

**DECLARATION OF EMERGENCY**

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

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

The Department of Health, Bureau of Health Services Financing amends LAC 50:IX.15151 and §15153 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the social Security Act. This Emergency Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:953 (B)(1) et seq., and shall be in effect for the maximum period allowed under the Act or until adoption of the final Rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing amended the provisions governing the reimbursement methodology for professional services to provide a supplemental payment to physicians and other professional practitioners employed by, or under contract with, non-state owned or operated governmental entities (*Louisiana Register*, Volume 40, Number 3).

The Department of Health, Bureau of Health Services Financing has determined that it is necessary to amend the provisions governing the Professional Services Program to revise the reimbursement methodology for supplemental payments to physicians

and other professional service practitioners in order to clarify the qualifying criteria for these payments and to reformat the provisions to ensure they are promulgated in a clear and concise manner in the *Louisiana Administrative Code*. This action is being taken to promote the health and welfare of Medicaid recipients by encouraging continued provider participation in the Medicaid Program to ensure recipient access to services. It is estimated that implementation of this Emergency Rule will have no fiscal impact to the state in fiscal year 2017.

Effective February 20, 2017, the Department of Health, Bureau of Health Services Financing amends the provisions governing the Professional Services Program to amend the reimbursement methodology for supplemental payments to physicians and other professional service practitioners.

## **Title 50**

### **PUBLIC HEALTH—MEDICAL ASSISTANCE**

#### **Part IX. Professional Services Program Subpart 15. Reimbursement**

#### **Chapter 151. Reimbursement Methodology**

#### **Subchapter F. Supplemental Payments**

#### **§15151. ~~Qualifying Criteria~~—State Owned or Operated**

#### **Professional Services Practices**

A. Qualifying Criteria. Effective for dates of service on or after February 20, 2017, ~~in~~ in order to qualify to receive

supplemental payments, physicians and other eligible professional service practitioners must be:

1. licensed by the ~~State~~ state of Louisiana;
2. enrolled as a Louisiana Medicaid provider; and
3. employed by, or under contract to provide services

in affiliation with, a state-owned or operated entity, such as a state-operated hospital or other state entity, including a state academic health system, which:

- a. has been designated by the bureau as an

essential provider. Essential providers include:

i. LSU School of Medicine - New Orleans;

ii. LSU School of Medicine - Shreveport;

iii. LSU School of Dentistry; and

iv. LSU - state operated hospitals (Lallie

Kemp Regional Medical Center and Villa Feliciana Geriatric

Hospital); and

- b. has furnished satisfactory data to LDHH

regarding the commercial insurance payments made to its employed physicians and other professional service practitioners.

~~B. The supplemental payment to each qualifying physician or other eligible professional services practitioner in the practice plan will equal the difference between the Medicaid payments otherwise made to these qualifying providers for professional services and the average amount that would have been paid at the~~

~~equivalent community rate. The community rate is defined as the average amount that would have been paid by commercial insurers for the same services~~Qualifying Provider Types. For purposes of qualifying for supplemental payments under this Section, services provided by the following professional practitioners will be included:

1. physicians;
2. physician assistants;
3. certified registered nurse practitioners;
4. certified nurse anesthetists;
5. nurse midwives;
6. psychiatrists;
7. psychologists;
8. speech-language pathologists;
9. physical therapists;
10. occupational therapists;
11. podiatrists;
12. optometrists;
13. social workers;
14. dentists;
15. audiologists;
16. chemical dependency counselors;
17. mental health professionals;
18. opticians;

19. nutritionists;

20. paramedics; and

21. doctors of chiropractic.

C. ~~The supplemental payments shall be calculated by applying a conversion factor to actual charges for claims paid during a quarter for Medicaid services provided by the state owned or operated practice plan providers. The commercial payments and respective charges shall be obtained for the state fiscal year preceding the reimbursement year. If this data is not provided satisfactorily to DHH, the default conversion factor shall equal "1". This conversion factor shall be established annually for qualifying physicians/practitioners by:~~Payment Methodology

1. ~~determining the amount that private commercial insurance companies paid for commercial claims submitted by the state owned or operated practice plan or entity; and~~The supplemental payment to each qualifying physician or other eligible professional services practitioner in the practice plan will equal the difference between the Medicaid payments otherwise made to these qualifying providers for professional services and the average amount that would have been paid at the equivalent community rate. The community rate is defined as the average amount that would have been paid by commercial insurers for the same services.

2. ~~dividing that amount by the respective charges for these payers.~~ The supplemental payments shall be calculated by applying a conversion factor to actual charges for claims paid during a quarter for Medicaid services provided by the state-owned or operated practice plan providers. The commercial payments and respective charges shall be obtained for the state fiscal year preceding the reimbursement year. If this data is not provided satisfactorily to LDH, the default conversion factor shall equal "1". This conversion factor shall be established annually for qualifying physicians/practitioners by:

a. determining the amount that private commercial insurance companies paid for commercial claims submitted by the state-owned or operated practice plan or entity; and

b. dividing that amount by the respective charges for these payers.

