

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.

Interested persons may submit written comments to Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030 or by email to MedicaidPolicy@la.gov. Ms. Steele is responsible for responding to inquiries regarding this Emergency Rule. A copy of this

Emergency Rule is available for review by interested parties at parish Medicaid offices.

Rebekah E. Gee MD, MPH

Secretary