

NOTICE OF INTENT

Department of Health and Hospitals
Bureau of Health Services Financing

Professional Services Program
Physician Services
Outpatient Physician Visits
(LAC 50:IX.Chapter 6)

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to repeal the September 20, 1975 Rule governing physician visits, and to adopt LAC 50:IX.Chapter 6 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 Louisiana Health and Human Resources Administration, Division of Family Services promulgated a Rule governing physician services that limited the number of payable visits for medically necessary physician services for each Medicaid eligible person to 12 visits per calendar year, with provisions for extensions (*Louisiana Register*, Volume 1, Number 9).

The Department of Health and Hospitals, Bureau of Health Services Financing now proposes to repeal the September 20, 1975 Rule governing physician visits, and to adopt provisions in the Professional Services Program governing physician services in order to remove the limits from outpatient physician visits. This proposed rule will also ensure that these provisions are promulgated in a codified format for inclusion in the *Louisiana Administrative Code*.

Title 50

PUBLIC HEALTH-MEDICAL ASSISTANCE

Part IX. Professional Services Program Subpart 1. General Provisions

Chapter 6. Outpatient Physician Services

§601. General Provisions

A. The Medicaid program provides coverage and reimbursement for outpatient physician visits in the Professional Services Program. There shall be no limits placed on the number of physician visits payable by the Medicaid program for eligible recipients.

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 41:

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 and autonomy as described in R.S. 49:972 as this proposed Rule will allow greater access to physician 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 in relation to individual or community asset development as described in R.S. 49:973 by reducing the financial burden on families for physician services rendered that exceed the current allowable visits per calendar year.

In compliance with House Concurrent Resolution 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 reduce the direct and indirect cost to the provider to provide the same level of service, and may enhance the provider's ability to provide the same level of service since this proposed Rule may increase payments to providers for the same services they already render.

Interested persons may submit written comments to J. Ruth Kennedy, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030 or by email to MedicaidPolicy@la.gov. Ms. Kennedy is responsible for responding to inquiries regarding this proposed Rule. A public hearing on this proposed Rule is scheduled for Thursday, October 29, 2015 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.

Kathy H. Kliebert

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person

Preparing

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Rule Title: Professional Services Program
Physician Services
Outpatient Physician Visits

Date Rule Takes Effect: January 1, 2016

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 the implementation of this proposed rule will result in estimated state general fund programmatic costs of \$5,917 for FY 15-16, \$11,911 for FY 16-17, and \$12,127 for FY 17-18. It is anticipated that \$432 (\$216 SGF and \$216 FED) will be expended in FY 15-16 for the state's administrative expense for promulgation of this proposed rule and the final rule. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 62.17 percent in FY 15-16. The enhanced rate of 62.11 percent for the last nine months of FY 16 is the federal rate for disaster-recovery FMAP adjustment states.

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 \$9,584 for FY 15-16, \$19,491 for FY 16-17, and \$19,846 for FY 17-18. It is anticipated that \$216 will be expended in FY 15-16 for the federal administrative expenses for promulgation of this proposed rule and the final rule. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 62.17 percent in FY 15-16. The enhanced rate of 62.11 percent for the first three months of FY 16 is the federal rate for disaster-recovery FMAP adjustment states.

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

This proposed rule repeals the September 20, 1975 Rule governing physician visits, adopts provisions in the Professional Services Program governing physician services in order to remove the limits from outpatient physician visits, and ensures that these provisions are promulgated in a codified format for inclusion in the Louisiana Administrative Code. It is anticipated that implementation of this proposed rule will increase programmatic expenditures in the Medicaid Program for physician services by approximately \$15,069 for FY 15-16, \$31,402 for FY 16-17, and \$31,973 for FY 17-18.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

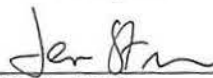
It is anticipated that the implementation of this proposed rule will not have an effect on competition. However, it is anticipated that the implementation of this proposed rule may have a positive effect on employment as it will increase the payments made to providers. The increase in payments may improve the financial standing of physicians and could possibly cause an increase in employment opportunities.



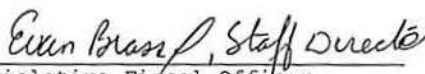
Signature of Agency Head
or Designee

J. Ruth Kennedy, Medicaid Director

Typed name and Title of
Agency Head or Designee



DHH/BHSF Budget Head



Legislative Fiscal Officer
or Designee

9/10/15

Date of Signature

9/9/15

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 repeals the September 20, 1975 Rule governing physician visits, adopts provisions in the Professional Services Program governing physician services in order to remove the limits from outpatient physician visits, and ensures that these provisions are promulgated in a codified format for inclusion in the Louisiana Administrative Code.

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

The Louisiana Health and Human Resources Administration, Division of Family Services promulgated a Rule governing physician services that limited the number of payable visits for medically necessary physician services for each Medicaid eligible person to 12 visits per calendar year, with provisions for extensions (Louisiana Register, Volume 1, Number 9).

The Department of Health and Hospitals, Bureau of Health Services Financing now proposes to repeal the September 20, 1975 Rule governing physician visits, and to adopt provisions in the Professional Services Program governing physician services in order to remove the limits from outpatient physician visits. This proposed rule will also ensure that these provisions are promulgated in a codified format for inclusion in the Louisiana Administrative Code.

- 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. This proposed rule will result in an increase in programmatic expenditures in the Medicaid Program by approximately \$15,501 for FY 15-16, \$31,402 for FY 16-17, and \$31,973 for FY 17-18. In FY 15-16, \$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.

Act 16 of the 2015 Regular Session of the Louisiana Legislature allocates funds to the Department of Health and Hospitals to provide reimbursements to providers for Medicaid covered services. This rule change should be published at this time to ensure recipients in need of routine medical care will have access to the services in the most appropriate setting. This proposed rule is expected to reduce the inappropriate use of emergency room services which are more costly than outpatient physician visits, and are not the appropriate setting for routine medical care.

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 15-16	FY 16-17	FY 17-18
PERSONAL SERVICES			
OPERATING EXPENSES	\$432	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES	\$15,069	\$31,402	\$31,973
REPAIR & CONSTR.			
POSITIONS (#)			
TOTAL	\$15,501	\$31,402	\$31,973

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 in programmatic expenditures for outpatient physician services. In FY 15-16, \$432 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.

Source	FY 15-16	FY 16-17	FY 17-18
STATE GENERAL FUND	\$5,917	\$11,911	\$12,127
SELF-GENERATED			
FEDERAL FUND	\$9,584	\$19,491	\$19,846
OTHER (Specify)			
Total	\$15,501	\$31,402	\$31,973

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 15-16	FY 16-17	FY 17-18
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS	\$9,584	\$19,491	\$19,846
LOCAL FUNDS			
Total	\$9,584	\$19,491	\$19,846

*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 increases in the federal share of program expenditures for outpatient physician services. In FY 15-16, \$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 repeals the September 20, 1975 Rule governing physician visits, adopts provisions in the Professional Services Program governing physician services in order to remove the limits from outpatient physician visits, and ensures that these provisions are promulgated in a codified format for inclusion in the Louisiana Administrative Code.

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

It is anticipated that implementation of this proposed rule will increase programmatic expenditures in the Medicaid Program by approximately \$15,069 for FY 15-16, \$31,402 for FY 16-17, and \$31,973 for FY 17-18.

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.

It is anticipated that the implementation of this proposed rule will not have an effect on competition. However, it is anticipated that the implementation of this proposed rule may have a positive effect on employment as it will increase the payments made to providers. The increase in payments may improve the financial standing of physicians and could possibly cause an increase in employment opportunities.