



**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

April 6, 2017

**MEMORANDUM**

**TO:** The Honorable John A. Alario, President, Louisiana Senate  
The Honorable Taylor F. Barras, Speaker of the House  
The Honorable Fred H. Mills, Jr., Chairman, Senate Committee on Health and Welfare  
The Honorable Frank A. Hoffmann, Chairman, House Committee on Health and Welfare  
The Honorable Eric LaFleur, Chairman, Senate Finance Committee  
The Honorable Cameron Henry, Chairman, House Appropriations Committee

**FROM:** Rebekah E. Gee MD, MPH  
Secretary

*Approved for*

**RE:** Oversight Report on Bureau of Health Services Financing Proposed Rulemaking

In accordance with the Administrative Procedure Act (R.S. 49:950 et seq.) as amended, we are submitting the attached documents for the proposed Rule for Disproportionate Share Hospital Payments - Louisiana Low-Income Academic Hospitals - Payment Methodology.

The Department published a Notice of Intent on this proposed Rule in the February 20, 2017 issue of the *Louisiana Register* (Volume 43, Number 2). A public hearing was held on March 30, 2017 at which only Louisiana Department of Health staff were present. No oral testimony was given or written comments received regarding this proposed Rule.

The Department anticipates adopting the Notice of Intent as a final Rule in the May 20, 2017 issue of the *Louisiana Register*.

The following documents are attached:

1. a copy of the Notice of Intent;
2. the public hearing certification; and
3. the public hearing attendance roster.

REG/WJR/YE

Attachments (3)

## NOTICE OF INTENT

Department of Health  
Bureau of Health Services Financing

Disproportionate Share Hospital Payments  
Louisiana Low-Income Academic Hospitals  
Payment Methodology  
(LAC 50:V.3103)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:V.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, Bureau of Health Services Financing promulgated a Notice of Intent governing disproportionate share hospital (DSH) payments which continued the provisions of the October 20, 2016 Emergency Rule that established payments to Louisiana low-income academic hospitals and revised the DSH payment methodology (*Louisiana Register, Volume 42, Number 12*). The department now proposes to amend the provisions governing the reimbursement methodology for DSH payments to Louisiana low-income academic hospitals in order to revise the reimbursement schedule from annual to quarterly payments.

## TITLE 50

### PUBLIC HEALTH-MEDICAL ASSISTANCE

**Part V. Hospital Services**  
**Subpart 3. Disproportionate Share Hospital Payments**

**Chapter 31. Louisiana Low-Income Academic Hospitals**

**§3103. Payment Methodology**

A. - A.1. Reserved.

2. The department shall review cost data, charge data, lengths of stay and Medicaid claims data per the Medicaid Management and Information Systems for reasonableness before payments are made.

B. Effective for dates of service on or after July 1, 2017, for payment calculations, the most recent Medicaid filed cost report, along with actual Medicaid and uninsured patient charge data from the most recently filed Medicaid cost report with Medicaid and uninsured charge data from the same time period, is utilized to calculate hospital specific uncompensated care costs. Costs and patient utilization from a more current time period may be considered in the calculation of the DSH payment if significant changes in costs, services, or utilization can be documented. This change in the time period utilized must receive prior approval by the department.

1. - 2. Repealed.

C. Effective for dates of service on or after July 1, 2017, the first payment of each fiscal year will be made by October 30 and will be 25 percent of the annual calculated

uncompensated care costs. The remainder of the payment will be made by January 30, April 30 and June 30 of each year.

1. Reconciliation of these payments to actual hospital specific uncompensated care costs will be made when the cost report(s) covering the actual dates of service from the state fiscal year are filed and reviewed.

2. Additional payments or recoupments, as needed, shall be made after the finalization of the Centers for Medicare and Medicaid Services (CMS) mandated DSH audit for the state fiscal year.

D. No payment under this Section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.

D.1. - E. 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 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 or 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](mailto:MedicaidPolicy@la.gov). Ms. Steele is responsible for responding to inquiries regarding

this proposed Rule. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing. A public hearing on this proposed Rule is scheduled for Thursday, March 30, 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.

Rebekah E Gee MD, MPH

Secretary



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**PUBLIC HEARING CERTIFICATION**  
**March 30, 2017**  
**9:30 a.m.**

RE: Disproportionate Share Hospital Payments  
Louisiana Low-Income Academic Hospitals  
Payment Methodology  
Docket # 03302017-02  
Department of Health  
State of Louisiana

**CERTIFICATION**

In accordance with LA R.S. 49:950 et seq., the attached public hearing agenda, together with one digital recording of the public hearing conducted on March 30, 2017 in Baton Rouge, Louisiana constitute the official record of the above-referenced public hearing.

