



State of Louisiana
Louisiana Department of Health
Office of the Secretary

November 7, 2025

Via Statutorily Prescribed Email

To: The Honorable Patrick McMath, Chairman, Senate Health & Welfare Committee
The Honorable Dustin Miller, Chairman, House Health & Welfare Committee

From: Bruce D. Greenstein
Secretary

Re: Second Report to Proposed Amendments to LAC 50:I.3113 – Managed Care
Healthy Louisiana Hospital and Practitioner Directed Payments

Pursuant to the Louisiana Administrative Procedure Act, the Louisiana Department of Health, submits its second report regarding Managed Care Healthy Louisiana Hospital and Practitioner Directed Payments, LAC 50:I.3113.

A Notice of Intent on the proposed amendments was published in the September 20, 2025 issue of the *Louisiana Register* (LR 51:1475). No written comments were received and there was no request for a public hearing during the notice period. Because there were no requests for a public hearing, one was not held for these proposed amendments. Additionally, no substantive changes were made to the proposed amendments since the report is provided for in R.S. 49:966(B)(C).

Unless otherwise directed, the Department anticipates adopting the September 20, 2025 Notice of Intent when it is published as a final rule in the December 20, 2025 issue of the *Louisiana Register*.

Please contact Tizi Robinson, at Tizi.Robinson@la.gov, if you have any questions or require additional information about this matter.

Cc: Kimberly Sullivan, Senior Advisor to the Secretary for Medicaid, LDH
Tangela Womack, Medicaid Deputy Director, LDH
Erin Lee, Medicaid Program Manager, LDH
Catherine Brindley, Medicaid Program Manager, LDH
Bethany Blackson, Director of External Affairs and Governmental Relations, LDH
Andrea Trantham, Editor, *Louisiana Administrative Code*, Office of the State Register

NOTICE OF INTENT

Department of Health Bureau of Health Services Financing

Managed Care Healthy Louisiana
Hospital and Practitioner Directed Payments
(LAC 50:I.3113)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:I.3113 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 Medicaid managed care organizations (MCOs) to allow practitioner and practitioner groups to participate in directed payments, in accordance with the preprint approved by Centers for Medicare and Medicaid Services (CMS). This allows practitioners under managed care plan contracts to receive directed payments and be included in the calculations for those payments.

The proposed Rule text below has been drafted utilizing plain language principles to ensure clarity and accessibility for all users. It has also been reviewed and tested for compliance with web accessibility standards.

Title 50
PUBLIC HEALTH—MEDICAL ASSISTANCE

Part I. Administration

Subpart 3. Managed Care for Physical and Behavioral Health

Chapter 31. General Provisions

§3113. Directed Payments

A. Hospital and Practitioner Directed Payments

1. Subject to written approval by the Centers for Medicare and Medicaid Services (CMS), the Louisiana Department of Health (LDH) shall provide directed payments to qualifying hospitals and practitioner/groups. Practitioners include physicians, physician assistants, certified registered nurse practitioners, and certified nurse anesthetists, as well as practitioner groups. These entities must participate in Healthy Louisiana Medicaid managed care program. All directed payments shall be made in accordance with the applicable 42 CFR §438.6(c) preprint(s) approved by CMS, as well as relevant federal and departmental regulations.

2. Qualifying Hospital or Practitioner—one of the following:

a. an in-state provider of inpatient and outpatient hospital services (excluding freestanding psychiatric hospitals, freestanding rehabilitation hospitals, and long-term acute care hospitals) that meets the criteria specified in the applicable 42 CFR §438.6(c) preprint approved by CMS and departmental regulations;

b. an in-state hospital provider of long-term acute care, psychiatric services, and rehabilitation services for both inpatient and outpatient hospital services that meet the criteria specified in the applicable 42 CFR §438.6(c) preprint approved by CMS and departmental regulations; or

c. an in-state practitioner for professional services, primary care services and specialty physician services that meet the criteria specified in the applicable 42 CFR §438.6(c) preprint approved by CMS and the departmental regulations.

3. The department shall assign qualifying hospitals or practitioners to provider classes based upon criteria specified in the applicable 42 CFR §438.6(c) preprint(s) approved by CMS, in accordance with departmental regulations.

a. Qualifying hospitals or practitioners shall have no right to an administrative appeal regarding any issue related to provider classification, including, but not limited to, provider class assignment, the effective date of provider class assignment, or qualifying determinations.

