

NOTICE OF INTENT

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

**Outpatient Hospital Services
(LAC 50:V.Subpart 5)**

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:V.Subpart 5 and repeal the following uncodified Rules in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act:

Register Date	Title	Register Volume, Number	Page Number
August 20, 1983	Change in Limits for Outpatient Hospital Services	Volume 9, Number 8	551
August 20, 1983	Discontinuance of Reimbursement to Emergency Access Hospitals	Volume 9, Number 8	552
December 20, 1985	MAP Outpatient Surgeries	Volume 11, Number 12	1147
November 20, 2000	Outpatient Hospital Services - Medicare Part B Claims	Volume 26, Number 11	2622
July 20, 2003	Outpatient Hospital Laboratory Services	Volume 29, Number 7	1096
December 20, 2003	Hospital Program - Out-of-State Hospitals - Outpatient Services - Reimbursement Reduction	Volume 29, Number 12	2802
December 20, 2004	Hospital Program - Outpatient Surgery Services - HIPAA Implementation	Volume 30, Number 12	2830
February 20, 2007	Hospital Licensing Standards	Volume 33, Number 2	284

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 an Emergency Rule which amended the provisions governing outpatient hospital services in order to provide reimbursement for laboratory testing for Coronavirus Disease 2019 (COVID-19) separately from outpatient hospital surgery fee schedule payments (*Louisiana Register*, Volume 48, Number 2). This proposed Rule is being promulgated in order to continue the provisions of the February 10, 2022 Emergency Rule, repeal the above listed uncodified rules, and to amend the provisions governing outpatient hospitals in order to update reimbursement to out-of-state hospitals for consistency with in-state rates.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part V. Hospital Services

Subpart 5. Outpatient Hospital Services

Chapter 53. Outpatient Surgery

Subchapter A. General Provisions

§5301. Payment for Outpatient Surgery Services

A. Payment for outpatient surgery services is a flat rate in accordance with the published fee schedule. The flat rate payment covers all services provided during the outpatient surgical admission. There shall be no cost settlement for outpatient surgery services except for the specific hospital types identified in Subchapter B of this Chapter.

1. Effective for dates of service on or after February 10, 2022, the Medicaid Program shall provide reimbursement for Coronavirus Disease 2019 laboratory testing in addition to the outpatient surgery fee schedule flat fee reimbursement amount.

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 48:

Subchapter B. Reimbursement Methodology

§5313. Non-Rural, Non-State Hospitals

A. - D. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

E. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

F. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

G. - M.1. ...

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 Service 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 43:964 (May 2017), LR 43:2534 (December 2017), LR 44:2166 (December 2018), LR 45:1773 (December 2019), LR 46:1685 (December 2020), LR 48:

Chapter 55. Clinic Services

Subchapter A. General Provisions

§5501. Payment for Outpatient Hospital Clinic Services

A. Payment for outpatient hospital clinic services is a flat rate in accordance with the published fee schedule. There shall be no cost settlement for outpatient clinic services except for the specific hospital types identified in Subchapter B of this Chapter.

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 48:

Subchapter B. Reimbursement Methodology

§5513. Non-Rural, Non-State Hospitals

A. - D. ...

1. Small rural hospitals as defined in R.S.
40:1189.3 shall be exempted from this rate reduction.

E. ...

1. Small rural hospitals as defined in R.S.
40:1189.3 shall be exempted from this rate reduction.

F. ...

1. Small rural hospitals as defined in R.S.
40:1189.3 shall be exempted from this rate reduction.

G. - L.1. ...

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 Service 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 43:965 (May 2017), LR 43:2535
(December 2017), LR 44:2167 (December 2018), LR 45:1773
(December 2019), LR 48:

Chapter 57. Laboratory Services

Subchapter A. General Provisions

§5701. Payment for Outpatient Hospital Laboratory Services

A. Payment for outpatient hospital laboratory services is a flat rate in accordance with the published fee schedule. There shall be no cost settlement for outpatient laboratory 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 48:

Subchapter B. Reimbursement Methodology

§5713. Non-Rural, Non-State Hospitals

A. - D. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

E. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

F. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

G. - L.2. ...

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 Service 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 43:965 (May 2017), LR 43:2535
(December 2017), LR 44:2167 (December 2018), LR 45:1773
(December 2019), LR 48:

Chapter 59. Rehabilitation Services

Subchapter A. General Provisions

§5901. Payment for Outpatient Hospital Rehabilitation Services

A. Payment for outpatient hospital rehabilitation services is a flat rate in accordance with the published fee schedule. There shall be no cost settlement for outpatient rehabilitation services except for the specific hospital types identified in Subchapter B of this Chapter.

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 48:

Chapter 61. Other Outpatient Hospital Services

Subchapter A. General Provisions

§6101. Payment for Other Outpatient Hospital Services

A. Interim payment for outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgery services, rehabilitation services, and outpatient hospital

clinic services shall be at a hospital-specific cost to charge ratio. Final payment shall be a percentage of cost amount as detailed for each type of hospital in Subchapter B of this Chapter. The percentage shall be applied to cost for these services as calculated based on the finalized cost report.

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 48:

Subchapter B. Reimbursement Methodology

§6115. Non-Rural, Non-State Hospitals

A. - D. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

E. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

F. ...

1. Small rural hospitals as defined in R.S. 40:1189.3 shall be exempted from this rate reduction.

G. - L.1. ...

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 Service 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 43:965 (May 2017), LR 43:2535 (December 2017), LR 44:2168 (December 2018), LR 45:1774 (December 2019), LR 48:

Chapter 69. Out-of-State Hospitals

Subchapter A. Reserved

Subchapter B. Reimbursement

§6915. Reimbursement Methodology

A. Reimbursement for all Louisiana Medicaid recipients who receive outpatient services in an out-of-state hospital, including those recipients up to the age of 21, shall be calculated as follows:

1. Outpatient services provided in out-of-state hospitals that are subject to a fee schedule in-state shall be paid at the fee schedule amounts utilized for in-state non-rural, non-state hospitals.

2. Outpatient services provided in out-of-state hospitals that are not subject to a fee schedule in-state shall be paid at the annual average cost to charge ratio calculated from the filed Medicaid cost reports for in-state non-rural,

non-state hospitals multiplied by the percent of allowable cost as specified in §6115 that is in effect for the applicable time period for in-state non-rural, non-state hospitals. This ratio shall be applied to the billed charges for covered claims submitted by out-of-state hospitals to determine payment for non-fee schedule 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 48:

Chapter 71. Medicare Part B Claims for Medicaid Eligible Recipients

Subchapter A. Reserved

Subchapter B. Reimbursement

§7115. Reimbursement Methodology

A. To determine the amount that Medicaid will reimburse on a claim for a Medicaid recipient who is also eligible for Medicare Part B, the Medicare claim payment is compared to the Medicaid rate on file for the revenue or procedure codes on the Medicare Part B claims for outpatient hospital services. If the Medicare payment exceeds the Medicaid rate, the claim is adjudicated as a paid claim with a zero payment. If the Medicaid rate exceeds the Medicare payment, the claim is reimbursed at the lesser of the co-insurance and deductible or up to the

Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of the Medicare/Medicaid payment comparison, the amount of the Medicare payment plus the amount of the Medicaid payment, if any, shall be considered to be payment in full for the service.

B. The recipient does not have any legal liability to make payment for the service.

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 48:

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 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, but may increase direct or indirect cost to the provider to provide the same level of service due to the reduction of Medicaid payments for the service. The proposed Rule may also have a negative impact on the provider's ability to provide the same level of service as described in HCR 170 if the reduction in payments adversely impacts the provider's financial standing.

Public Comments

Interested persons may submit written comments to Patrick Gillies, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Mr. Gillies is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is at 4:30 p.m. on May 31, 2022.