Robert K. Andrepont  
Medicaid Policy and Compliance  
Section

03/30/17

Date

# LDH/BHSF PUBLIC HEARING

## Topic – Disproportionate Share Hospital Payments Louisiana Low-Income Academic Hospitals – Payment Methodology

Date – March 30, 2017

### PERSONS IN ATTENDANCE

Name	Address	Telephone Number	AGENCY or GROUP you represent
1. Carol Rumbolz	628 N 4th BR 178802	225 3426943	LDH
2. Jennifer Haines	628 N 4th BR, LA	225-342-9348	LDH
3.			
4.			
5.			
6.			





**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

April 6, 2017

**MEMORANDUM**

**TO:** The Honorable John A. Alario, President, Louisiana Senate  
The Honorable Taylor F. Barras, Speaker of the House  
The Honorable Fred H. Mills, Jr., Chairman, Senate Committee on Health and Welfare  
The Honorable Frank A. Hoffmann, Chairman, House Committee on Health and Welfare  
The Honorable Eric LaFleur, Chairman, Senate Finance Committee  
The Honorable Cameron Henry, Chairman, House Appropriations Committee

**FROM:** Rebekah E. Gee MD, MPH  
Secretary

A handwritten signature in blue ink, appearing to read "Rebekah E. Gee", is written over the printed name and title.

**RE:** Oversight Report on Bureau of Health Services Financing Proposed Rulemaking

In accordance with the Administrative Procedure Act (R.S. 49:950 et seq.) as amended, we are submitting the attached documents for the proposed Rule for Disproportionate Share Hospital Payments - Qualifying Criteria.

The Department published a Notice of Intent on this proposed Rule in the February 20, 2017 issue of the *Louisiana Register* (Volume 43, Number 2). A public hearing was held on March 30, 2017 at which only Louisiana Department of Health staff were present. No oral testimony was given or written comments received regarding this proposed Rule.

The Department anticipates adopting the Notice of Intent as a final Rule in the May 20, 2017 issue of the *Louisiana Register*.

The following documents are attached:

1. a copy of the Notice of Intent;
2. the public hearing certification; and
3. the public hearing attendance roster.

REG/WJR/YE

Attachments (3)

## NOTICE OF INTENT

### Department of Health Bureau of Health Services Financing

#### Disproportionate Share Hospital Payments Qualifying Criteria (LAC 50:V.2503)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:V.2503 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 Financing amended the provisions governing disproportionate share hospital (DSH) payments in order to revise the participation requirements for the Low-Income and Needy Care Collaboration (*Louisiana Register*, Volume 39, Number 12). The department now proposes to amend the provisions governing DSH payments in order to make technical revisions to ensure that the provisions governing the qualifying criteria are appropriately formatted in a clear and concise manner in the *Louisiana Administrative Code*.

## TITLE 50

### PUBLIC HEALTH-MEDICAL ASSISTANCE

#### Part V. Hospital Services

#### Subpart 3. Disproportionate Share Hospital Payments

#### Chapter 25. Louisiana Low-Income Academic Hospitals

**§2503. Disproportionate Share Hospital Qualifications**

A. - A.4.b.ii. ...

5. effective November 3, 1997, be a small rural hospital as defined in §2705.A.2.a-m; or

6. ...

7. effective January 20, 2010, be a hospital participating in the low-income and needy care collaboration as defined in §2713.A;

8. effective January 1, 2013, be a public-private partnership hospital as defined in §2901.A;

9. effective May 24, 2014, be a Louisiana low-income academic hospital as defined in §3101.A-B;

10. effective June 29, 2016, be a major medical center located in the central and northern areas of the state as defined in §2715.A; and

11. effective July 1, 1994, must also have a Medicaid inpatient utilization rate of at least 1 percent.

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 34:655 (April 2008), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 39:3294 (December 2013), amended by the Department of Health, Bureau of Health Services Financing, 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 or 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. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing. A public hearing on this proposed Rule is scheduled for Thursday, March 30, 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.

Rebekah E Gee MD, MPH

Secretary



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**PUBLIC HEARING CERTIFICATION**  
**March 30, 2017**  
**9:30 a.m.**

RE: Disproportionate Share Hospital Payments  
Qualifying Criteria  
Docket # 03302017-03  
Department of Health  
State of Louisiana

**CERTIFICATION**

In accordance with LA R.S. 49:950 et seq., the attached public hearing agenda, together with one digital recording of the public hearing conducted on March 30, 2017 in Baton Rouge, Louisiana constitute the official record of the above-referenced public hearing.

A handwritten signature in blue ink, appearing to read "Robert K. Andrepont".

Robert K. Andrepont  
Medicaid Policy and Compliance  
Section

03/30/17  
Date

# LDH/BHSF PUBLIC HEARING

## Topic – Disproportionate Share Hospital Payments – Qualifying Criteria

Date – March 30, 2017

### PERSONS IN ATTENDANCE

Name	Address	Telephone Number	AGENCY or GROUP you represent
1. Carol Rumbaugh	628 4th St BR 7802	225 342-6943	LDH
2.			
3.			
4.			
5.			
6.			