4. The department shall utilize an interim payment process, whereby interim directed payments will be calculated based on provider class assignment utilizing the data and methodology specified in the applicable 42 CFR §438.6(c) preprint(s) approved by CMS, in accordance with departmental regulations.

a. Qualifying hospitals or practitioners shall have no right to an administrative appeal regarding calculation of interim directed payments.

b. The department reserves the right to discontinue the interim directed payments to any hospital or practitioner whose projected recoupment due to shifts in utilization is greater than 50 percent of their estimated interim directed payments or any hospital or practitioner who discontinues

operations during or prior to the directed payment contract period.

5. ...

a. The MCOs shall pay interim directed payments to qualified hospitals or practitioners within 10 business days of receipt of quarterly interim directed payment information from LDH. If a barrier exists that will not allow the MCO to pay the interim directed payments within 10 business days of receipt, the MCO shall immediately notify LDH. LDH at its sole discretion will determine if penalties for late payment may be waived.

b. The qualifying hospital or practitioner may request that the MCOs deposit their interim directed payments into a separate bank account owned/held by the qualifying hospital or practitioner. Interim directed payments shall not be deposited into a bank account that is owned/held by more than one qualifying hospital or practitioner.

6. In accordance with the applicable 42 CFR §438.6(c) preprint(s) approved by CMS, federal regulations, and departmental requirements, directed payments must be based on actual utilization and delivery of services during the applicable contract period.

a. Within 12 months of the end of each state fiscal year (SFY), LDH shall perform a reconciliation of hospital interim payments as specified in the applicable 42 CFR §438.6(c) preprint approved by CMS and departmental regulations.

b. LDH shall reconcile the interim payment for practitioners as specified in the applicable 42 CFR §438.6(c) preprint approved by CMS and departmental regulations.

i. Qualifying hospitals or practitioners shall have no right to an administrative appeal regarding any issue related to reconciliation, including, but not limited to, the timing and process.

c. Qualified hospitals or practitioners are strongly encouraged to submit claims as quickly as possible.

7. If a qualifying hospital or practitioner that is subject to a reconciliation or adjustment will not be participating in a directed payment arrangement in the future, the qualified hospital or practitioner shall pay all amounts owed to LDH or the MCO, if any, within 30 calendar days' notice of the amount owed, in accordance with departmental regulations.

a. In addition to all other available remedies, LDH or the MCOs has the authority to offset all amounts owed by a qualifying hospital or practitioner due to a reconciliation or adjustment against any payment owed to the qualifying hospital or practitioner, including, but not limited to, any payment owed by the MCO or LDH.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:245 and Title XIX of the Social Security Act

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 49:264 (February 2023), amended LR 49:1566 (September 2023), LR 50:1649 (November 2024), LR 51:

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 Impact

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 a positive impact on small businesses, since it includes practitioners in directed payments.

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, but may improve the provider's ability to provide the same level of service as described in HCR 170 since practitioners will now be included in directed payments.

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 October 20, 2025.

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 October 10, 2025. 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 October 30, 2025 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 October 10, 2025. 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.

Bruce D. Greenstein
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Managed Care Healthy Louisiana Hospital and Practitioner Directed Payments

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT 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 25-26. It is anticipated that \$864 (\$432 SGF and \$432 FED) will be expended in FY 25-26 for the state's administrative expense for promulgation of this proposed rule and the final rule.

This proposed rule amends the provisions governing Medicaid Managed Care Organizations (MCOs) to allow practitioner and practitioner groups to participate in directed payments, in accordance with the preprint approved by Centers for Medicare and Medicaid Services (CMS). This allows practitioners under managed care plan contracts to receive directed payments and be included in the calculations for those payments.

