

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.

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1710#056

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**NOTICE OF INTENT**

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

Professional Services Program  
State-Owned or Operated Professional Services Practices  
Enhanced Reimbursement Rates  
(LAC 50:IX.15110 and 15113)

The Department of Health, Bureau of Health Services Financing proposes to adopt LAC 50:IX.15110, and to amend §15113, 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 provides reimbursement under the Medicaid State Plan to physicians and other professional services practitioners for services rendered to Medicaid covered recipients.

The department now proposes to amend the provisions governing the Professional Services Program in order to revise the reimbursement methodology governing services rendered by physicians and other professional services practitioners employed by, or under contract to provide services in affiliation with, a state-owned or operated entity in order to enhance the reimbursement rates.

**Title 50**

**PUBLIC HEALTH—MEDICAL ASSISTANCE**

**Part IX. Professional Services Program**

**Subpart 15. Reimbursement**

**Chapter 151. Reimbursement Methodology**

**Subchapter A. General Provisions**

**§15110. State-Owned or Operated Professional Services Practices**

A. Qualifying Criteria. Effective for dates of service on or after February 1, 2018, in order to qualify to receive enhanced rate payments for services rendered to Medicaid recipients under these provisions, physicians and other eligible professional service practitioners must be:

1. licensed by the state of Louisiana;
2. enrolled as a Louisiana Medicaid provider; and
3. employed by, or under contract to provide services in affiliation with, a state-owned or operated entity, such as a state-operated hospital or other state entity, including a state academic health system, which:

a. has been designated by the department as an essential provider. Essential providers include:

- i. LSU School of Medicine—New Orleans;
- ii. LSU School of Medicine—Shreveport; and
- iii. LSU state-operated hospitals (Lallie Kemp Regional Medical Center and Villa Feliciana Geriatric Hospital).

B. State-owned or operating entities shall identify to the department which professional service practitioners/groups qualify for the enhanced rate payments.

**C. Payment Methodology**

1. Effective for dates of service on or after February 1, 2018, payments shall be made at the community rate level for services rendered by physicians and other eligible professional service practitioners who qualify under the provisions of §15110.A.

a. *Community Rate Level*—the rates paid by commercial payers for the same service.

b. The provider's average commercial rate (ACR) demonstration will be updated at least every three years.

c. Enhanced rates are based on average commercial rates effective during the state fiscal year preceding the fiscal year in which the ACR is calculated for each service designated by a current procedural terminology (CPT) code recognized by the Medicaid program as a covered service.

2. For services rendered by physicians and other professional services practitioners, in affiliation with a state-owned or operated entity, the department will collect from the state owned or operated entity its current commercial rates/fee schedules by CPT code for their top three commercial payers by volume.

3. The department will calculate the average commercial rate for each CPT code for each professional services practice that provides services in affiliation with a state-owned or operated entity.

4. The department will extract from its paid claims history file, for the preceding fiscal year, all paid claims for those physicians and professional practitioners who will qualify for the enhanced reimbursement rates. The department will align the average commercial rate for each CPT code to each Medicaid claim for the physician or professional services practitioner/practice plan and calculate the average commercial payments for the claims.

5. The department will also align the same paid Medicaid claims with the Medicare rates for each CPT code for the physician or professional services practitioner and calculate the Medicare payment amounts for those claims. The Medicare rates will be the most currently available national non-facility rates.

6. The department will calculate an overall Medicare to commercial conversion factor by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims.

7. This conversion factor will be applied to the current Medicare rates for all procedure codes payable for Medicaid to create the enhanced reimbursement rate.

D. Payment to physician-employed physician assistants and registered nurse practitioners shall be 80 percent of the maximum allowable rate paid to physicians.

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 44:

**Subchapter B. Physician Services**

**§15113. Reimbursement Methodology**

A. - M. ...

N. Effective for dates of service on or after February 1, 2018, physicians, who qualify under the provisions of §15110 for services rendered in affiliation with a state-owned or operated entity that has been designated as an

essential provider, shall receive enhanced reimbursement rates up to the community rate level for qualifying services as determined in §15110.C.

**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 36:1252 (June 2010), amended LR 36:2282 (October 2010), LR 37:904 (March 2011), LR 39:3300, 3301 (December 2013), LR 41:541 (March 2015), LR 41:1119 (June 2015), LR 41:1291 (July 2015), 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.