**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

April 6, 2017

**MEMORANDUM**

**TO:** The Honorable John A. Alario, President, Louisiana Senate  
The Honorable Taylor F. Barras, Speaker of the House  
The Honorable Fred H. Mills, Jr., Chairman, Senate Committee on Health and Welfare  
The Honorable Frank A. Hoffmann, Chairman, House Committee on Health and Welfare  
The Honorable Eric LaFleur, Chairman, Senate Finance Committee  
The Honorable Cameron Henry, Chairman, House Appropriations Committee

**FROM:** Rebekah E. Gee MD, MPH  
Secretary

**RE:** Oversight Report on Bureau of Health Services Financing Proposed Rulemaking

In accordance with the Administrative Procedure Act (R.S. 49:950 et seq.) as amended, we are submitting the attached documents for the proposed Rule for Family Planning Waiver - Program Termination.

The Department published a Notice of Intent on this proposed Rule in the February 20, 2017 issue of the *Louisiana Register* (Volume 43, Number 2). A public hearing was held on March 30, 2017 at which only Louisiana Department of Health staff were present. No oral testimony was given or written comments received regarding this proposed Rule.

The Department anticipates adopting the Notice of Intent as a final Rule in the May 20, 2017 issue of the *Louisiana Register*.

The following documents are attached:

1. a copy of the Notice of Intent;
2. the public hearing certification; and
3. the public hearing attendance roster.

REG/WJR/RKA

Attachments (3)



## NOTICE OF INTENT

### Department of Health Bureau of Health Services Financing

#### Family Planning Waiver Program Termination (LAC 50:XXII.Chapters 21-27)

The Department of Health, Bureau of Health Services Financing proposes to repeal LAC 50:XXII.Chapters 21-27 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, Office of the Secretary, Bureau of Health Services Financing implemented a family planning research and demonstration project under the authority of a \$1115 waiver (*Louisiana Register*, Volume 32, Number 8). The Department of Health and Hospitals, Bureau of Health Services Financing adopted provisions to establish a new optional eligibility group under the Medicaid State Plan to provide coverage for family planning services and supplies (*Louisiana Register*, Volume 40, Number 6). Eligible participants in the Family Planning Waiver were transitioned into the new family planning eligibility group under the Medicaid State Plan. The \$1115 waiver authority for the Family Planning Waiver expired on December 31, 2014. Hence, the

Department of Health, Bureau of Health Services Financing now proposes to repeal the provisions governing the Family Planning Waiver due to the expiration of the §1115 waiver authority.

## **Title 50**

### **PUBLIC HEALTH-MEDICAL ASSISTANCE Part XXII. 1115 Demonstration Waivers Subpart 3. Family Planning Waiver**

#### **Chapter 21. General Provisions**

##### **§2101. Purpose**

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, Office of the Secretary, Bureau of Health Services Financing, LR 32:1461 (August 2006), repealed by the Department of Health, Bureau of Health Services Financing, LR 43:

##### **§2103. Enrollment**

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, Office of the Secretary, Bureau of Health Services Financing, LR 32:1461 (August 2006), repealed by the

Department of Health, Bureau of Health Services Financing, LR 43:

## **Chapter 23. Eligibility**

### **§2301. Recipient Qualifications**

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, Office of the Secretary, Bureau of Health Services Financing, LR 32:1461 (August 2006), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 37:3027 (October 2011), repealed by the Department of Health, Bureau of Health Services Financing, LR 43:

## **Chapter 25. Services**

### **§2501. Covered Services**

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, Office of the Secretary, Bureau of Health Services Financing, LR 32:1461 (August 2006), repealed by the Department of Health, Bureau of Health Services Financing, LR 43:

### **§2503. Service Limits**

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, Office of the Secretary, Bureau of Health  
Services Financing, LR 32:1461 (August 2006), repealed by the  
Department of Health, Bureau of Health Services Financing, LR  
43:

**§2505. Service Delivery**

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, Office of the Secretary, Bureau of Health  
Services Financing, LR 32:1461 (August 2006), repealed by the  
Department of Health, Bureau of Health Services Financing, LR  
43:

**Chapter 27. Reimbursement**

**§2701. Reimbursement Methodology**

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, Office of the Secretary, Bureau of Health

Services Financing, LR 32:1461 (August 2006), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:2280 (October 2010), LR 37:2156 (July 2011), LR 39:506 (March 2013), repealed by the Department of Health, Bureau of Health Services Financing, LR 43:

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.

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](mailto: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 30, 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



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**PUBLIC HEARING CERTIFICATION**  
**March 30, 2017**  
**9:30 a.m.**

RE: Family Planning Waiver  
Program Termination  
Docket # 03302017-04  
Department of Health  
State of Louisiana

**CERTIFICATION**

In accordance with LA R.S. 49:950 et seq., the attached public hearing agenda, together with one digital recording of the public hearing conducted on March 30, 2017 in Baton Rouge, Louisiana constitute the official record of the above-referenced public hearing.

