

**NOTICE OF INTENT**

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

**Outpatient Hospital Services  
Public Non-State Small Rural Hospitals  
(LAC 50:V.5311, 5511, 5911, and 6113)**

The Department of Health, Bureau of Health Services Financing amends LAC 50:V.5311, §5511, §5911 and §6113 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 promulgated an Emergency Rule, which amended the provisions governing outpatient hospital services in order to establish quarterly supplemental payments for certain public non-state small rural hospitals located in administrative region 3 that render qualifying services during the quarter (*Louisiana Register*, Volume 49, Number 7). This proposed Rule is being promulgated to continue the provisions of the July 1, 2023 Emergency Rule.

**Title 50**

**PUBLIC HEALTH—MEDICAL ASSISTANCE  
Part V. Hospital Services  
Subpart 5. Outpatient Hospital Services**

**Chapter 53. Outpatient Surgery**

## **Subchapter B. Reimbursement Methodology**

### **§5311. Small Rural Hospitals**

A. - C.2. ...

D. Public Non-State Small Rural Hospitals. Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital surgery services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

1. Qualifying Criteria. In order to qualify, as of September 30, 2022, the small hospital must:

- a. be publicly (non-state) owned and operated;
- b. be located in Department of Health administrative region 3; and
- c. provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

2. Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural public hospitals for outpatient hospital surgery services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

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 35:956 (May 2009), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 38:1251 (May 2012), LR 40:542 (March 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 49:

**Chapter 55. Clinic Services**

**Subchapter B. Reimbursement Methodology**

**§5511. Small Rural Hospitals**

A. - C.2. ...

D. Public Non-State Small Rural Hospitals. Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital clinic services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

1. Qualifying Criteria. In order to qualify, as of September 30, 2022, the small hospital must:

a. be publicly (non-state) owned and operated;

b. be located in Department of Health administrative region 3; and

c. provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

2. Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural public hospitals for outpatient hospital clinic services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

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 35:956 (May 2009), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 38:1251 (May 2012), LR 40:542 (March 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 49:

**Chapter 59. Rehabilitation Services**

**Subchapter B. Reimbursement Methodology**

**§5911. Small Rural Hospitals**

A. - C.2. ...

D. Public Non-State Small Rural Hospitals. Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital rehabilitation services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

1. Qualifying Criteria. In order to qualify, as of September 30, 2022, the small hospital must:

- a. be publicly (non-state) owned and operated;
- b. be located in Department of Health administrative region 3; and
- c. provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

2. Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural public hospitals for outpatient hospital rehabilitation services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

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 35:956 (May 2009), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 38:1251 (May 2012), LR 40:543 (March 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 49:

**Chapter 61. Other Outpatient Hospital Services**

**Subchapter B. Reimbursement Methodology**

**§6113. Small Rural Hospitals**

A. - C.2. ...

D. Public Non-State Small Rural Hospitals. Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation, and outpatient facility fees clinic services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

1. Qualifying Criteria. In order to qualify, as of September 30, 2022, the small hospital must:

a. be publicly (non-state) owned and operated;

b. be located in Department of Health administrative region 3; and

c. provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

2. Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural public hospitals for outpatient hospital services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

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 35:956 (May 2009), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 38:1251 (May 2012), LR 40:543 (March 2014), amended by the Department of Health, Bureau of Health Services Financing, LR 49:

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 or 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 Tara A. LeBlanc, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. LeBlanc is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is at 4:30 p.m. on August 29, 2023.

#### **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 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 August 9, 2023. 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 August 24, 2023 in Room 173 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 August 9, 2023. 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.

