




State of Louisiana
Louisiana Department of Health
Office of the Secretary

April 10, 2025

Via Statutorily Prescribed Email

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

From: Drew P. Maranto
Interim Secretary 

Re: Second Report to Proposed Amendments to LAC 50:III.2309 – Medicaid Purchase Plan – Recipient Eligibility

Pursuant to the Louisiana Administrative Procedure Act, the Louisiana Department of Health, Bureau of Health Services Financing, submits its second report regarding the Medicaid Purchase Plan – Recipient Eligibility, LAC 50:III.2309.

A Notice of Intent on the proposed amendments was published in the February 20, 2025 issue of the *Louisiana Register* (LR 51:316). 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 February 20, 2025 Notice of Intent when it is published as a final rule in the May 20, 2025 issue of the *Louisiana Register*.

Please contact Joseph Wade Henry, Joseph.Henry@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
Charlene Julien, Medicaid Deputy Director, LDH
Christopher Chase, Medicaid Manager, LDH
Catherine Brindley, Medicaid Manager, LDH
Bethany Blackson, Chief of Staff, LDH
Andrea Trantham, *Louisiana Administrative Code* Editor, Office of the State Register

NOTICE OF INTENT
Department of Health
Bureau of Health Services Financing

Medicaid Purchase Plan
Recipient Eligibility
(LAC 50:III.2309)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:III.2309 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act and SCR 17 of the 2024 Regular Session. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Medicaid Purchase Plan allows persons who meet the Social Security disability criteria to seek the employment services, vocational rehabilitation services, and other support services needed to obtain, regain or maintain employment, and reduce their independence on cash benefit programs. Senate Concurrent Resolution 17 of the 2024 Regular Session of the Louisiana Legislature requests that the Department of Health increase eligibility requirements for the Medicaid Purchase Plan. This rulemaking action proposes to increase the income limit for this program from 100 percent to 200 percent of the federal poverty level (FPL), requires premiums for workers with income above 150 percent of FPL, and increases the countable resources the worker can own from \$10,000 to \$25,000.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part III. Eligibility

Subpart 3. Eligibility Groups and Factors

Chapter 23. Eligibility Groups and Medicaid Programs

§2309. Medicaid Purchase Plan

[Formerly LAC 50:III.763-765]

A. The Medicaid Purchase Plan provides Medicaid coverage to individuals who meet the following criteria:

1. have earned income;
2. are at least 16, but not yet 65 years of age;
3. meet the Supplemental Security Income's definition of disability, except for earnings;
4. have countable income less than or equal to 200 percent of the federal poverty level (FPL);
5. have countable resources less than or equal to \$25,000; and
6. pay a monthly premium, if applicable.

B. Premium Payment. Eligible individuals with countable income less than or equal to 150 percent of the FPL are not required to pay a premium. Eligible individuals with countable income greater than 150 percent of the FPL are required to pay a premium of \$131 per month.

B.1. - D. Repealed.

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 39:3299 (December 2013), amended by the Department of Health, Bureau of Health Services Financing, 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 a positive impact on family functioning, stability and autonomy as described in R.S. 49:972, as it provides access to the Medicaid Purchase Plan for persons who may have been previously denied due to income exclusions.

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 a positive impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973, as it provides access to the Medicaid Purchase Plan for persons who may have been previously denied due to income exclusions.

Small Business Analysis

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 will have no impact on small businesses.

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

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 March 24, 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 March 12, 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 March 27, 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 March 12, 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.

Michael Harrington, MBA, MA
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Medicaid Purchase Plan Recipient Eligibility

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 state costs of approximately \$20,299 for FY 24-25, \$ 1,872,137 for FY 25-26, and \$3,028,718 for FY 26-27. It is anticipated that \$540 (\$270 SGF and \$270 FED) will be expended in FY 24-25 for the state's administrative expense for promulgation of this proposed rule and the final rule.