A handwritten signature in blue ink, appearing to read "Robert K. Andrepont", is written over a horizontal line.

Robert K. Andrepont  
Medicaid Policy and Compliance  
Section

03/30/17

Date

# LDH/BHSF PUBLIC HEARING

## Topic – Family Planning Waiver – Program Termination

Date – March 30, 2017

### PERSONS IN ATTENDANCE

Name	Address	Telephone Number	AGENCY or GROUP you represent
1. Carol Rumbold	628 N 4th BR 70802		
2.			
3.			
4.			
5.			
6.			





**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

April 6, 2017

**MEMORANDUM**

**TO:** The Honorable John A. Alario, President, Louisiana Senate  
The Honorable Taylor F. Barras, Speaker of the House  
The Honorable Fred H. Mills, Jr., Chairman, Senate Committee on Health and Welfare  
The Honorable Frank A. Hoffmann, Chairman, House Committee on Health and Welfare  
The Honorable Eric LaFleur, Chairman, Senate Finance Committee  
The Honorable Cameron Henry, Chairman, House Appropriations Committee

**FROM:** Rebekah E. Gee MD, MPH  
Secretary

**RE:** Oversight Report on Bureau of Health Services Financing Proposed Rulemaking

In accordance with the Administrative Procedure Act (R.S. 49:950 et seq.) as amended, we are submitting the attached documents for the proposed Rule for Inpatient Hospital Services – Non-Rural, Non-State Hospitals – Reimbursement Rate Increase.

The Department published a Notice of Intent on this proposed Rule in the February 20, 2017 issue of the *Louisiana Register* (Volume 43, Number 2). A public hearing was held on March 30, 2017 at which only Louisiana Department of Health staff were present. No oral testimony was given or written comments received regarding this proposed Rule.

The Department anticipates adopting the Notice of Intent as a final Rule in the May 20, 2017 issue of the *Louisiana Register*.

The following documents are attached:

1. a copy of the Notice of Intent;
2. the public hearing certification; and
3. the public hearing attendance roster.

REG/WJR/CEC

Attachments (3)

## NOTICE OF INTENT

### Department of Health Bureau of Health Services Financing

#### Inpatient Hospital Services Non-Rural, Non-State Hospitals Reimbursement Rate Increase (LAC 50:V.Chapter 9)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:V.Chapter 9 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 Financing amended the provisions governing the reimbursement methodology for inpatient hospital services rendered by children's specialty hospitals to revise the reimbursement methodology and establish outlier payment provisions (*Louisiana Register*, Volume 42, Number 2).

In order to comply with the requirements of House Concurrent Resolution 51 of the 2016 Regular Session of the Louisiana Legislature, the Department of Health, Bureau of Health Services Financing promulgated an Emergency Rule which amended the provisions governing the reimbursement methodology for inpatient hospital services to increase the Medicaid reimbursement rates paid to non-rural, non-state hospitals

(*Louisiana Register*, Volume 42, Number 12). This Rule is being promulgated to continue the provisions of the January 1, 2017 Emergency Rule.

**Title 50**  
**PUBLIC HEALTH—MEDICAL ASSISTANCE**  
**Part V. Hospital Services**  
**Subpart 1. Inpatient Hospital Services**

**Chapter 9. Non-Rural, Non-State Hospitals**

**Subchapter B. Reimbursement Methodology**

**§953. Acute Care Hospitals**

A. - J. ...

1. Qualifying Criteria. In order to qualify for the supplemental payment, the non-rural, non-state acute care hospital must be located in LDH administrative region 1 (New Orleans) and identified in the July 17, 2008 United States Government Accountability Office report as a hospital that has demonstrated substantial financial and operational challenges in the aftermath of Hurricane Katrina.

J.2. - L. ...

1. Qualifying Criteria. Non-rural, non-state acute care hospitals that do not qualify for payment under §953.E or §953.F may receive a supplemental payment if the hospital is located in either LDH administrative region 2 (Baton Rouge) or 3 (Thibodaux), had at least 1,000 paid Medicaid days for state fiscal year 2008 service dates and is currently operational.

L.2. - N.3.g. ...

4. Each participant must certify that it complies with the requirements of §953.N.3 by executing the appropriate certification form designated by the department for this purpose. The completed form must be submitted to the Department of Health, Bureau of Health Services Financing.

N.5. - T. ...

U. Effective for dates of service on or after January 1, 2017, the inpatient per diem rate paid to acute care hospitals shall be increased by 7.03 percent of the per diem rate on file as of December 31, 2016.

1. Small rural hospitals as defined in R.S. 40:1300 and public-private partnership hospitals as defined in LAC 50:V.1701-1703 shall be exempt from this rate increase.