3. The actual charges for paid Medicaid services shall be multiplied by the conversion factor to determine the maximum allowable Medicaid reimbursement. For eligible non-physician practitioners, the maximum allowable Medicaid reimbursement shall be limited to 80 percent of this amount.

4. The actual base Medicaid payments to the qualifying physicians/practitioners employed by a state-owned or operated entity shall then be subtracted from the maximum Medicaid reimbursable amount to determine the supplemental payment amount.

~~D. The actual charges for paid Medicaid services shall be multiplied by the conversion factor to determine the maximum allowable Medicaid reimbursement. For eligible non-physician practitioners, the maximum allowable Medicaid reimbursement shall be limited to 80 percent of this amount.~~ Supplemental payments for services provided by the qualifying state-owned or operated physician practice plan will be implemented through a quarterly supplemental payment to providers, based on specific Medicaid paid claim data.

~~E. The actual base Medicaid payments to the qualifying physicians/practitioners employed by a state-owned or operated entity shall then be subtracted from the maximum Medicaid reimbursable amount to determine the supplemental payment amount.~~

~~F. The supplemental payment for services provided by the qualifying state-owned or operated physician practice plan will be implemented through a quarterly supplemental payment to providers, based on specific Medicaid paid claim data.~~ E. - F. 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 40:544 (March 2014), promulgated by the Department of Health, Bureau of Health Services Financing, LR 43:

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

A. Qualifying Criteria. Effective for dates of service on or after ~~July 1, 2010~~February 20, 2017, ~~physicians and other professional service practitioners who are employed by, or under contract with, a non state owned or operated governmental entity, such as a non state owned or operated public hospital, may qualify for supplemental payments for services rendered to Medicaid recipients.~~ To in order to qualify ~~for the~~to receive supplemental payments, ~~the~~ physicians ~~or~~ and other eligible professional service practitioners s must be:

1. licensed by the state of Louisiana; ~~and~~
2. enrolled as a Louisiana Medicaid provider; and
3. employed by, or under contract to provide services at a non-state owned or operated governmental entity and identified by the non-state owned or operated governmental entity as a physician that is employed by, or under contract to provide services at said entity.

B. ~~The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level~~Qualifying Provider Types. For purposes of qualifying for supplemental payments under this Section, services provided by the following professional practitioners will be included:



1. ~~For purposes of these provisions, the community rate shall be defined as the rates paid by commercial payers for the same service.~~ physicians;

2. physician assistants;

3. certified registered nurse practitioners;

4. certified nurse anesthetists;

5. nurse midwives;

6. psychiatrists;

7. psychologists;

8. speech-language pathologists;

9. physical therapists;

10. occupational therapists;

11. podiatrists;

12. optometrists;

13. social workers;

14. dentists;

15. audiologists;

16. chemical dependency counselors;

17. mental health professionals;

18. opticians;

19. nutritionists;

20. paramedics; and

21. doctors of chiropractic.

~~C. The non-state governmental entity shall periodically furnish satisfactory data for calculating the community rate as requested by DHH.~~ The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level.

1. For purposes of this Section, the community rate shall be defined as the rates paid by commercial payers for the same service.

~~D. The supplemental payment amount shall be determined by establishing a Medicare to community rate conversion factor for the physician or physician practice plan. At the end of each quarter, for each Medicaid claim paid during the quarter, a Medicare payment amount will be calculated and the Medicare to community rate conversion factor will be applied to the result. Medicaid payments made for the claims paid during the quarter will then be subtracted from this amount to establish the supplemental payment amount for that quarter.~~ The non-state governmental entity shall periodically furnish satisfactory data for calculating the community rate as requested by LDH.

~~E. The supplemental payments shall be made on a quarterly basis and the Medicare to community rate conversion factor shall be recalculated periodically as determined by the department.~~ Payment Methodology

1. The supplemental payment amount shall be determined by establishing a Medicare to community rate conversion factor for the physician or physician practice plan.

2. At the end of each quarter, for each Medicaid claim paid during the quarter, a Medicare payment amount will be calculated and the Medicare to community rate conversion factor will be applied to the result.

3. Medicaid payments made for the claims paid during the quarter will then be subtracted from this amount to establish the supplemental payment amount for that quarter.

F. The supplemental payments shall be made on a quarterly basis and the Medicare to community rate conversion factor shall be recalculated periodically as determined by the department.

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

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 40:544 (March 2014), promulgated 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.

Interested persons may submit written comments to Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. Steele is responsible for responding to inquiries regarding this Emergency Rule. A copy of this Emergency Rule is available for review by interested parties at parish Medicaid offices.

Rebekah E. Gee MD, MPH

Secretary