

NOTICE OF INTENT

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

**Professional Services Program
Reimbursement Methodology
Supplemental Payments
(LAC 50:IX.15151 and 15153)**

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:IX.15151 and §15153 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.

The Department of Health, Bureau of Health Services Financing proposes to amend the provisions governing the Professional Services Program to revise the reimbursement methodology for supplemental payments to physicians and other professional service practitioners in order to align these provisions with the corresponding State Plan amendment approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services and to ensure that they are promulgated in a clear and concise manner in the *Louisiana Administrative Code*.

Title 50

**PUBLIC HEALTH—MEDICAL ASSISTANCE
Part IX. Professional Services Program
Subpart 15. Reimbursement**

Chapter 151. Reimbursement Methodology

Subchapter F. Supplemental Payments

§15151. State-Owned or Operated Professional Services

Practices

A. Qualifying Criteria. Effective for dates of service on or after February 21, 2017, in order to qualify to receive supplemental payments, physicians and other eligible professional service practitioners must be:

1. - 2. ...

3. employed by, or under contract to provide services in affiliation with, a state-owned or operated entity, such as a state-operated hospital or other state entity, including a state academic health system, which:

a. has been designated by the department as an essential provider. Essential providers include:

3.a.i. - b. ...

B. Qualifying Provider Types. For purposes of qualifying for supplemental payments under this Section, services provided by the following professional practitioners will be included:

1. - 3. ...

4. certified nurse anesthetists; and

5. dentists.

6. - 21. Repealed.

C. - 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, Bureau of Health Services Financing, LR 40:544 (March 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 43:1390 (July 2017), LR 44:

§15153. Non-State-Owned or Operated Professional Services Practices

A. Qualifying Criteria. Effective for dates of service on or after February 21, 2017, in order to qualify to receive supplemental payments, physicians and other eligible professional service practitioners must be:

1. - 2. ...

3. employed by, or under contract to provide services at a non-state owned or operated governmental entity and identified by the non-state owned or operated governmental entity as a physician that is employed by, or under contract to provide services at or in affiliation with said entity.

B. Qualifying Provider Types. For purposes of qualifying for supplemental payments under this Section, services provided by the following professional practitioners will be included:

1. - 2. ...

3. certified registered nurse practitioners; and

4. certified nurse anesthetists.

5. - 21. Repealed.

C. - F. ...

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 40:544 (March 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 43:1390 (July 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.

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.

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.

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, no direct or indirect cost to the provider to provide the same level of service, and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

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 proposed Rule. A public hearing on this proposed Rule is scheduled for Thursday, March 29, 2018 at 9:30 a.m. in Room 173, Bienville Building, 628 North Fourth Street, Baton Rouge, LA. At that time all interested persons will be afforded an opportunity to submit data, views or arguments either orally or in writing. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

Rebekah E. Gee MD, MPH

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person
Preparing
Statement: Cedric E. Clark
Phone: 342-9319

Dept.: Health
Office: Bureau of Health Services
Financing

Return
Address: P.O. Box 91030
Baton Rouge, LA

Rule Title: Professional Services Program
Reimbursement Methodology
Supplemental Payments

Date Rule Takes Effect: May 20, 2018

SUMMARY

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. The following summary statements, based on the attached worksheets, will be published in the Louisiana Register with the proposed agency rule.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (SUMMARY)

It is anticipated that implementation of this proposed rule will result in estimated state programmatic costs of approximately \$5,869 for FY 17-18, \$4,975 for FY 18-19 and \$4,530 for FY 19-20. However, the state match shall be funded through an intergovernmental transfer of funds from the qualifying professional services providers with the exception of \$323 for FY 17-18. It is anticipated that \$540 (\$270 SGF and \$270 FED) will be expended in FY 17-18 for the state's administrative expense for promulgation of this proposed rule and the final rule. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 63.34 percent in FY 17-18, and 64.23 in FY 18-19 and FY 19-20.

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

It is anticipated that the implementation of this proposed rule will increase federal revenue collections by approximately \$9,944 for FY 17-18, \$8,933 for FY 18-19 and \$8,135 for FY 19-20. It is anticipated that \$270 will be expended in FY 17-18 for the federal administrative expenses for promulgation of this proposed rule and the final rule. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 63.34 percent in FY 17-18, and 64.23 in FY 18-19 and FY 19-20.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

This proposed Rule amends the provisions governing the Professional Services Program to revise the reimbursement methodology for supplemental payments to physicians and other professional service practitioners in order to align these provisions with the corresponding State Plan amendment approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) and to ensure that they are promulgated in a clear and concise manner in the Louisiana Administrative Code. This proposed Rule may impact providers since it revises the payments to professional practitioners that qualify for these supplemental payments to align with the CMS-approved qualifying provider types. It is anticipated that implementation of this proposed rule will have economic benefits to professional services providers and will increase programmatic expenditures for reimbursement for professional services by approximately \$15,273 in FY 17-18, \$13,908 for FY 18-19 and \$12,665 FY 19-20.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

It is anticipated that the implementation of this proposed rule will not have an effect on competition. However, the increase in payments may have a positive impact the financial standing of providers and could possibly cause an increase in employment opportunities.