This proposed rule increases the eligibility income limit for this program from 100 percent to 200 percent of the federal poverty, requires premiums for workers with income above 150 percent of federal poverty, and increases the countable resource the worker can own from \$10,000 to \$25,000.

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

It is anticipated that implementation of this proposed rule will increase federal revenue collections by approximately \$35,524 for FY 24-25, for \$3,707,689 for FY 25-26, and \$6,039,148 for FY 26-27. It is anticipated that \$270 will be collected in FY 24-25 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 increases the eligibility income limit for this program from 100 percent to 200 percent of the federal poverty, requires premiums for workers with income above 150 percent of federal poverty and increases the countable resource the worker can own from \$10,000 to \$25,000. This proposed rule amends current eligibility provisions by increasing eligibility limits for persons who meet the Social Security disability criteria. It is anticipated this proposed rule will benefit recipients by providing an affordable health insurance option for participants who were previously excluded due to income restrictions. It is anticipated that this proposed rule will result in estimated costs to the Medicaid program of \$55,283 for FY 24-25, \$5,579,826 for FY 25-26, and \$9,067,866 for FY 26-27.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This proposed rule amends current eligibility provisions by increasing eligibility limits for persons who meet the Social Security disability criteria. This proposed rule will provide an affordable insurance option that allows for these participants to enter the workforce and/or to retain Medicaid's coverage of medical care as their income increases.

Kimberly Sullivan, JD
Medicaid Executive Director
2502#041

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office



State of Louisiana
Louisiana Department of Health
Office of the Secretary

April 10, 2025

Via Statutorily Prescribed Email

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

From: Drew P. Maranto
Interim Secretary

A blue ink signature of Drew P. Maranto, consisting of a stylized 'D' followed by a horizontal line.

Re: Second Report to Proposed Amendments to LAC 50:XI.10703 – Federally Qualified Health Centers – Alternative Payment Methodology

Pursuant to the Louisiana Administrative Procedure Act, the Louisiana Department of Health, Bureau of Health Services Financing, submits its second report regarding the Federally Qualified Health Centers – Alternative Payment Methodology, LAC 50:XI.10703.

A Notice of Intent on the proposed amendments was published in the February 20, 2025 issue of the *Louisiana Register* (LR 51:309). 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 February 20, 2025 Notice of Intent when it is published as a final rule in the May 20, 2025 issue of the *Louisiana Register*.

Please contact Christine Sullivan, christine.sullivan@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
Jackie Cummings, Medicaid Manager, LDH
Catherine Brindley, Medicaid Manager, LDH
Bethany Blackson, Chief of Staff, LDH
Andrea Trantham, *Louisiana Administrative Code* Editor, Office of the State Register

on of \$50 per encounter in addition to the PPS rate on file for the date of service.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part XI. Clinic Services

Subpart 13. Federally Qualified Health Centers

Chapter 107. Reimbursement Methodology

§10703. Alternative Payment Methodology

A. - J. ...

K. Effective for dates of service on or after July 1, 2025, Medicaid will increase FQHC payments by \$50 per encounter. This payment shall be reimbursed through an APM when these services are provided on the same date as a medical/dental/behavioral health visit that includes an evaluation and management procedure code as one of the detailed lines on the claim. This payment will only be allowed when the FQHC has a network provider agreement with a managed care organization that includes a Category 3B alternative payment methodology in accordance with the managed care organization's contract with the department, and the Category 3B alternative payment methodology has been in effect for no less than 12 months prior to June 30, 2025. The alternative payment methodology will pay qualifying FQHCs an add-on of \$50 in addition to the PPS rate on file for the date of service. The alternative payment methodology must be agreed to by the department and the FQHC.

