

**NOTICE OF INTENT**

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

**Home Health Program  
Durable Medical Equipment  
Pharmacy Provider Accreditation  
(LAC 50:XIII.8501)**

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:XIII.8501 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Department of Health, Bureau of Health Services Financing proposes to amend the provisions governing provider participation in the Home Health Program in order to remove the accreditation requirements for pharmacies that provide medical equipment, supplies and appliances, in compliance with federal regulations mandated by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

**Title 50  
PUBLIC HEALTH—MEDICAL ASSISTANCE  
Part XIII. Home Health Program  
Subpart 3. Medical Equipment, Supplies and Appliances  
Chapter 85. Provider Participation  
§8501. Accreditation Requirements  
A. - B. ...**

C. Pharmacies. These accreditation requirements do not apply to pharmacies that provide medical equipment, supplies and appliances.

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 36:512 (March 2010), amended LR 37:2159 (July 2011), amended by the Department of Health, Bureau of Health Services Financing, LR 44:

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 positive impact on family functioning, stability or autonomy as described in R.S. 49:972 as it may increase provider participation for pharmacies that provide medical equipment, supplies and appliances which could result in increased recipient access to pharmacies that provide these services.

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have a positive impact on child, individual, or family poverty as described in R.S. 49:973 as it may increase provider participation locally which will reduce transportation cost and the financial burden on families in need of these pharmacy services.

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 and will not impact the direct or indirect cost to the provider to provide the same level of service. However, this proposed Rule removes the accreditation requirement which may enhance 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, September 27, 2018 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

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person

Preparing

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Rule Title: Home Health Program  
Durable Medical Equipment  
Pharmacy Provider Accreditation

Date Rule Takes Effect: November 20, 2018

SUMMARY

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 summary statements, based on the attached worksheets, 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 18-19. It is anticipated that \$432 (\$216 SGF and \$216 FED) will be expended in FY 18-19 for the state's administrative expense for promulgation of this proposed rule and the 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 have no effect on revenue collections other than the federal share of the promulgation costs for FY 18-19. It is anticipated that \$216 will be collected in FY 18-19 for the federal share of the expense for promulgation of this proposed rule and the final rule.*

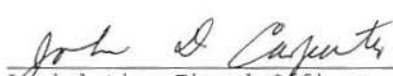
III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

*This proposed Rule amends the provisions governing provider participation in the Home Health Program in order to remove the accreditation requirements for pharmacies that provide medical equipment, supplies and appliances, in compliance with federal regulations mandated by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. This proposed rule may be beneficial to recipients and providers as the removal of these accreditation requirements may result in increased pharmacy provider participation in the Medicaid Program. However, an increase in pharmacy providers may have an adverse financial impact to existing pharmacy providers due to increased competition in the pharmacy provider community. It is anticipated that implementation of this proposed Rule will have no administrative or programmatic costs to the Medicaid Program in FYs 18-19, 19-20 and 20-21.*

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

*This rule has no known effect on employment, but may have an adverse financial impact to exiting pharmacy providers due to a potential increase in competition in the pharmacy provider community.*

  
\_\_\_\_\_  
Signature of Agency Head  
or Designee

  
\_\_\_\_\_  
Legislative Fiscal Officer  
or Designee

Jen Steele, Medicaid Director  
\_\_\_\_\_  
Typed name and Title of  
Agency Head or Designee

\_\_\_\_\_  
Date of Signature

  
\_\_\_\_\_  
LDH/BHSF Budget Head

  
\_\_\_\_\_  
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 deliberations 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 amends the provisions governing provider participation in the Home Health Program in order to remove the accreditation requirements for pharmacies that provide medical equipment, supplies and appliances, in compliance with federal regulations mandated by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.*

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

*The Department of Health, Bureau of Health Services Financing proposes to amend the provisions governing provider participation in the Home Health Program in order to remove the accreditation requirements for pharmacies that provide medical equipment, supplies and appliances, in compliance with federal regulations mandated by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.*

- 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 18-19. In FY 18-19, \$432 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) \_\_\_\_\_ If yes, attach documentation.  
(b) \_\_\_\_\_ If no, provide justification as to why this rule change should be published at this time.

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

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

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

COST	FY 18-19	FY 19-20	FY 20-21
PERSONAL SERVICES			
OPERATING EXPENSES	\$432	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES			
REPAIR & CONSTR.			
POSITIONS (#)			
<b>TOTAL</b>	<b>\$432</b>	<b>\$0</b>	<b>\$0</b>

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 18-19, \$432 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 18-19	FY 19-20	FY 20-21
STATE GENERAL FUND	\$216	\$0	\$0
SELF-GENERATED			
FEDERAL FUND	\$216	\$0	\$0
OTHER (Specify)			
<b>Total</b>	<b>\$432</b>	<b>\$0</b>	<b>\$0</b>

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 THIS PROPOSED ACTION.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustment 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 governmental units.*



FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

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

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

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

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

REVENUE INCREASE/DECREASE	FY 18-19	FY 19-20	FY 20-21
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS	\$216	\$0	\$0
LOCAL FUNDS			
<b>Total</b>	<b>\$216</b>	<b>\$0</b>	<b>\$0</b>

\*Specify the particular fund being impacted

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

*In FY 18-19, \$216 will be collected for the federal share of the administrative expense for promulgation of this proposed rule and the final rule.*

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

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

*This proposed Rule amends the provisions governing provider participation in the Home Health Program in order to remove the accreditation requirements for pharmacies that provide medical equipment, supplies and appliances, in compliance with federal regulations mandated by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.*

- B. Also, provide an estimate of any revenue impact resulting from this rule or rule change to these groups.

*This proposed rule may be beneficial to recipients and providers as the removal of these accreditation requirements may result in increased pharmacy provider participation in the Medicaid Program. However, an increase in pharmacy providers may have an adverse financial impact to existing pharmacy providers due to increased competition in the pharmacy provider community. It is anticipated that implementation of this proposed Rule will have no administrative or programmatic costs to the Medicaid Program in FYs 18-19, 19-20 and 20-21.*

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 employment, but may have an adverse financial impact to exiting pharmacy providers due to a potential increase in competition in the pharmacy provider community.*