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 May 10, 2022. If the criteria set forth in R.S. 49:953(A)(2)(a) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on May 26, 2022 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 May 10, 2022. 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. In the event of a hearing, parking is available to the public in the Galvez Parking Garage, which is located between North Sixth and North Fifth/North and Main Streets (cater-corner from the Bienville Building). Validated parking for the Galvez

Garage may be available to public hearing attendees when the parking ticket is presented to LDH staff at the hearing.

Dr. Courtney N. Phillips

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person Preparing Statement: Veronica Dent Dept: Health
Phone: 324-3228 Office: Bureau of Health Services Financing
Return Address: P.O. Box 91030 Rule Title: Outpatient Hospital Services
Baton Rouge, LA
Date Rule Takes Effect: July 20, 2022

SUMMARY
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

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

It is anticipated that implementation of this proposed rule will increase state costs by approximately \$10,944 for FY 21-22 as a result of the reimbursement for COVID-19 laboratory testing separately from the outpatient hospital surgery flat fee reimbursement amount, and will reduce state costs by approximately \$789,304 for FY 22-23 and \$887,167 for FY 23-24. It is anticipated that \$1,512 (\$756 SGF and \$756 FED) will be expended in FY 21-22 for the state's administrative expense for promulgation of this proposed rule and final rule.

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 \$27,641 for FY 21-22, and decrease federal revenue collections by approximately \$2,666,175 for FY 22-23 and \$2,996,745 for FY 23-24. It is anticipated that \$756 will be collected in FY 21-22 for the federal share of the expense for promulgation of this proposed rule and the final rule.

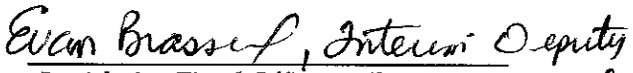
III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

This proposed rule continues the provisions of the February 10, 2022 Emergency Rule which amended the provisions governing outpatient hospital services in order to provide reimbursement for laboratory testing for Coronavirus Disease 2019 (COVID-19) separately from outpatient hospital surgery fee schedule payments. Secondly, the proposed rule amends the provisions governing reimbursement to out-of-state hospitals to ensure consistency with in-state rates. In addition, it repeals outdated, uncodified outpatient hospital rules. Beneficiaries and providers of outpatient hospital services will benefit from implementation of this proposed rule since it provides coverage for COVID-19 laboratory tests. It is anticipated that implementation of this proposed rule will increase expenditures in the Medicaid program by approximately \$37,073 for FY 21-22, \$139,500 for FY 22-23, and \$139,500 for FY 23-24 due to Medicaid reimbursement for COVID-19 laboratory testing separately from the outpatient hospital surgery flat fee reimbursement amount, but will reduce expenditures by approximately \$3,594,979 for FY 22-23 and \$4,023,412 for FY 23-24 as a result of the alignment of out-of-state hospital reimbursement rates with in-state rates. This will result in a net savings of \$3,455,479 for FY 22-23 and \$3,883,912 for FY 23-24.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.


Signature of Agency Head or Designee
Patrick Gillies, Medicaid Executive Director
Typed Name & Title of Agency Head or Designee
April 7, 2022
Date of Signature


Legislative Fiscal Officer or Designee *Fiscal Officer*
4/7/22
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

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

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

This proposed rule continues the provisions of the February 10, 2022 Emergency Rule which amended the provisions governing outpatient hospital services in order to provide reimbursement for laboratory testing for Coronavirus Disease 2019 (COVID-19) separately from outpatient hospital surgery fee schedule payments. Secondly, the proposed rule amends the provisions governing reimbursement to out-of-state hospitals to ensure consistency with in-state rates. In addition, it repeals outdated, uncodified outpatient hospital rules.