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 34:1033 (June 2008), amended by the Department of Health, Bureau of Health Services Financing, LR 44:1894 (October 2018), LR 44:2162 (December 2018), LR 45:434 (March 2019), amended LR 46:182 (February 2020), LR 47:1528 (October 2021), LR 47:1875 (December 2021), LR 49:1214 (July 2023), 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 Analysis

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 will have a positive impact on small businesses as it will increase reimbursement to providers for the services they already render.

NOTICE OF INTENT

Department of Health Bureau of Health Services Financing

Federally Qualified Health Centers Alternative Payment Methodology (LAC 50:XI.10703)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:XI.10703 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 provides reimbursement for services rendered by federally qualified health centers (FQHCs) on a per visit basis under a prospective payment system (PPS) methodology. The department proposes to amend the provisions governing reimbursement for FQHCs in order to establish an alternative payment methodology to pay an add-

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 reduce 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 since this proposed Rule increases payments to providers for the services they already render.

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 March 24, 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 March 12, 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 March 27, 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 March 12, 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.

Michael Harrington, MBA, MA
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Federally Qualified Health Centers Alternative Payment 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 state costs of approximately \$270 for FY 24-25, \$1,566,207 for FY 25-26, and \$1,597,255 for FY 26-27. It is anticipated that \$540 (\$270 SGF and \$270 FED) will be expended in FY 24-25 for the state's administrative expense for promulgation of this proposed rule and the final rule.

The proposed rule amends the provisions governing reimbursement to federally qualified health centers in order to establish an alternative payment methodology to pay an add-on amount of \$50 per encounter in addition to the prospective payment rate on file for the date of service.

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 \$270 for FY 24-25, \$5,239,933 for FY 25-26, and \$5,344,457

for FY 26-27. It is anticipated that \$270 will be collected in FY 24-25 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)

The proposed rule amends the provisions governing reimbursement to federally qualified health centers in order to establish an alternative payment methodology to pay an add-on amount of \$50 per encounter in addition to the prospective payment rate on file for the date of service. It is anticipated that this proposed rule will benefit providers by providing increased payment to providers for services they already render. The proposed rule is anticipated to increase payments to providers by approximately \$0 for FY 24-25 \$6,806,140 for FY 25-26, and \$6,941,712 for FY 26-27.

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
2502#042

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office



State of Louisiana
Louisiana Department of Health
Office of the Secretary

April 10, 2025

Via Statutorily Prescribed Email

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

From: Drew P. Maranto
Interim Secretary

A blue ink signature of Drew P. Maranto, consisting of a stylized 'D' followed by a horizontal line.

Re: Second Report to Proposed Amendments to LAC 50:VII.32903 – Intermediate Care Facilities for Persons with Intellectual Disabilities –Rate Determination

Pursuant to the Louisiana Administrative Procedure Act, the Louisiana Department of Health, Bureau of Health Services Financing, submits its second report regarding the Intermediate Care Facilities for Persons with Intellectual Disabilities – Rate Determination, LAC 50:VII.32903.

A Notice of Intent on the proposed amendments was published in the February 20, 2025 issue of the *Louisiana Register* (LR 51:312). 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 February 20, 2025 Notice of Intent when it is published as a final rule in the May 20, 2025 issue of the *Louisiana Register*.

Please contact Jackie Cummings, Jackie.Cummings2@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 Manager, LDH
Bethany Blackson, Chief of Staff, LDH
Andrea Trantham, *Louisiana Administrative Code* Editor, Office of the State Register

an Emergency Rule amending provisions governing ICFs/IID to eliminate the expiration date. This change allows more time to address the needs of private ICFs/IID that rely on this variance, ensuring uninterrupted services to the residents of these facilities (*Louisiana Register*, Volume 51, Number 1). This proposed Rule is being promulgated to continue the provisions of the December 30, 2024 Emergency Rule.

