

NOTICE OF INTENT

Department of Health  
Bureau of Health Services Financing

Managed Care for Physical and Behavioral Health  
Louisiana Health Insurance Premium Payment Program  
(LAC 50:I.3103)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:I.3103 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 and Hospitals, Bureau of Health Services amended the provisions governing managed care for physical and behavioral health to provide clarification regarding the inclusion of non-emergency medical transportation services (*Louisiana Register*, Volume 42, Number 9).

The Department of Health, Bureau of Health Services Financing promulgated a Notice of Intent to reinstate the Louisiana Health Insurance Premium Payment Program (LaHIPP) in order to reduce Medicaid costs by establishing or maintaining a third party resource as the primary payer of the Medicaid beneficiary's medical expenses (*Louisiana Register*, Volume 43, Number 1). The LaHIPP population will not be included in managed care. This proposed Rule is being promulgated in order to exclude

LaHIPPP participants from participation in managed care for physical and behavioral health.

**Title 50  
PUBLIC HEALTH—MEDICAL ASSISTANCE**

**Part I. Administration**

**Subpart 3. Managed Care for Physical and Behavioral Health**

**Chapter 31. General Provisions**

**§3103.**

A. - G.

H. Participation Exclusion

1. The following Medicaid and/or CHIP recipients are excluded from participation in an MCO and cannot voluntarily enroll in an MCO. Individuals who:

a. - c. ...

d. have a limited period of eligibility and participate in either the Spend-Down Medically Needy Program or the Emergency Services Only program;

e. receive services through the Take Charge Plus program; or

f. are enrolled in the Louisiana Health Insurance Premium Payment (LaHIPPP) Program.

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 37:1573

(June 2011), amended LR 40:310 (February 2014), LR 40:1096 (June 2014), LR 40:2258 (November 2014), LR 41:929 (May 2015), LR 41:2363 (November 2015), LR 42:754 (May 2016), amended by the Department of Health, Bureau of Health Services Financing, LR 42:1522 (September 2016), LR 43:

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 Monday, February 27, 2017 at 9:30 a.m. in Room 118, 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: Robert Andrepont Dept.: Health  
Phone: 342-8769 Office: Bureau of Health Services  
Financing

Return Address: P.O. Box 91030  
Baton Rouge, LA Rule Title: Managed Care for Physical and  
Behavioral Health  
Louisiana Health Insurance  
Premium Payment Program

Date Rule Takes Effect: April 20, 2017

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.

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

I. It is anticipated that implementation of this proposed rule will result in estimated state general fund programmatic savings due to the transition of enrollees from managed care organizations by approximately \$57,146 for FY 17-18, \$2,994,818 for FY 17-18 and \$5,507,857 for FY 18-19. It is anticipated that \$432 (\$216 SGF and \$216 FED) will be expended in FY 16-17 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 62.26 percent in FY 16-17 and 63.34 percent in FY 17-18 for the projected non-expansion population, and a blended FMAP rate of 97.5 percent in FY 16-17, 94.5 percent in FY 17-18 and 93.5 percent in FY 18-19 for the projected expansion population.

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

It is anticipated that the implementation of this proposed rule will reduce federal revenue collections by approximately \$144,002 for FY 16-17, \$7,763,401 for FY 17-18 and \$14,624,645 for FY 18-19. It is anticipated that \$216 will be collected in FY 16-17 for the federal share of the 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 62.26 percent in FY 16-17 and 63.34 percent in FY 17-18 for the projected non-expansion population, and a blended FMAP rate of 97.5 percent in FY 16-17, 94.5 percent in FY 17-18 and 93.5 percent in FY 18-19 for the projected expansion population.

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

This proposed Rule amends the provisions governing managed care for physical and behavioral health in order to exclude Louisiana Health Insurance Premium Payment (LaHIPP) recipients from participation in a managed care organization. It is anticipated that implementation of this proposed rule will result in a reduction in managed care expenditures by approximately \$201,580 in FY 16-17, \$10,758,219 in FY 17-18 and \$20,132,502 in FY 18-19 due to the transition of some enrollees from managed care organizations which will result in a reduction in the per member per month (PMPM) costs.