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

The Department of Health, Bureau of Health Services Financing promulgated an Emergency Rule which amended the provisions governing outpatient hospital services in order to provide reimbursement for laboratory testing for Coronavirus Disease 2019 (COVID-19) separately from outpatient hospital surgery fee schedule payments (Louisiana Register, Volume 48, Number 2). This proposed Rule is being promulgated in order to continue the provisions of the February 10, 2022 Emergency Rule, repeal the above listed uncodified rules, and to amend the provisions governing outpatient hospitals in order to update reimbursement to out-of-state hospitals for consistency with in-state rates.

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

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

Yes. It is anticipated that implementation of the proposed rule will result in an increase in costs of \$38,585 in FY 21-22 and in a reduction of costs of approximately \$3,455,479 for FY 22-23, and \$3,883,912 for FY 23-24. In FY 21-22, \$1,512 is included for the state's administrative expense for promulgation of this proposed rule and the final rule.

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

(a) _____ Yes. If yes, attach documentation.

(b) X NO. If no, provide justification as to why this rule change should be published at this time

Act 119 of the 2021 Regular Session of the Louisiana Legislature allocated funds to the Medical Vendor Program for payments to providers and the operation of the Medicaid Program, and thereby authorizes the expenditure of these funds. This proposed rule improves the health of beneficiaries by providing coverage for COVID-19 laboratory tests.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

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

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

COSTS	FY 22	FY 23	FY 24
Personal Services			
Operating Expenses	\$1,512	\$0	\$0
Professional Services			
Other Charges	\$37,073	(\$3,455,479)	(\$3,883,912)
Equipment			
Major Repairs & Constr.			
TOTAL	\$38,585	(\$3,455,479)	(\$3,883,912)
POSITIONS (#)			

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

The expenses reflected above are the estimated increases and decreases in expenditures in the Medicaid program. In FY 21-22, \$1,512 is included for the state's administrative expense for promulgation of this proposed rule and the final rule.

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

SOURCE	FY 22	FY 23	FY 24
State General Fund	\$10,944	(\$789,304)	(\$887,167)
Agency Self-Generated			
Dedicated			
Federal Funds	\$27,641	(\$2,666,175)	(\$2,996,745)
Other (Specify)			
TOTAL	\$38,585	(\$3,455,479)	(\$3,883,912)

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

Yes, sufficient funds are available to implement this rule.

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

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

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

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

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

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

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

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

<u>REVENUE INCREASE/DECREASE</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
State General Fund			
Agency Self-Generated			
Dedicated Funds*			
Federal Funds	\$27,641	(\$2,666,175)	(\$2,996,745)
Local Funds			
TOTAL	\$27,641	(\$2,666,175)	(\$2,996,745)

*Specify the particular fund being impacted.

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

The amounts reflected above are the estimated increases and decreases in the federal share of expenditures in the Medicaid program. In FY 21-22, \$756 will be collected for the federal share of the administrative expense for promulgation of this proposed rule and the final rule.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS

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

This proposed rule continues the provisions of the February 10, 2022 Emergency Rule which amended the provisions governing outpatient hospital services in order to provide reimbursement for laboratory testing for Coronavirus Disease 2019 (COVID-19) separately from outpatient hospital surgery fee schedule payments. Secondly, the proposed rule amends the provisions governing reimbursement to out-of-state hospitals to ensure consistency with in-state rates. In addition, it repeals outdated, uncodified outpatient hospital rules. Beneficiaries and providers of outpatient hospital services will benefit from implementation of this proposed rule since it provides coverage for COVID-19 laboratory tests.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

It is anticipated that implementation of this proposed rule will increase expenditures in the Medicaid program by approximately \$37,073 for FY 21-22, \$139,500 for FY 22-23, and \$139,500 for FY 23-24 due to Medicaid reimbursement for COVID-19 laboratory testing separately from the outpatient hospital surgery flat fee reimbursement amount, but will reduce expenditures by approximately \$3,594,979 for FY 22-23 and \$4,023,412 for FY 23-24 as a result of the alignment of out-of-state hospital reimbursement rates with in-state rates. This will result in a net savings of \$3,455,479 for FY 22-23 and \$3,883,912 for FY 23-24.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

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

This rule has no known effect on competition and employment.