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 34:876 (May 2008), amended LR 34:877 (May 2008), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1895, 1896 (September 2009), repromulgated LR 35:2182 (October 2009), amended LR 36:1552 (July 2010), LR 36:2561 (November 2010), LR 37:2161 (July 2011), LR 39:3095 (November 2013), LR 39:3297 (December 2013), LR 40:312 (February 2014), repromulgated LR 40:1939, 1940 (October

2014), LR 41:133 (January 2015), amended by the Department of Health, Bureau of Health Services Financing, LR 43:

**§955. Long-Term Hospitals**

A. - D. ...

1. Qualifying Criteria. In order to qualify for the supplemental payment, the long-term hospital must have had at least 100 paid Medicaid days for state fiscal year 2008 service dates and must be located in one of the following LDH administrative regions:

D.1.a. - J. ...

K. Effective for dates of service on or after January 1, 2017, the inpatient per diem rate paid to long-term hospitals shall be increased by 7.03 percent of the per diem rate on file as of December 31, 2016.

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: 34:876 (May 2008), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1895 (September 2009), amended LR 36:1554 (July 2010), LR 36:2562 (November 2010), LR 37:2162 (July 2011), LR 40:312 (February 2014), repromulgated LR 40:1940 (October 2014),

amended by the Department of Health, Bureau of Health Services Financing, LR 43:

**§959. Inpatient Psychiatric Hospital Services**

A. - E. ...

1. Qualifying Criteria. Non-rural, non-state free-standing psychiatric hospitals that do not qualify for payment under §953.E or §953.F may receive a supplemental payment if the hospital is located in either LDH administrative region 2 (Baton Rouge) or 3 (Thibodaux), had at least 1,000 paid Medicaid days for state fiscal year 2008 service dates and is currently operational.

E.2. - K.2.b. ...

L. Effective for dates of service on or after February 10, 2012, a Medicaid-enrolled non-state acute care hospital that enters into a cooperative endeavor agreement (CEA) with the Department of Health, Office of Behavioral Health to provide inpatient psychiatric hospital services to Medicaid and uninsured patients, and which also assumes the operation and management of formerly state-owned and operated psychiatric hospitals/visits, shall be paid a per diem rate of \$581.11 per day.

M. Effective for dates of service on or after January 1, 2017, the prospective per diem rate paid to non-rural, non-state free-standing psychiatric hospitals, and distinct part

psychiatric units within non-rural, non-state acute care hospitals, shall be increased by 2 percent of the per diem rate on file as of December 31, 2016.

1. Inpatient hospital psychiatric services provided under a public-private partnership as defined in §959.L of this Chapter, LAC 50:V.1701 and LAC 50:V.2901 shall be exempt from this rate increase.

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 34:876 (May 2008), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1895 (September 2009), amended LR 36:1554 (July 2010), LR 36:2562 (November 2010), LR 37:2162 (July 2011), LR 39:94 (January 2013), LR 39:323 (February 2013), amended by the Department of Health, Bureau of Health Services Financing, LR 43:

**§967. Children's Specialty Hospitals**

A. - K. ...

L. Effective for dates of service on or after January 1, 2017, the inpatient per diem rates paid to children's specialty hospitals for acute, neonatal intensive care units, pediatric intensive care units and burn units' services shall be increased

by 7.03 percent of the per diem rate on file as of December 31, 2016.

M. Effective for dates of service on or after January 1, 2017, the prospective per diem rate paid to distinct part psychiatric units within children's specialty hospitals shall be increased by 2 percent of the per diem rate on file as of December 31, 2016.

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

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:2562 (November 2010), amended LR 37:2162 (July 2011), LR 38:2773 (November 2012), LR 39:3097 (November 2013), LR 40:312 (February 2014), repromulgated LR 40:1940 (October 2014), amended LR 40:1941 (October 2014), LR 42:275 (February 2016), amended by the Department of Health, Bureau of Health Services Financing, 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 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 since this proposed Rule increases the payments to providers for the same services they already render.

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](mailto: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 30, 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



## State of Louisiana

Louisiana Department of Health  
Bureau of Health Services Financing

### PUBLIC HEARING CERTIFICATION

March 30, 2017

9:30 a.m.

RE: Inpatient Hospital Services  
Non-Rural, Non-State Hospitals  
Reimbursement Rate Increase  
Docket # 03302017-05  
Department of Health  
State of Louisiana

### CERTIFICATION

In accordance with LA R.S. 49:950 et seq., the attached public hearing agenda, together with one digital recording of the public hearing conducted on March 30, 2017 in Baton Rouge, Louisiana constitute the official record of the above-referenced public hearing.

A handwritten signature in blue ink, appearing to read "Robert K. Andrepont".