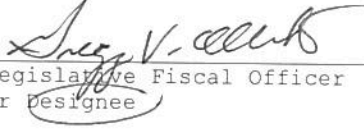
IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

*This rule has no known effect on employment, but may impact competition. LaHIPP enrollees will transition out of their current Medicaid managed care health plan into their employee-sponsored health insurance plan which may result in Medicaid managed care organizations losing members.*



\_\_\_\_\_  
Signature of Agency Head  
or Designee

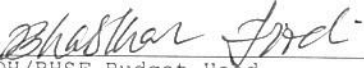
Jen Steele, Medicaid Director  
Typed name and Title of  
Agency Head or Designee



\_\_\_\_\_  
Legislative Fiscal Officer  
or Designee

1/10/2017

\_\_\_\_\_  
Date of Signature



\_\_\_\_\_  
LDH/BHSF Budget Head

01/10/17

\_\_\_\_\_  
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 managed care for physical and behavioral health in order to exclude Louisiana Health Insurance Premium Payment (LaHIPP) recipients from participation in a managed care organization.*

- 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 and Hospitals, Bureau of Health Services amended the provisions governing managed care for physical and behavioral health to provide clarification regarding the inclusion of non-emergency medical transportation services (Louisiana Register, Volume 42, Number 9).*

*The Department of Health, Bureau of Health Services Financing promulgated a Notice of Intent to reinstate the Louisiana Health Insurance Premium Payment Program (LaHIPP) in order to reduce Medicaid costs by establishing or maintaining a third party resource as the primary payer of the Medicaid beneficiary's medical expenses (Louisiana Register, Volume 43, Number 1). The LaHIPP population will not be included in managed care. This proposed Rule is being promulgated in order to exclude LaHIPP participants from participation in managed care for physical and behavioral health.*

- 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.

*It is anticipated that implementation of this proposed rule will result in estimated state general fund programmatic savings of \$201,148 for FY 16-17, \$10,758,219 for FY 17-18 and \$20,132,502 for FY 18-19. In FY 16-17, \$432 will be expended in FY 16-17 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) \_\_\_\_\_ If no, provide justification as to why this rule change should be published at this time.

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 16-17	FY 17-18	FY 18-19
PERSONAL SERVICES			
OPERATING EXPENSES	\$432	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES	(\$201,580)	(\$10,758,219)	\$(20,132,502)
REPAIR & CONSTR.			
POSITIONS (#)			
<b>TOTAL</b>	<b>(\$201,148)</b>	<b>(\$10,758,219)</b>	<b>\$(20,132,502)</b>

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.

*The expenses reflected above are the estimated reductions in the programmatic expenses in the managed care program. In FY 16-17, \$432 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 16-17	FY 17-18	FY 18-19
STATE GENERAL FUND	(\$57,146)	(\$2,997,818)	(\$5,507,857)
SELF-GENERATED			
FEDERAL FUND	(\$144,002)	(\$7,763,401)	(\$14,624,645)
OTHER (Specify)			
<b>Total</b>	<b>(\$201,148)</b>	<b>(\$10,758,219)</b>	<b>(\$20,132,502)</b>

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 16-17	FY 17-18	FY 18-19
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS	(\$144,002)	(\$7,763,401)	(\$14,624,645)
LOCAL FUNDS			
<b>Total</b>	<b>(\$144,002)</b>	<b>(\$7,763,401)</b>	<b>(\$14,624,645)</b>

*\*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 reductions in the federal share of programmatic expenditures for the Medicaid program. In FY 16-17, \$216 will be collected for the federal share of the administrative 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 managed care for physical and behavioral health in order to exclude Louisiana Health Insurance Premium Payment (LaHIPP) recipients from participation in a managed care organization.*

- 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 result in a reduction in managed care expenditures by approximately \$201,580 in FY 16-17, \$10,758,219 in FY 17-18 and \$20,132,502 in FY 18-19 due to the transition of some enrollees from managed care organizations which will result in a reduction in the per member per month (PMPM) costs.*

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.

*This rule has no known effect on employment, but may impact competition. LaHIPP enrollees will transition out of their current Medicaid managed care health plan into their employee-sponsored health insurance plan which may result in Medicaid managed care organizations losing members.*