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 impact on state or local governmental revenue collections for FY 25-26. It is anticipated that \$432 will be collected in FY 25-26 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 NONGOVERNMENTAL GROUPS (Summary)

This proposed rule amends the provisions governing Medicaid MCOs to allow practitioner and practitioner groups to participate in directed payments, in accordance with the preprint approved by CMS. Implementation of this rule is anticipated to have no cost or economic benefit to providers or small businesses in FY 25-26, FY 26-27, or FY 27-28.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

Kimberly Sullivan, JD
Medicaid Executive Director
2509#043

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office



State of Louisiana
Louisiana Department of Health
Office of the Secretary

October 23, 2025

Via Statutorily Prescribed Email

To: The Honorable Patrick McMath, Chairman, Senate Health & Welfare Committee
The Honorable Dustin Miller, Chairman, House Health & Welfare Committee

From: Bruce D. Greenstein
Secretary

Re: Second Report to Proposed Amendments to LAC 50:XV.10101, 10701, 11101, 11103 – Targeted Case Management – Ventilator Care Coordination

Pursuant to the Louisiana Administrative Procedure Act, the Louisiana Department of Health, submits its second report regarding the Targeted Case Management – Ventilator Care Coordination, LAC 50:XV.10101, 10701, 11101, 11103.

A Notice of Intent on the proposed amendments was published in the September 20, 2025 issue of the *Louisiana Register* (LR 51:1480). No written comments were received and there was no request for a public hearing during the notice period. Because there were no requests for a public hearing, one was not held for these proposed amendments. Additionally, no substantive changes were made to the proposed amendments since the report provide for in R.S. 49:966(B)(C) was submitted.

Unless otherwise directed, the Department anticipates adopting the September 20, 2025 Notice of Intent when it is published as a final rule in the December 20, 2025 issue of the *Louisiana Register*.

Please contact Tracy Barker, at Tracy.Barker2@la.gov, if you have any questions or require additional information about this matter.

Cc: Kimberly Sullivan, Senior Advisor to the Secretary for Medicaid, LDH
Tangela Womack, Medicaid Deputy Director, LDH
Catherine Brindley, Medicaid Program Manager, LDH
Bethany Blackson, Director of External Affairs and Governmental Relations, LDH
Andrea Trantham, Editor, *Louisiana Administrative Code*, Office of the State Register

NOTICE OF INTENT

Department of Health Bureau of Health Services Financing

Targeted Case Management Ventilator Care Coordination (LAC 50:XV.10101, 10701, 11101, 11103)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:XV.10101 and 10701 and adopt LAC 50:XV.11101 and 11103 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 targeted case management in order to add ventilator care coordination as a service. This proposed Rule establishes the requirements for beneficiaries to receive these services, the requirements for Medicaid-participating hospitals and providers, and clarifies the reimbursement rate for targeted case management services. This proposed Rule also repeals language related to the Children's Hospital Ventilator Assisted Care program, since the new service replaces that program.

The proposed Rule text below has been drafted utilizing plain language principles to ensure clarity and accessibility for all users. It has also been reviewed and tested for compliance with web accessibility standards.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part XV. Services for Special Populations

Subpart 7. Targeted Case Management

Chapter 101. General Provisions

§10101. Program Description

A. - D.2....

E. Repealed.

F. ...

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 Human Resources, Office of Family Security, LR 12:834 (December 1986), amended by the Department of Health

and Hospitals, Office of the Secretary, Bureau of Health Services Financing, LR 19:648 (May 1993), LR 23:732 (June 1997), repealed and promulgated LR 25:1251 (July 1999), repromulgated for inclusion in LAC, LR 30:1036 (May 2004), amended by the Department of Health and Hospitals, Office of the Secretary, Office for Citizens with Developmental Disabilities, LR 32:1607 (September 2006), amended by the Department of Health, Bureau of Health Services Financing and the Office for Citizens with Developmental Disabilities, LR 47:1124 (August 2021), LR 49:2107 (December 2023), amended by the Department of Health, Bureau of Health Services Financing, LR 51:

Chapter 107. Reimbursement

§10701. Reimbursement

A. - E. ...

F. All targeted case management services shall be reimbursed at a flat rate for each approved unit of service. The standard of service is equivalent to one month.

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 30:1040 (May 2004), amended LR 31:2032 (August 2005), LR 35:73 (January 2009), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1903 (September 2009), LR 36:1783 (August 2010), amended by the Department of Health and Hospitals, Bureau of Health Services Financing and the Office of Public Health, LR 39:97 (January 2013), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 39:3302 (December 2013), LR 40:1700, 1701 (September 2014), LR 41:1490 (August 2015), amended by the Department of Health, Bureau of Health Services Financing, LR 44:63 (January 2018), LR 47:1128 (August 2021), amended by the Department of Health, Bureau of Health Services Financing and the Office for Citizens with Developmental Disabilities, LR 48:2976 (December 2022), amended by the Department of Health, Bureau of Health Services Financing, LR 51:

Chapter 111. Ventilator Care Coordination

§11101. Recipient Qualifications

A. The targeted population for ventilator care coordination shall consist of Medicaid beneficiaries, birth through age 25, who require the use of mechanical ventilation and are participants of the Children's Choice Waiver (CC), New Opportunities Waiver (NOW), Residential Options Waiver (ROW), Early Steps Program, or meet requirements to receive Early Periodic Screening Diagnostic and Treatment (EPSDT) Targeted Case Management services as specified in LAC 50:XV.11303. Those eligible for and electing to receive ventilator care coordination may not receive other Medicaid-funded case management services.