Robert K. Andrepont  
Medicaid Policy and Compliance  
Section

03/30/17

Date

# LDH/BHSF PUBLIC HEARING

## Topic – Inpatient Hospital Services – Non-Rural, Non-State Hospitals Reimbursement Rate Increase

Date – March 30, 2017

### PERSONS IN ATTENDANCE

Name	Address	Telephone Number	AGENCY or GROUP you represent
1. Carol Rumbolt	628 W 4th BR 75822		
2.			
3.			
4.			
5.			
6.			



**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

April 6, 2017

**MEMORANDUM**

**TO:** The Honorable John A. Alario, President, Louisiana Senate  
The Honorable Taylor F. Barras, Speaker of the House  
The Honorable Fred H. Mills, Jr., Chairman, Senate Committee on Health and Welfare  
The Honorable Frank A. Hoffmann, Chairman, House Committee on Health and Welfare  
The Honorable Eric LaFleur, Chairman, Senate Finance Committee  
The Honorable Cameron Henry, Chairman, House Appropriations Committee

**FROM:** Rebekah E. Gee MD, MPH  
Secretary

A handwritten signature in blue ink, appearing to read "Rebekah E. Gee", with a stylized "R" and "G" at the end.

**RE:** Oversight Report on Bureau of Health Services Financing Proposed Rulemaking

In accordance with the Administrative Procedure Act (R.S. 49:950 et seq.) as amended, we are submitting the attached documents for the proposed Rule for Outpatient Hospital Services – Non-Rural, Non-State Hospitals and Children's Specialty Hospitals – Reimbursement Rate Increase.

The Department published a Notice of Intent on this proposed Rule in the February 20, 2017 issue of the *Louisiana Register* (Volume 43, Number 2). A public hearing was held on March 30, 2017 at which only Louisiana Department of Health staff were present. No oral testimony was given or written comments received regarding this proposed Rule.

The Department anticipates adopting the Notice of Intent as a final Rule in the May 20, 2017 issue of the *Louisiana Register*.

The following documents are attached:

1. a copy of the Notice of Intent;
2. the public hearing certification; and
3. the public hearing attendance roster.

REG/WJR/CEC

Attachments (3)

## NOTICE OF INTENT

### Department of Health Bureau of Health Services Financing

#### Outpatient Hospital Services Non-Rural, Non-State Hospitals and Children's Specialty Hospitals Reimbursement Rate Increase (LAC 50:V.5313, 5317, 5513, 5517, 5713, 5719, 6115 and 6119)

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to amend LAC 50:V.5313, §5317 and §§5513, 5517, 5713, 5719, 6115 and 6119 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 Financing amended the provisions governing the reimbursement methodology for outpatient hospital services in order to revise the qualifying criteria and reimbursement methodology for non-rural, non-state public hospitals and to correct the Code of Federal Regulations citation (*Louisiana Register*, Volume 40, Number 9).

In order to comply with the requirements of House Concurrent Resolution 51 of the 2016 Regular Session of the Louisiana Legislature, the Department of Health, Bureau of Health Services Financing promulgated an Emergency Rule which amended the provisions governing the reimbursement methodology for outpatient hospital services in order to increase the reimbursement rates paid

to non-rural, non-state hospitals and children's specialty hospitals (*Louisiana Register*, Volume 42, Number 12). This proposed Rule is being promulgated to continue the provisions of the January 1, 2017 Emergency Rule.

## **Title 50**

### **PUBLIC HEALTH-MEDICAL ASSISTANCE**

#### **Part V. Hospitals**

#### **Subpart 5. Outpatient Hospitals**

### **Chapter 53. Outpatient Surgery**

#### **Subchapter B. Reimbursement Methodology**

#### **§5313. Non-Rural, Non-State Hospitals**

A. - H. ...

I. Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery shall be increased by 7.03 percent of the rates on file as of December 31, 2016.

1. Hospitals participating in public-private partnerships as defined in §6701 shall be exempted from this rate increase.

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

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1900 (September 2009), amended LR 36:1250 (June 2010), LR 36:2041 (September 2010), LR 37:3266 (November 2011), LR 40:313 (February 2014), amended by the Department of Health, Bureau of Health

Services Financing, LR 43:

**§5317. Children's Specialty Hospitals**

A. - F. ...

G. Effective for dates of service on or after January 1, 2017, the reimbursement paid to children specialty hospitals for outpatient surgery shall be increased by 7.03 percent of the rates on file as of December 31, 2016.

1. Final reimbursement shall be 87.91 percent of allowable cost as calculated through the cost report settlement process.

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

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:2042 (September 2010), amended LR 37:3266 (November 2011), LR 40:313 (February 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 43:

**Chapter 55. Clinic Services**

**Subchapter B. Reimbursement Methodology**

**§5513. Non-Rural, Non-State Hospitals**

A. - H. ...

I. Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient clinic services shall be increased by 7.03 percent of the rates on file as of December 31, 2016.

1. Hospitals participating in public-private



partnerships as defined in §6701 shall be exempted from this rate increase.