**TITLE 50
PUBLIC HEALTH—MEDICAL ASSISTANCE**

Part VII. Long Term Care

Subpart 3. Intermediate Care Facilities for Persons with Intellectual Disabilities

Subchapter A. Non-State Facilities

Chapter 329. Reimbursement Methodology

§32903. Rate Determination

A. - M. ...

N. Effective for dates of service on or after July 1, 2020, private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010, without the benefit of a cooperative endeavor agreement (CEA) or transitional rate and who incurred excessive capital costs, shall have their per diem rates (excluding provider fees) increased by a percent equal to the percent difference of per diem rates (excluding provider fees and dental pass through) they were paid as of June 30, 2019. See chart below with the applicable percentages:

	Intermittent	Limited	Extensive	Pervasive
1-8 beds	6.2 percent	6.2 percent	6.2 percent	6.1 percent
9-15 beds	3.2 percent	6.2 percent	6.2 percent	6.1 percent
16-32 beds	N/A	N/A	N/A	N/A
33+ beds	N/A	N/A	N/A	N/A

1. The applicable differential shall be applied anytime there is a change to the per diem rates.

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 31:2253 (September 2005), amended LR 33:462 (March 2007), LR 33:2202 (October 2007), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:1555 (July 2010), LR 37:3028 (October 2011), LR 39:1780 (July 2013), LR 39:2766 (October 2013), LR 41:539 (March 2015), amended by the Department of Health, Bureau of Health Services Financing, LR 47:370 (March 2021), LR 49:687 (April 2023), 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.

NOTICE OF INTENT

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

Intermediate Care Facilities for Persons
with Intellectual Disabilities—Rate Determination
(LAC 50:VII.32903)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:VII.32903 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.

Private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) receive a reimbursement rate based on utilization and resident acuity. These rates are calculated using cost components appropriate for an economic and efficient ICFs/IID providing quality service. The resident per diem rates represent the best judgment of the state to provide reasonable and adequate reimbursement required to cover the costs of economic and efficient operation of ICFs/IID.

The existing provision allowed private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010, without the benefit of a cooperative endeavor agreement (CEA) or transitional rate and that incurred excessive capital costs, to have their per diem rates (excluding provider fees) increased by a percent equal to the percent difference of per diem rates (excluding provider fees and dental pass through). The applicable differential was scheduled to expire on December 31, 2024. The Department of Health, Bureau of Health Services Financing promulgated

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 a 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 Analysis

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 will have no impact on small businesses.

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, and will have no impact on the total direct and indirect cost to the provider to provide the same level of service, but will enable providers to provide the same level of service as described in HCR 170 since this proposed Rule continues the current per diem rates for qualifying facilities.

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 at 4:30 p.m. on March 24, 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 March 12, 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 March 27, 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 March 12, 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.

Michael Harrington, MBA, MA
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Intermediate Care Facilities for Persons with Intellectual Disabilities Rate Determination

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

It is anticipated that implementation of this proposed rule will result in costs that are currently allocated in the budget and continue an existing rate. The cost to the state will be approximately \$207,748 for FY 24-25, \$417,055 for FY 25-26, and \$427,713 for FY 26-27. It is anticipated that \$648 (\$324

SGF and \$324 FED) will be expended in FY 24-25 for the state's administrative expense for promulgation of this proposed rule and the final rule.

This proposed rule continues a December 30th, 2024, Emergency Rule which eliminates the expiration date on a per diem rate increase for qualified intermediate care facilities for individuals with intellectual disabilities (ICFs/IID). This increased rate applies to private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010, without the benefit of a cooperative endeavor agreement (CEA) or transitional rate and that incurred excessive capital costs.

