

NOTICE OF INTENT

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

**Federally Qualified Health Centers
Reimbursement Methodology
Long-Acting Reversible Contraceptives
(LAC 50:XI.10703)**

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:XI.10703 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 currently provides reimbursement for services rendered by federally qualified health centers (FQHCs) on a per visit basis under a prospective payment system (PPS) methodology. The department now proposes to amend the provisions governing the reimbursement methodology for FQHCs in order to implement a payment methodology to allow reimbursement for long-acting reversible contraceptive devices outside of the PPS rate.

Title 50

**PUBLIC HEALTH—MEDICAL ASSISTANCE
Part XI. Clinic Services
Subpart 15. Rural Health Clinics**

Chapter 107. Reimbursement Methodology

§10703. Alternate Payment Methodology

A. - C. ...

D. Effective for dates of service on or after January 1, 2019, FQHCs shall be reimbursed a separate payment outside of the prospective payment system (PPS) rate for the following services:

1. Long-Acting Reversible Contraceptives (LARCs)

a. Reimbursement for LARCs shall be at the lesser of, the rate on file or the actual acquisition cost for entities participating in the 340B Program. Federally qualified health centers eligible for 340B pricing must bill Medicaid at their 340B actual acquisition cost for reimbursement.

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 34:1033 (June 2008), 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 may have a positive impact on family functioning, stability and autonomy as described in R.S. 49:972, as it provides Medicaid recipients with increased access to long-acting reversible contraceptives which aids in the prevention of unintended pregnancies and low birth outcomes.

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 may have a positive impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973 as it decreases the number of visits required to receive long-acting reversible contraceptive devices necessary for the prevention of unintended pregnancies and low birth outcomes, which will reduce unexpected costs and financial burdens for families.

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 Wednesday, August 29, 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
Statement: Veronica Dent Dept.: Health
Phone: 342-3238 Office: Bureau of Health Services
Financing

Return P.O. Box 91030
Address: Baton Rouge, LA Rule Title: Federally Qualified Health
Centers
Reimbursement Methodology
Long-Acting Reversible
Contraceptives

Date Rule Takes Effect: October 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 result in an estimated state general fund programmatic savings to the state of approximately \$17,289 for FY 18-19, \$104,248 for FY 19-20, and \$184,866 for 20-21 as a result of a direct correlation in increased access to contraception which is expected to reduce Medicaid costs for physician services, and a reduction in federally qualified health center (FQHC) expenditures since fewer visits to the FQHC will be required to receive this service. 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 implementation of this proposed rule will result in an estimated state general fund programmatic savings of approximately \$1,729 for FY 18-19, \$11,583 for 19-20 and \$20,541 for FY 20-21. It is anticipated that \$216 will be expended in FY 18-19 for the federal administrative expenses 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 federally qualified health center (FQHC) reimbursements in order to implement a payment methodology for long-acting reversible contraceptive (LARC) devices outside of the prospective payment system (PPS) rate. This proposed Rule will be beneficial to Medicaid recipients as it is anticipated to reduce the number of FQHC visits required for insertion of LARC devices. There are no anticipated economic costs to FQHC providers; although, there may be a reduction in the number of FQHC visits required for LARC insertions which could reduce payments to FQHCs. However, we anticipate the rule will be beneficial to FQHCs by allowing them to receive reimbursement for LARC devices at cost, in addition to the current PPS encounter rate. Although this rule increases payments for LARC devices, we anticipate it will result in a net reduction in Medicaid programmatic expenditures by approximately \$19,450 for FY 18-19, \$115,831 for FY 19-20 and \$205,407 for 20-21 as a result of reduced payments for encounter visits associated with the insertion of LARC devices.

V. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.

Jen Steele for Jen Steele
Signature of Agency Head
or Designee

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

Shatkar Jind
LDH/BHSF Budget Head

Evan Brassel, Staff Director
Legislative Fiscal Officer
or Designee

7/10/18
Date of Signature

07/10/18
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 Rule proposes to amend the provisions governing federally qualified health center (FQHC) reimbursements in order to implement a payment methodology for long-acting reversible contraceptive devices outside of the prospective payment system rate.

- 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 currently provides reimbursement for services rendered by federal qualified health centers under a prospective payment system (PPS) methodology. The department now proposes to amend the provisions governing the reimbursement methodology for FQHCs in order to implement a payment methodology to allow reimbursement for long-acting reversible contraceptive devices outside of the PPS rate.

- 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. This proposed rule will result in a reduction in Medicaid programmatic expenditures by approximately \$19,018 for FY 18-19 and \$115,831 for FY 19-20, and \$205,407 for 20-21. In FY 18-19, \$432 is will be spent 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		
PROFESSIONAL SERVICES			
OTHER CHARGES	(\$19,450)	(\$115,831)	(\$205,407)
REPAIR & CONSTR.			
POSITIONS (#)			
TOTAL	(\$19,018)	(\$115,831)	(\$205,407)

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 reductions in expenditures in the Medicaid Program. 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	(\$17,289)	(\$104,248)	(\$184,866)
SELF-GENERATED			
FEDERAL FUND	(\$1,729)	(\$11,583)	(\$20,541)
OTHER (Specify)			
Total	(\$19,018)	(\$115,831)	(\$205,407)

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	(\$19,018)	(\$115,831)	(\$205,407)
LOCAL FUNDS			
Total	(\$19,018)	(\$115,831)	(\$205,407)

**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.

The amounts reflected above are the estimated reductions in the federal share of expenditures in the Medicaid Program. 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 federally qualified health center (FQHC) reimbursements in order to implement a payment methodology for long-acting reversible contraceptive (LARC) devices outside of the prospective payment system (PPS) rate.

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

This proposed Rule will be beneficial to Medicaid recipients as it is anticipated to reduce the number of FQHC visits required for insertion of LARC devices. There are no anticipated economic costs to FQHC providers; although, there may be a reduction in the number of FQHC visits required for LARC insertions which could reduce payments to FQHCs. However, we anticipate the rule will be beneficial to FQHCs by allowing them to receive reimbursement for LARC devices at cost, in addition to the current PPS encounter rate. Although this rule increases payments for LARC devices, we anticipate it will result in a net reduction in Medicaid programmatic expenditures by approximately \$19,450 for FY 18-19, \$115,831 for FY 19-20 and \$205,407 for 20-21 as a result of reduced payments for encounter visits associated with the insertion of LARC devices.

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.