

NOTICE OF INTENT

Department of Health Bureau of Health Services Financing

Inpatient Hospital Services (LAC 50:V.121, 123, 125, and 127)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:V.121, 123, 125, 127 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
January 20, 1994	Inpatient Psychiatric Services - Distinct Part Psychiatric Units	Volume 20, No. 01	49
February 20, 1997	Hospital Prospective Reimbursement Methodology for Long-Term Acute Hospitals	Volume 23, No. 02	202

This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedures Act, R.S. 49:950 et seq.

The Department of Health, Bureau of Health Services Financing proposes to repeal the above listed Rules which were promulgated prior to implementation of the *Louisiana Administrative Code* (LAC) codification system and to amend the provisions governing inpatient hospital services in order to promulgate the criteria to qualify for reimbursement as a

distinct part psychiatric unit in a codified format in the LAC and add qualifying criteria for rehabilitation, long-term, and freestanding hospitals.

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

Chapter 1. General Provisions

§121. Distinct Part Psychiatric Units

A. Qualifying Criteria. Reimbursement of psychiatric services (including substance use treatment) provided by acute care general hospitals, long-term acute hospitals, children's hospitals, and rehabilitation hospitals is allowable only for psychiatric services provided in distinct part psychiatric units that meet the following criteria:

1. Medicare prospective payment system (PPS) exempt psychiatric unit criteria in 42 CFR 412.27 and other applicable Medicare guidelines;

2. licensing standards related to hospital psychiatric units/services in LAC 48:I.Chapters 93, 94, and 95; and

3. enrolled in Medicaid and assigned a separate distinct part psychiatric unit provider number.

EXCEPTION: Emergency psychiatric admissions to non-psychiatric inpatient hospitals/units shall be paid the

psychiatric rate until the beneficiary can be stabilized and transferred to a psychiatric hospital or unit.

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 50:

§123. Psychiatric Hospitals

A. Qualifying Criteria. Reimbursement of inpatient psychiatric services (including substance use treatment) provided by freestanding psychiatric hospitals is allowable only if provided in psychiatric hospitals that meet the following criteria:

1. Medicare prospective payment system (PPS) exempt psychiatric hospital criteria in the 42 CFR 412.23(a), other applicable Medicare guidelines; and

2. licensing standards related to psychiatric services/hospitals in LAC 48:I.Chapters 93, 94, and 95.

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 50:

§125. Rehabilitation Hospitals

A. Qualifying Criteria. Reimbursement of inpatient rehabilitation services provided by freestanding rehabilitation

hospitals is allowable only if provided in rehabilitation

hospitals that meet the following criteria:

1. Medicare prospective payment system (PPS) exempt rehabilitation hospital criteria in 42 CFR 412.23(b) and other applicable Medicare guidelines; and

2. licensing standards related to rehabilitation services/hospitals in LAC 48:I.Chapters 93, 94, and 95.

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 50:

§127. Long-Term Hospitals

A. Qualifying Criteria. Reimbursement as a long-term hospital is only allowable for inpatient services provided in hospitals that meet the Medicare prospective payment system (PPS) exempt long-term hospital criteria in 42 CFR 412.23(e) and other applicable Medicare guidelines.

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 50:

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, 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.

Public Comments

Interested persons may submit written comments to Kimberly Sullivan, JD, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. Sullivan is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is at 4:30 p.m. on May 30, 2024.

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, 2024. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on May 30, 2024 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, 2024. 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.

Ralph L. Abraham, M.D.

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person Preparing Statement:	<u>Lyrica Johnson</u>	Dept.:	<u>Health</u>
			<u>Bureau of Health Services</u>
Phone:	<u>342-6375</u>	Office:	<u>Financing</u>
Return Address:	<u>P.O. Box 91030</u>	Rule Title:	<u>Inpatient Hospital Services</u>
	<u>Baton Rouge LA</u>		
		Date Rule Takes Effect:	<u>July 20, 2024</u>

SUMMARY
(Use complete sentences)

In accordance with Section 961 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 have no programmatic fiscal impact to the state other than the cost of promulgation for FY 23-24. It is anticipated that \$756 (\$378 SCF and \$378 FED) will be expended in FY 23-24 for the state's administrative expense for promulgation of this proposed rule and the final rule.

This proposed rule repeals inpatient hospital services rules which were promulgated prior to implementation of the *Louisiana Administrative Code* (LAC) codification system and amends the provisions governing inpatient hospital services in order to promulgate the criteria to qualify for reimbursement as a distinct part psychiatric unit in a codified format in the LAC and add qualifying criteria for rehabilitation, long-term, and freestanding hospitals.