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

It is anticipated that the implementation of this proposed rule will result in federal revenue collections that are currently allocated in the budget and continue an existing rate. The anticipated federal revenue collections are approximately \$442,317 for FY 24-25, \$881,777 for FY 25-26, and \$904,312 for FY 26-27. It is anticipated that \$324 will be collected in FY 24-25 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 a December 30th, 2024, Emergency Rule which eliminates the expiration date on a per diem rate increase for qualified intermediate care facilities for individuals with intellectual disabilities (ICFs/IID). This increased rate applies to private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010, without the benefit of a cooperative endeavor agreement (CEA) or transitional rate and that incurred excessive capital costs. The proposed rule will be beneficial to providers by continuing the rate that they currently receive, allowing them to continue providing the current level of services to recipients. It is anticipated that the cost as a result of this proposed rule will be approximately \$649,417 for FY 24-25, \$1,298,832 for FY 25-26, and \$1,332,025 for FY 26-27.

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
2502#043

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office



State of Louisiana
Louisiana Department of Health
Office of the Secretary

April 10, 2025

Via Statutorily Prescribed Email

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

From: Drew P. Maranto
Interim Secretary

A blue ink signature of Drew P. Maranto, consisting of a stylized 'D' followed by a horizontal line.

Re: Second Report to Proposed Amendments to LAC 50:VII.32917 – Intermediate Care Facilities for Persons with Intellectual Disabilities –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 Intermediate Care Facilities for Persons with Intellectual Disabilities – Reimbursement Methodology, LAC 50:VII.32917.

A Notice of Intent on the proposed amendments was published in the February 20, 2025 issue of the *Louisiana Register* (LR 51:313). 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 February 20, 2025 Notice of Intent when it is published as a final rule in the May 20, 2025 issue of the *Louisiana Register*.

Please contact Enrika LaCour, enrika.lacour@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
Jackie Cummings, Medicaid Manager, LDH
Catherine Brindley, Medicaid Manager, LDH
Bethany Blackson, Chief of Staff, LDH
Andrea Trantham, *Louisiana Administrative Code* Editor, Office of the State Register

NOTICE OF INTENT

Department of Health Bureau of Health Services Financing

Intermediate Care Facilities for Persons with Intellectual Disabilities—Reimbursement Methodology (LAC 50:VII.32917)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:VII.32917 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 reimbursement methodology for intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) in

order to provide for a one-time lump sum payment in FY 2025 to all privately owned or operated (ICFs/IID) that billed Medicaid between August 1, 2024, and October 31, 2024, and are active and Medicaid certified at the time of payment. The total amount will be prorated among eligible facilities.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part VII. Long Term Care

Subpart 3. Intermediate Care Facilities for Persons with Intellectual Disabilities

Chapter 329. Reimbursement Methodology

Subchapter A. Non-State Facilities

§32917. Dedicated Program Funding Pool Payments

A. - C.1.f. ...

D. Effective for providers, active and Medicaid certified as of July 1, 2024, a one-time lump sum payment will be made to non-state, non-public ICFs/IID.

1. Methodology

a. Payment will be based on each provider's specific prorated share of an additional dedicated program funding pool. This payment shall not exceed \$31,000,000.

b. The prorated share for each provider will be determined utilizing the provider's percentage of program Medicaid days for dates of service within a period of three consecutive months selected by the department, occurring between January 1, 2024, and December 31, 2024.

c. If the additional dedicated program funding pool lump sum payment exceeds the Medicare upper payment limit in the aggregate for the provider class, the department shall recoup the overage using the same means of distribution in §32917.D.1.b above.

d. The one-time payment will be made on or before June 30, 2025.

e. All facilities receiving payment shall be open and operating as an ICF/IID at the time the payment is made.

f. Payment of the one-time, lump sum payment is subject to approval by the CMS.

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, Bureau of Health Services Financing, LR 46:28 (January 2020), amended LR 48:2972 (December 2022), 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 or 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 Analysis

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 will have no impact on small businesses.

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 to provide the same level of service, no direct or indirect cost to the provider to provide the same level of service, but may provide for a one time lump sum payout in FY 2025 to all privately owned or operated ICF/IIDs.

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 at 4:30 p.m. on March 24, 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, March 12, 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 March 27, 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 March 12, 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.