B. Ventilator care coordination provides technical medical expertise relative to mechanical ventilation, including:

1. intensive case management that focuses on medical needs and addressing socioeconomic and environmental factors;
2. discussing with beneficiary/family when medical concerns arise and acting accordingly;
3. updating physicians on medical concerns/issues between hospitalizations to maximize patient care;
4. collaborating with skilled professionals to assess equipment needs for each beneficiary to ensure appropriateness;

5. advocating between the beneficiary/family, the supply/equipment vendor, and other providers when needed;

6. assessing beneficiary needs to have updated prescriptions for ventilator supplies and durable medical equipment;

7. working with the home health agency, family, and pharmacy to avoid the risk of medication reaction or error;

8. reviewing the home health agency's plan of care to determine the accuracy and appropriateness of the services provided; and

9. providing training and technical assistance to care providers and agencies that administer the provision of care to promote the health and safety of ventilator care coordination beneficiaries in their homes, at school, and in the community.

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 51:

§11103. Ventilator Care Coordination Provider

Qualifications

A. Each Medicaid-enrolled provider must employ the following staff:

1. licensed registered nurse; and
2. registered respiratory therapist.

B. The staff listed in Paragraphs A.1 and A.2 of this Section must possess at least two years of experience working with individuals who require mechanical ventilation.

C. Ventilator care coordinators may not exceed a caseload of 25 beneficiaries.

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 51:

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 a positive impact on family functioning, stability and autonomy as described in R.S. 49:972, since it will allow beneficiaries to continue receiving ventilator services.

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 a positive impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973, since it will allow beneficiaries to continue receiving ventilator services.

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 an impact on the staffing level requirements or qualifications required to provide the same level of service since the proposed Rule requires Medicaid-enrolled providers to employ specific staff, and may increase the total direct and indirect cost to the provider to provide the same level of service, and may impact the provider's ability to provide the same level of service as described in HCR 170, since it adds new requirements and services.

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 October 20, 2025.

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 October 10, 2025. 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 October 30, 2025 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 October 10, 2025. 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.

Bruce D. Greenstein
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Targeted Case Management Ventilator Care Coordination

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is anticipated that implementation of this proposed rule will result in increased costs to the state of \$170,981 for FY 25-26, \$255,822 for FY 26-27, and \$255,822 for FY 27-28. It is anticipated that \$972 (\$486 SGF and \$486 FED) will be expended in FY 25-26 for the state's administrative expense for promulgation of this proposed rule and final rule.

This proposed rule adds ventilator care coordination as a targeted case management service. It establishes the requirements for hospitals and providers, clarifies targeted case management reimbursement rates, and establishes what the requirements are for beneficiaries to receive the services. This proposed rule also repeals language related to the Children's Hospital Ventilator Assisted Care program, since the new service replaces that program.

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 \$360,962 for FY 25-26, \$540,635 for FY 26-27, and \$540,635 for FY 27-28. In FY 25-26, \$486 will be collected 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 NONGOVERNMENTAL GROUPS (Summary)

This proposed rule adds ventilator care coordination as a targeted case management service. It lays out the requirements for hospitals and providers, clarifies targeted case management reimbursement rates, and establishes what the requirements are for beneficiaries to receive the services. This proposed rule will positively impact beneficiaries by allowing them to continue receiving ventilator services, but may result in higher costs to providers due to new requirements for staffing and case management services. This proposed rule is expected to result in increased payments to providers of \$530,971 for FY 25-26, \$796,457 in FY 26-27, and \$796,457 in FY 27-28.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition, but may increase opportunities for employment since it requires Medicaid-enrolled hospitals to provide additional specialized services.

Kimberly Sullivan, JD
Medicaid Executive Director
2509#044

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office