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

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1900 (September 2009), amended LR 36:1250 (June 2010), LR 36:2042 (September 2010), LR 37:3266 (November 2011), LR 40:313 (February 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 43:

**§5517. Children's Specialty Hospitals**

A. - F. ...

G. Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to children's specialty hospitals for outpatient hospital clinic services shall be increased by 7.03 percent of the rates on file as of December 31, 2016.

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

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:2042 (September 2010), amended LR 37:3266 (November 2011), LR 40:313 (February 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 43:

**Chapter 57. Laboratory Services**

## **Subchapter B. Reimbursement Methodology**

### **§5713. Non-Rural, Non-State Hospitals**

A. - H. ...

I. Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient laboratory services shall be increased by 7.03 percent of the rates on file as of December 31, 2016.

1. Hospitals participating in public-private partnerships as defined in §6701 shall be exempted from this rate increase.

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

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1900 (September 2009), amended LR 36:1250 (June 2010), LR 36:2042 (September 2010), LR 37:3266 (November 2011), LR 40:313 (February 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 43:

### **§5719. Children's Specialty Hospitals**

A. - F. ...

G. Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to children's specialty hospitals for outpatient clinical diagnostic laboratory services shall be increased by 7.03 percent of the rates on file as of December 31, 2016.

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

HISTORICAL NOTE: Promulgated by the Department of Health  
and Hospitals, Bureau of Health Services Financing, LR 36:2043  
(September 2010), amended LR 37:3267 (November 2011), LR 40:314  
(February 2014), amended by the Department of Health, Bureau of  
Health Services Financing, LR 43:

**Chapter 61. Other Outpatient Hospital Services**

**Subchapter B. Reimbursement Methodology**

**§6115. Non-Rural, Non-State Hospitals**

A. - H. ...

I. Effective for dates of service on or after January 1,  
2017, the reimbursement rates paid to non-rural, non-state  
hospitals for outpatient hospital services, other than clinical  
diagnostic laboratory services, outpatient surgeries,  
rehabilitation services and outpatient hospital facility fees  
shall be increased by 7.03 percent of the rates in effect as of  
December 31, 2016.

1. Final reimbursement shall be at 71.13 percent of  
allowable cost through the cost settlement process.

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

HISTORICAL NOTE: Promulgated by the Department of Health  
and Hospitals, Bureau of Health Services Financing, LR 35:1900  
(September 2009), amended LR 36:1250 (June 2010), LR 36:2043

(September 2010), LR 37:3267 (November 2011), LR 40:314 (February 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 43:

**§6119. Children's Specialty Hospitals**

A. - F. ...

G. Effective for dates of service on or after January 1, 2017, the reimbursement fees paid to children's specialty hospitals for outpatient hospital services, other than rehabilitation services and outpatient hospital facility fees, shall be increased by 7.03 percent of the rates in effect as of December 31, 2016.

1. Final reimbursement shall be 87.91 percent of allowable cost as calculated through the cost report settlement process.

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

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:2044 (September 2010), amended LR 37:3267 (November 2011), LR 40:314 (February 2014), amended by the Department of Health, Bureau of Health Services Financing, 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 a 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 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 since this proposed Rule increases the payments to providers for the same services they already render.

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](mailto: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 30, 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



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**PUBLIC HEARING CERTIFICATION**

**March 30, 2017**

**9:30 a.m.**

RE: Outpatient Hospital Services  
Non-Rural, Non-State Hospitals and Children's Specialty Hospitals  
Reimbursement Rate Increase  
Docket # 03302017-06  
Department of Health  
State of Louisiana

**CERTIFICATION**

In accordance with LA R.S. 49:950 et seq., the attached public hearing agenda, together with one digital recording of the public hearing conducted on March 30, 2017 in Baton Rouge, Louisiana constitute the official record of the above-referenced public hearing.

A blue ink signature of Robert K. Andrepont.

Robert K. Andrepont  
Medicaid Policy and Compliance  
Section

03/30/17  
Date

# LDH/BHSF PUBLIC HEARING

**Topic** – Outpatient Hospital Services – Non-Rural, Non-State Hospitals  
and Children’s Specialty Hospitals – Reimbursement Rate Increase

**Date** – March 30, 2017

## PERSONS IN ATTENDANCE

Name	Address	Telephone Number	AGENCY or GROUP you represent
1. Carol Rumbolt	622 W 4th B.R. 75802	225 342 6943	
2.			
3.			
4.			
5.			
6.			