Michael Harrington, MBA, MA
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Intermediate Care Facilities for Persons with Intellectual Disabilities 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 state costs of approximately \$9,932,670 for FY 24-25, \$0 for FY 25-26, and \$0 for FY 26-27. It is anticipated that \$540 (\$270 SGF and \$270 FED) will be expended in FY 24-25 for the state's administrative expense for promulgation of this proposed rule and the final rule.

This proposed rule amends the provisions governing reimbursement methodology for intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) in order to provide for a one-time lump sum payment in FY 2025 to all privately owned or operated (ICFs/IID) that billed Medicaid days between August 1, 2024, and October 31, 2024, and are active and Medicaid certified at the time of payment. The total amount will be prorated among eligible facilities.

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

It is anticipated that implementation of this proposed rule will increase federal revenue collections by approximately \$21,067,870 for FY 24-25, for \$0 for FY 25-26, and \$0 for FY 26-27. It is anticipated that \$270 will be collected in FY 24-25 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 amends the provisions governing reimbursement methodology for intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) in order to provide for a one-time lump sum payment in FY 2025 to all privately owned or operated (ICFs/IID) that billed Medicaid days between August 1, 2024, and October 31, 2024, and are active and Medicaid certified at the time of payment. The total amount will be prorated among eligible facilities. Providers and small businesses will benefit from implementation of this proposed rule, by approximately \$31,000,000 for FY 24-25, \$0 for FY 25-26, and \$0 for FY 26-27.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.

Kimberly Sullivan
Medicaid Executive Director
2502#044

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office



State of Louisiana
Louisiana Department of Health
Office of the Secretary

April 10, 2025

Via Statutorily Prescribed Email

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

From: Drew P. Maranto
Interim Secretary

A blue ink signature of Drew P. Maranto, consisting of a stylized 'D' followed by a horizontal line.

Re: Second Report to Proposed Amendments to LAC 50:VII.32903 – Intermediate Care Facilities for Persons with Intellectual Disabilities –Rate Determination

Pursuant to the Louisiana Administrative Procedure Act, the Louisiana Department of Health, Bureau of Health Services Financing, submits its second report regarding the Intermediate Care Facilities for Persons with Intellectual Disabilities – Rate Determination, LAC 50:VII.32903.

A Notice of Intent on the proposed amendments was published in the February 20, 2025 issue of the *Louisiana Register* (LR 51:312). 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 February 20, 2025 Notice of Intent when it is published as a final rule in the May 20, 2025 issue of the *Louisiana Register*.

Please contact Jackie Cummings, Jackie.Cummings2@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 Manager, LDH
Bethany Blackson, Chief of Staff, LDH
Andrea Trantham, *Louisiana Administrative Code* Editor, Office of the State Register

an Emergency Rule amending provisions governing ICFs/IID to eliminate the expiration date. This change allows more time to address the needs of private ICFs/IID that rely on this variance, ensuring uninterrupted services to the residents of these facilities (*Louisiana Register*, Volume 51, Number 1). This proposed Rule is being promulgated to continue the provisions of the December 30, 2024 Emergency Rule.

**TITLE 50
PUBLIC HEALTH—MEDICAL ASSISTANCE**

Part VII. Long Term Care

Subpart 3. Intermediate Care Facilities for Persons with Intellectual Disabilities

Subchapter A. Non-State Facilities

Chapter 329. Reimbursement Methodology

§32903. Rate Determination

A. - M. ...

N. Effective for dates of service on or after July 1, 2020, private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010, without the benefit of a cooperative endeavor agreement (CEA) or transitional rate and who incurred excessive capital costs, shall have their per diem rates (excluding provider fees) increased by a percent equal to the percent difference of per diem rates (excluding provider fees and dental pass through) they were paid as of June 30, 2019. See chart below with the applicable percentages:

	Intermittent	Limited	Extensive	Pervasive
1-8 beds	6.2 percent	6.2 percent	6.2 percent	6.1 percent
9-15 beds	3.2 percent	6.2 percent	6.2 percent	6.1 percent
16-32 beds	N/A	N/A	N/A	N/A
33+ beds	N/A	N/A	N/A	N/A

1. The applicable differential shall be applied anytime there is a change to the per diem rates.

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 31:2253 (September 2005), amended LR 33:462 (March 2007), LR 33:2202 (October 2007), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:1555 (July 2010), LR 37:3028 (October 2011), LR 39:1780 (July 2013), LR 39:2766 (October 2013), LR 41:539 (March 2015), amended by the Department of Health, Bureau of Health Services Financing, LR 47:370 (March 2021), LR 49:687 (April 2023), 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.

NOTICE OF INTENT

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

Intermediate Care Facilities for Persons
with Intellectual Disabilities—Rate Determination
(LAC 50:VII.32903)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:VII.32903 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.

Private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) receive a reimbursement rate based on utilization and resident acuity. These rates are calculated using cost components appropriate for an economic and efficient ICFs/IID providing quality service. The resident per diem rates represent the best judgment of the state to provide reasonable and adequate reimbursement required to cover the costs of economic and efficient operation of ICFs/IID.

The existing provision allowed private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010, without the benefit of a cooperative endeavor agreement (CEA) or transitional rate and that incurred excessive capital costs, to have their per diem rates (excluding provider fees) increased by a percent equal to the percent difference of per diem rates (excluding provider fees and dental pass through). The applicable differential was scheduled to expire on December 31, 2024. The Department of Health, Bureau of Health Services Financing promulgated

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 a 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 Analysis

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 will have no impact on small businesses.

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, and will have no impact on the total direct and indirect cost to the provider to provide the same level of service, but will enable providers to provide the same level of service as described in HCR 170 since this proposed Rule continues the current per diem rates for qualifying facilities.

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 at 4:30 p.m. on March 24, 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 March 12, 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 March 27, 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 March 12, 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.

Michael Harrington, MBA, MA
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Intermediate Care Facilities for Persons with Intellectual Disabilities Rate Determination

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

It is anticipated that implementation of this proposed rule will result in costs that are currently allocated in the budget and continue an existing rate. The cost to the state will be approximately \$207,748 for FY 24-25, \$417,055 for FY 25-26, and \$427,713 for FY 26-27. It is anticipated that \$648 (\$324

SGF and \$324 FED) will be expended in FY 24-25 for the state's administrative expense for promulgation of this proposed rule and the final rule.

This proposed rule continues a December 30th, 2024, Emergency Rule which eliminates the expiration date on a per diem rate increase for qualified intermediate care facilities for individuals with intellectual disabilities (ICFs/IID). This increased rate applies to private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010, without the benefit of a cooperative endeavor agreement (CEA) or transitional rate and that incurred excessive capital costs.

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

It is anticipated that the implementation of this proposed rule will result in federal revenue collections that are currently allocated in the budget and continue an existing rate. The anticipated federal revenue collections are approximately \$442,317 for FY 24-25, \$881,777 for FY 25-26, and \$904,312 for FY 26-27. It is anticipated that \$324 will be collected in FY 24-25 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 a December 30th, 2024, Emergency Rule which eliminates the expiration date on a per diem rate increase for qualified intermediate care facilities for individuals with intellectual disabilities (ICFs/IID). This increased rate applies to private ICFs/IID that downsized from over 100 beds to less than 35 beds prior to December 31, 2010, without the benefit of a cooperative endeavor agreement (CEA) or transitional rate and that incurred excessive capital costs. The proposed rule will be beneficial to providers by continuing the rate that they currently receive, allowing them to continue providing the current level of services to recipients. It is anticipated that the cost as a result of this proposed rule will be approximately \$649,417 for FY 24-25, \$1,298,832 for FY 25-26, and \$1,332,025 for FY 26-27.

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
2502#043

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office