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

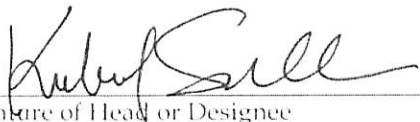
It is anticipated that implementation of this proposed rule will have no effect on revenue collections other than the federal share of the promulgation costs for FY 23-24. It is anticipated that \$378 will be collected in FY 23-24 for the federal share of the expense for promulgation of this proposed 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 repeals inpatient hospital services rules which were promulgated prior to implementation of the *Louisiana Administrative Code* (LAC) codification system and amends the provisions governing inpatient hospital services in order to promulgate the criteria to qualify for reimbursement as a distinct part psychiatric unit in a codified format in the LAC and add qualifying criteria for rehabilitation, long-term, and freestanding hospitals. It is anticipated that implementation of this proposed rule will not result in costs to providers of inpatient hospital services or small businesses in FY 23-24, FY 24-25, and FY 25-26, but will be beneficial ensuring that the provisions governing reimbursement for inpatient psychiatric services are accurately promulgated in the administrative rule.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)


This proposed rule has no known effect on competition and employment.



Signature of Head or Designee
Kimberly Sullivan, JD
Medicaid Executive Director

Typed Name & Title of Agency Head or Designee
4.8.24

Date of Signature



Legislative Fiscal Officer or Designee
Patricia Thomas, Deputy Fiscal Officer

4/09/2024

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 repeals inpatient hospital services rules which were promulgated prior to implementation of the *Louisiana Administrative Code* (LAC) codification system and to amend the provisions governing inpatient hospital services in order to promulgate the criteria to qualify for reimbursement as a distinct part psychiatric unit in a codified format in the LAC and add qualifying criteria for rehabilitation, long-term, and freestanding hospitals.

- 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 proposes to repeal inpatient hospital services rules which were promulgated prior to implementation of the *Louisiana Administrative Code* (LAC) codification system and to amend the provisions governing inpatient hospital services in order to promulgate the criteria to qualify for reimbursement as a distinct part psychiatric unit in a codified format in the LAC and add qualifying criteria for rehabilitation, long-term, and freestanding hospitals.

- 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.

No. It is anticipated that implementation of this proposed rule will have no programmatic fiscal impact to the state other than the cost of promulgation for FY 23-24. In FY 23-24, \$756 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) _____ NO. If no, provide justification as to why this rule change should be published at this time

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 24	FY 25	FY 26
PERSONAL SERVICES	\$0	\$0	\$0
OPERATING EXPENSES	\$756	\$0	\$0
PROFESSIONAL SERVICES	\$0	\$0	\$0
OTHER CHARGES	\$0	\$0	\$0
EQUIPMENT	\$0	\$0	\$0
MAJOR REPAIR & CONSTR.	\$0	\$0	\$0
TOTAL	\$756	\$0	\$0
POSITIONS (#)	0	0	0

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.

In FY 23-24, \$756 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 24	FY 25	FY 26
STATE GENERAL FUND	\$378	\$0	\$0
AGENCY SELF-GENERATED	\$0	\$0	\$0
DEDICATED	\$0	\$0	\$0
FEDERAL FUNDS	\$378	\$0	\$0
OTHER (Specify)	\$0	\$0	\$0
TOTAL	\$756	\$0	\$0

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.

This proposed rule has no known impact on local government.

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?

REVENUE INCREASE/DECREASE	FY 24	FY 25	FY 26
STATE GENERAL FUND	\$0	\$0	\$0
AGENCY SELF-GENERATED	\$0	\$0	\$0
DEDICATED	\$0	\$0	\$0
FEDERAL FUNDS	\$378	\$0	\$0
LOCAL FUNDS	\$0	\$0	\$0
TOTAL	\$378	\$0	\$0

*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.

In FY 23-24, \$378 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 repeals inpatient hospital services rules which were promulgated prior to implementation of the *Louisiana Administrative Code* (LAC) codification system and amends the provisions governing inpatient hospital services in order to promulgate the criteria to qualify for reimbursement as a distinct part psychiatric unit in a codified format in the LAC and add qualifying criteria for rehabilitation, long-term, and freestanding hospitals.

- 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 not result in costs to providers of inpatient hospital services or small businesses in FY 23-24, FY 24-25, and FY 25-26, but will be beneficial ensuring that the provisions governing reimbursement for inpatient psychiatric services are accurately promulgated in the administrative rule.

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 proposed rule has no known effect on competition and employment.