#### **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 as it will ensure continued access by Medicaid recipients to services rendered by physicians and other professional services practitioners affiliated with state-owned or operated professional services practices.

#### **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 as it reduces the financial burden for families of Medicaid recipients who are in need of access to services rendered by physicians and other professional services practitioners affiliated with state-owned or operated professional services practices.

#### **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, and may reduce the total direct and indirect cost to the provider to provide the same level of service. It may also enhance the provider's ability to provide the same level of service since this proposed Rule increases the payment to providers for the same services they already render.

#### **Public Comments**

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. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

#### **Public Hearing**

A public hearing on this proposed Rule is scheduled for Wednesday, November 29, 2017 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.

Rebekah E. Gee MD, MPH  
Secretary

#### **FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES**

#### **RULE TITLE: Professional Services Program State-Owned or Operated Professional Services Practices—Enhanced Reimbursement Rates**

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

It is anticipated that the implementation of this proposed rule will increase programmatic costs to the state of approximately \$2,133,155 for FY 17-18, \$6,242,998 for FY 18-19 and \$6,242,998 for FY 19-20. It is anticipated that \$756 (\$378 SGF and \$378 FED) will be expended in FY 17-18 for the state's administrative expense for promulgation of this proposed rule and the final rule. The state match shall be funded through an intergovernmental transfer of funds from the qualifying professional services providers. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 63.34 percent in FY 17-18 and 64.23 percent in FY 18-19 and 19-20.

#### **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 \$3,685,324 for FY 17-18, \$11,210,170 for FY 18-19 and \$11,210,170 for FY 19-20 and self-generated revenue collections by approximately \$2,132,777 in FY 17-18, \$6,242,998 in FY 18-19 and \$6,242,998 in FY 19-20. It is anticipated that \$378 will be expended in FY 17-18 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 63.34 percent in FY 17-18 and 64.23 in FY 18-19 and FY 19-20.

#### **III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)**

This proposed Rule amends the provisions governing the Professional Services Program in order to revise the reimbursement methodology governing services rendered by physicians and other professional services practitioners employed by, or under contract to provide services in affiliation with, a state-owned or operated entity in order to enhance the reimbursement rates. It is anticipated that implementation of this proposed rule will have economic benefits to professional services providers and will increase programmatic expenditures for the Professional Services Program by approximately \$5,817,723 for FY 17-18 and \$17,453,168 for FY 18-19 and \$17,453,168 for FY 19-20.

#### **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 reimbursement rates paid to qualifying physicians and professional services practitioners. The increase in payments may improve the financial standing of providers and could possibly cause an increase in employment opportunities.

Jen Steele  
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## NOTICE OF INTENT

### Department of Health Bureau of Health Services Financing

Targeted Case Management  
Reimbursement Methodology  
Early and Periodic Screening, Diagnosis and Treatment  
(LAC 50:XV.10701)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:XV.10701 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This 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 amended the provisions governing the reimbursement methodology for targeted case management (TCM) services provided to New Opportunities Waiver recipients in order to adopt a payment methodology based on a flat monthly rate rather than 15-minute increments (*Louisiana Register*, Volume 40, Number 9).

The department has now determined that it is necessary to amend the provisions governing reimbursement for TCM services provided to participants in the Early and Periodic Screening, Diagnosis and Treatment Program in order to adopt a payment methodology based on a flat monthly rate rather than 15-minute increments.

#### Title 50

### PUBLIC HEALTH—MEDICAL ASSISTANCE

#### Part XV. Services for Special Populations

##### Subpart 7. Targeted Case Management

#### Chapter 107. Reimbursement

##### §10701. Reimbursement

A. - K.2. ...

L. Effective for dates of service on or after April 1, 2018, case management services provided to participants in the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program shall be reimbursed at a flat rate for each approved unit of service. The standard unit 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:

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 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 a no impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973.

#### 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 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. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

#### Public Hearing

A public hearing on this proposed Rule is scheduled for Wednesday, November 29, 2017 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.

Rebekah E. Gee MD, MPH  
Secretary

### FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

#### RULE TITLE: Targeted Case Management Reimbursement Methodology

#### Early and Periodic Screening, Diagnosis and Treatment

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

It is anticipated that the implementation of this proposed rule will result in net estimated state general fund costs of approximately \$1,085 for FY 17-18, \$5,079 for FY 18-19, and