Stephen R. Russo, JD

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  
Address: P.O. Box 91030 Rule  
Title: Outpatient Hospital Services

Baton Rouge, LA Public Non-State Small Rural Hospitals

Date Rule  
Takes Effect: July 1, 2023

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 \$1,080 (\$540 SGF and \$540 FED) will be expended in FY 23-24 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 23-24. It is anticipated that \$540 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 continues the provisions of the July 1, 2023 Emergency Rule, which amended the provisions governing outpatient hospital services in order to establish quarterly supplemental payments for a public non-state small rural hospital located in administrative region 3 that renders qualifying services during the quarter. The proposed rule ensures that obstetrical services which were discontinued by the non-rural hospital in St. Mary Parish remain locally available to Medicaid beneficiaries by providing additional funding to the public non-state small rural hospital that must absorb the patient volume for these services. It is anticipated that implementation of this proposed rule will result in additional payments to this facility but will have no overall fiscal impact to the Medicaid Program in FY 23-24, FY 24-25, and FY 25-26, as these payments are from the aggregate outpatient upper payment limit cap which is a finite funding source. Funding available for other public non-state hospitals would be offset by these payments.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

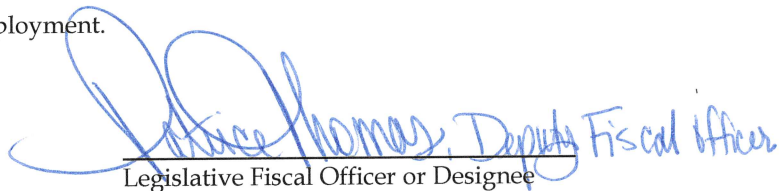
This rule has no known effect on competition and employment.



Signature of Agency Head or Designee

Tara A. LeBlanc, Medicaid Executive Director  
Typed Name & Title of Agency Head or Designee

07/05/2023  
Date of Signature

  
Legislative Fiscal Officer or Designee

07/06/2023  
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 July 1, 2023 Emergency Rule, which amended the provisions governing outpatient hospital services in order to establish quarterly supplemental payments for a public non-state small rural hospital located in administrative region 3 that renders qualifying services during the quarter. The proposed rule ensures that obstetrical services which were discontinued by the non-rural hospital in St. Mary Parish remain locally available to Medicaid beneficiaries by providing additional funding to the public non-state small rural hospital that must absorb the patient volume for these services.

- 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 establish quarterly supplemental payments for certain public non-state small rural hospitals located in administrative region 3 that render qualifying services during the quarter (*Louisiana Register*, Volume 49, Number 7). This proposed Rule is being promulgated to continue the provisions of the July 1, 2023 Emergency Rule.

- 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, \$1,080 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?

<b>COSTS</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>
Personal Services			
Operating Expenses	\$1,080	\$0	\$0
Professional Services			
Other Charges			
Equipment			
Major Repairs & Constr.			
<b>TOTAL</b>	<b>\$1,080</b>	<b>\$0</b>	<b>\$0</b>

**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.

In FY 23-24, \$1,080 will be spent 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.

<b>SOURCE</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>
State General Fund	\$540	\$0	\$0
Agency Self-Generated			
Dedicated			
Federal Funds	\$540	\$0	\$0
Other (Specify)			
<b>TOTAL</b>	<b>\$1,080</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 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 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 24</u>	<u>FY 25</u>	<u>FY 26</u>
State General Fund			
Agency Self-Generated			
Dedicated Funds*			
Federal Funds	\$540	\$0	\$0
Local Funds			
<b>TOTAL</b>	<b>\$540</b>	<b>\$0</b>	<b>\$0</b>

\*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, \$540 will be collected for the federal share of the administrative expense for promulgation of this proposed rule and 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 July 1, 2023 Emergency Rule, which amended the provisions governing outpatient hospital services in order to establish quarterly supplemental payments for a public non-state small rural hospital located in administrative region 3 that renders qualifying services during the quarter. The proposed rule ensures that obstetrical services which were discontinued by the non-rural hospital in St. Mary Parish remain locally available to Medicaid beneficiaries by providing additional funding to the public non-state small rural hospital that must absorb the patient volume for these services.

- 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 result in additional payments to this facility but will have no overall fiscal impact to the Medicaid Program in FY 23-24, FY 24-25, and FY 25-26, as these payments are from the aggregate outpatient upper payment limit cap which is a finite funding source. Funding available for other public non-state hospitals would be offset by these payments.

**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.