

the financial burden on families in need of specialized intensive care treatment for burn victims.

**Provider Impact Statement**

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, and may reduce the total direct and indirect cost to the provider to provide the same level of service. This proposed Rule 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, 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.

Rebekah E. Gee MD, MPH  
Secretary

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

**RULE TITLE: Disproportionate Share  
Hospital Payments, Major Medical Centers,  
and Specialized Burn Care Units**

**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 estimated state general fund programmatic costs of \$4,462,325 for FY 18-19, \$4,595,861 for FY 19-20 and \$4,733,737 for FY 20-21. It is anticipated that \$648 (\$324 SGF and \$324 FED) will be expended in FY 18-19 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 hospital services provider. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 64.23 percent in FYs 18-19, 19-20 and 20-21.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE  
OR LOCAL GOVERNMENTAL UNITS (Summary)**

It is anticipated that federal revenue collections will increase by approximately \$8,012,465 for FY 18-19, \$8,252,505 for FY 19-20 and \$8,500,080 for FY 20-21 and self-generated revenue collections will increase by approximately \$4,462,325 in FY 18-19, \$4,595,861 in FY 20-21 and \$4,733,737 in FY 20-21. It is anticipated that \$324 will be expended in FY 18-19 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 64.23 percent in FYs 18-19, 19-20 and 20-21.

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

This proposed Rule continues the provisions of the June 30, 2018 Emergency Rule which amended the provisions governing disproportionate share hospital (DSH) payments for major medical centers in order to establish qualification criteria and a DSH payment methodology for a large private hospital located in the southwestern area of the state (LDH Region 4) which provides specialized intensive care burn unit services (1 hospital). It is anticipated that implementation of this proposed rule will have economic benefits to a qualifying hospital and will increase programmatic expenditures for DSH payments by approximately \$12,474,142 for FY 18-19, 12,848,366 for FY 19-20 and \$13,233,817 for FY 20-21.

**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, the increase in payments may have a positive impact the financial standing of the provider and could possibly cause an increase in employment opportunities.

Jan Steele  
Medicaid Director  
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Evan Brasseaux  
Staff Director  
Legislative Fiscal Office

**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 13. Federally-Qualified Health Centers**

**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.

#### **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 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.

#### **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 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.

#### **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**

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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: Federally-Qualified Health Centers Reimbursement Methodology Long-Acting Reversible Contraceptives**

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

#### **IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)**

This rule has no known effect on competition and employment.

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