**State of Louisiana**  
Louisiana Department of Health  
Office of the Secretary

April 6, 2017

**MEMORANDUM**

**TO:** The Honorable John A. Alario, President, Louisiana Senate  
The Honorable Taylor F. Barras, Speaker of the House  
The Honorable Fred H. Mills, Jr., Chairman, Senate Committee on Health and Welfare  
The Honorable Frank A. Hoffmann, Chairman, House Committee on Health and Welfare  
The Honorable Eric LaFleur, Chairman, Senate Finance Committee  
The Honorable Cameron Henry, Chairman, House Appropriations Committee

**FROM:** Rebekah E. Gee MD, MPH  
Secretary

**RE:** Oversight Report on Bureau of Health Services Financing Proposed Rulemaking

In accordance with the Administrative Procedure Act (R.S. 49:950 et seq.) as amended, we are submitting the attached documents for the proposed Rule for Pharmacy Benefits Management Program – State Supplemental Rebate Agreement Program.

The Department published a Notice of Intent on this proposed Rule in the February 20, 2017 issue of the *Louisiana Register* (Volume 43, Number 2). A public hearing was held on March 30, 2017 at which only Louisiana Department of Health staff were present. No oral testimony was given or written comments received regarding this proposed Rule.

The Department anticipates adopting the Notice of Intent as a final Rule in the May 20, 2017 issue of the *Louisiana Register*.

The following documents are attached:

1. a copy of the Notice of Intent;
2. the public hearing certification; and
3. the public hearing attendance roster.

REG/WJR/CEC

Attachments (3)

## NOTICE OF INTENT

### Department of Health Bureau of Health Services Financing

#### Pharmacy Benefits Management Program State Supplemental Rebate Agreement Program (LAC 50:XXIX.Chapter 11)

The Department of Health, Bureau of Health Services Financing proposes to adopt LAC 50:XXIX.Chapter 11 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 Medicaid coverage of prescription drugs through its Pharmacy Benefits Management Program. The department amended the provisions governing the Pharmacy Benefits Management Program in order to establish provisions for the Medicaid Program's participation in The Optimal PDL Solution (TOP\$) State Supplemental Rebate Agreement Program which is a multi-state Medicaid state supplemental drug rebate pooling initiative (*Louisiana Register*, Volume 39, Number 10). This program allows states to leverage their pharmaceutical purchasing power as a group to achieve more supplemental rebates than could be achieved independently. It is anticipated that this program will lower the net cost of brand drugs and the overall dollars spent on pharmacy benefits.

The department promulgated an Emergency Rule to assure compliance with the technical requirements of R.S. 49:953, and to continue the provisions of the October 1, 2013 Emergency Rule governing the Pharmacy Benefits Management Program which established provisions for the Medicaid Program's participation in the TOP\$ State Supplemental Rebate Agreement Program (*Louisiana Register*, Volume 40, Number 3). This proposed Rule is being promulgated to continue the provisions of the February 22, 2014 Emergency Rule.

## **Title 50**

### **PUBLIC HEALTH-MEDICAL ASSISTANCE**

#### **Part XXIX. Pharmacy**

#### **Chapter 11. State Supplemental Rebate Agreement Program**

##### **§1101. General Provisions**

A. Effective October 1, 2013, the Department of Health, Bureau of Health Services Financing hereby establishes provisions for participation in The Optimal PDL \$olution (TOP\$) State Supplemental Rebate Agreement (SRA) Program. TOP\$ is a multi-state Medicaid state supplemental drug rebate pooling initiative approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services and administered by Provider Synergies, L.L.C/Magellan Medicaid Administration. The purpose of this program is to allow states the opportunity to leverage their pharmaceutical purchasing power as a group to achieve more supplemental rebates and

discounts from prescription drug companies than could be achieved independently.

B. Pursuant to R.S. 46:153.3, the department shall enter into a contractual agreement with Provider Synergies to participate in TOP\$. Provider Synergies/Magellan Medicaid Administration will act on the department's behalf to provide the necessary administration services relative to this agreement for the provision of state supplemental drug rebate contracting and preferred drug list administration services.

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 43:

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 30, 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



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**PUBLIC HEARING CERTIFICATION**  
**March 30, 2017**  
**9:30 a.m.**

RE: Pharmacy Benefits Management Program  
State Supplemental Rebate Agreement Program  
Docket # 03302017-06  
Department of Health  
State of Louisiana

**CERTIFICATION**

In accordance with LA R.S. 49:950 et seq., the attached public hearing agenda, together with one digital recording of the public hearing conducted on March 30, 2017 in Baton Rouge, Louisiana constitute the official record of the above-referenced public hearing.

A blue ink signature of Robert K. Andrepont, written in a cursive style.

Robert K. Andrepont  
Medicaid Policy and Compliance  
Section

03/30/17  
Date

# LDH/BHSF PUBLIC HEARING

## Topic – Pharmacy Benefits Management Program State Supplemental Rebate Agreement Program

Date – March 30, 2017

### PERSONS IN ATTENDANCE

Name	Address	Telephone Number	AGENCY or GROUP you represent
1. Carol Rumfola	628 N 4th BL 70805	225 342 6943	LDH
2.			
3.			
4.			
5.			
6.			