Signature of Agency Head
or Designee

Jen Steele, Medicaid Director

Typed name and Title of
Agency Head or Designee



LDH/BHSF Budget Head



Legislative Fiscal Officer
or Designee



Date of Signature



Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

This proposed Rule amends the provisions governing the Professional Services Program to revise the reimbursement methodology for supplemental payments to physicians and other professional service practitioners in order to align these provisions with the corresponding State Plan amendment approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services and to ensure that they are promulgated in a clear and concise manner in the Louisiana Administrative Code.

- B. Summarize the circumstances that require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

The Department of Health, Bureau of Health Services Financing proposes to amend the provisions governing the Professional Services Program to revise the reimbursement methodology for supplemental payments to physicians and other professional service practitioners in order to align these provisions with the corresponding State Plan amendment approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services and to ensure that they are promulgated in a clear and concise manner in the Louisiana Administrative Code.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

Yes, this proposed rule will result in an increase in programmatic expenditures by approximately \$15,813 for FY 17-18, \$13,908 for FY 18-19 and \$12,665 for FY 19-20. In FY 17-18, \$540 is included for the state's administrative expense for promulgation of this proposed rule and the final rule.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

- (a) _____ If yes, attach documentation.
(b) X If no, provide justification as to why this rule change should be published at this time.

Act 15 of the 2017 Regular Session of the Louisiana Legislature allocated funds to the Medical Vendor Program for payments to providers and thereby authorizes the expenditure of these funds. This rule change should be published at this time to ensure continued access to professional services in the state, and to allow the state to maximize funding by securing new federal revenue to fund an intergovernmental financing mechanism with qualifying professional services providers in order to encourage continued participation in the Medicaid Program.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

I. A. COST OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase or (decrease) in cost to implement the proposed action?

COST	FY 17-18	FY 18-19	FY 19-20
PERSONAL SERVICES			
OPERATING EXPENSES	\$540	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES	\$15,273	\$13,908	\$12,665
REPAIR & CONSTR.			
POSITIONS (#)			
TOTAL	\$15,813	\$13,908	\$12,665

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

In FY 17-18, \$540 will be spent for the state's administrative expense for promulgation of this proposed rule and the final rule.

3. Sources of funding for implementing the proposed rule or rule change.

Source	FY 17-18	FY 18-19	FY 19-20
STATE GENERAL FUND	\$323	\$0	\$0
SELF-GENERATED	\$5,546	\$4,975	\$4,530
FEDERAL FUND	\$9,944	\$8,933	\$8,135
OTHER (Specify)			
Total	\$15,813	\$13,908	\$12,665

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes, sufficient funds are available to implement this rule.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THIS PROPOSED ACTION.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustment in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

This proposed rule has no known impact on local governmental units.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

2. Indicate the sources of funding of the local governmental unit that will be affected by these costs or savings.

There is no known impact on the sources of local governmental unit funding.

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

- A. What increase or (decrease) in revenues can be expected from the proposed action?

REVENUE INCREASE/DECREASE	FY 17-18	FY 18-19	FY 19-20
STATE GENERAL FUND	\$0	\$0	\$0
AGENCY SELF-GENERATED	\$5,546	\$4,975	\$4,530
RESTRICTED FUNDS*			
FEDERAL FUNDS	\$9,944	\$8,933	\$8,135
LOCAL FUNDS			
Total	\$15,490	\$13,908	\$12,665

**Specify the particular fund being impacted*

- B. Provide a narrative explanation of each increase or decrease in revenue shown in "A". Describe all data, assumptions, and methods used in calculating these increases or decreases.

The amounts reflected above are the estimated increases in self-generated revenue collections and in the federal share of programmatic expenditures for the Medicaid Program. In FY 17-18, \$270 is included for the federal expense for promulgation of this proposed rule and the final rule.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effects on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.)

This proposed Rule amends the provisions governing the Professional Services Program to revise the reimbursement methodology for supplemental payments to physicians and other professional service practitioners in order to align these provisions with the corresponding State Plan amendment approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) and to ensure that they are promulgated in a clear and concise manner in the Louisiana Administrative Code. This proposed Rule may impact providers since it revises the payments to professional practitioners that qualify for these supplemental payments to align with the CMS-approved qualifying provider types.

- B. Also, provide an estimate of any revenue impact resulting from this rule or rule change to these groups.

It is anticipated that implementation of this proposed rule will have economic benefits to professional services providers and will increase programmatic expenditures for reimbursement for professional services by approximately \$15,273 in FY 17-18, \$13,908 for FY 18-19 and \$12,665 FY 19-20.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

It is anticipated that the implementation of this proposed rule will not have an effect on competition. However, the increase in payments may have a positive impact the financial standing of providers and could possibly cause an increase in employment opportunities.