

Public Hearing

A public hearing on this proposed Rule is scheduled for Thursday, October 25, 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: Non-Rural, Non-State Hospitals and
Children’s Specialty Hospitals
Reimbursement Rate Increase**

**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 programmatic cost (Hospital Stabilization Fund statutory dedication revenues) of approximately \$7,895,909 for FY 18-19, \$22,808,110 for FY 19-20 and \$22,808,110 FY 20-21. It is anticipated that \$1,188 (\$594 SGF and \$594 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 numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 64.67 percent in FY 18-19 and 65.79 percent in FY 19-20 and FY 20-21 for the projected non-expansion population, and an FMAP rate of 93.5 percent in FY 18-19, 91.5 percent in FY 19-20 and 90.0 in FY 20-21 percent for the projected expansion population.

**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 \$14,452,617 for FY 18-19, \$43,862,775 for FY 19-20 and \$43,862,775 for FY 20-21 (assuming passage of future resolutions). It is anticipated that \$594 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 64.67 percent in FY 18-19 and 65.79 percent in FY 19-20 and FY 20-21 for the projected non-expansion population, and an FMAP rate of 93.5 percent in FY 18-19, 91.5 percent in FY 19-20 and 90.0 in FY 20-21 percent for the projected expansion population.

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

This proposed Rule, in compliance with House Concurrent Resolution (HCR) 6 of the 2018 Regular Session of the Louisiana Legislature, amends the reimbursement methodology for outpatient hospital services to increase the reimbursement rates paid to non-rural, non-state hospitals and children’s specialty hospitals. Providers of outpatient hospital services will benefit from this proposed Rule since it increases payments for the services they already render. It is anticipated that implementation of this proposed rule will increase programmatic expenditures for outpatient hospital services by approximately \$22,347,338 for FY 18-19, \$66,670,885 for FY 19-20 and \$66,670,885 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, we anticipate that the implementation may have a positive effect on employment as it will increase payments made to non-rural, non-state hospitals for outpatient services. The increase in payments may enhance the financial standing of these providers and could possibly cause an increase in employment opportunities.

Jen 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**

Rural Health Clinics
Reimbursement Methodology
Mammography Separate Payments
(LAC 50:XI.16703)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:XI.16703 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 rural health clinics (RHCs) 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 RHCs in order to implement a payment methodology to allow reimbursement for mammography screening and diagnosis services outside of the PPS rate.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part XI. Clinic Services

Subpart 15. Rural Health Clinics

Chapter 167. Reimbursement Methodology

§16703. Alternate Payment Methodology

A. - C. ...

D. Effective for dates of service on or after January 1, 2019, RHCs shall be reimbursed a separate payment outside of the prospective payment system (PPS) rate for the following services:

1. Reserved.

2. Mammogram Screening and Diagnosis

a. Reimbursement for mammogram screening and diagnostics shall be a flat fee on file based on Medicaid covered current procedural terminology (CPT) code(s), in addition to the PPS rate for the associated encounter/office visit.

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 32:1905 (October 2006), repromulgated LR 32:2267 (December 2006), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 37:2632 (September 2011), LR 40:83 (January 2014), 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 reduces the number of visits required for Medicaid recipients to receive a mammogram and diagnostic services in an RHC which aids in detecting cancer and related illnesses earlier.

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 a mammogram and diagnostic services, 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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Rebekah E. Gee MD, MPH
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Rural Health Clinics Reimbursement Methodology Mammography Separate Payments

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

It is anticipated that implementation of this proposed rule will result in estimated state general fund net programmatic savings of approximately \$22,181 for FY 18-19, \$73,622 for FY 19-20 and \$78,301 for FY 20-21 as a result of a direct correlation in increased access to mammograms which is expected to reduce Medicaid costs for physician services, and a reduction in rural health clinic (RHC) expenditures since fewer visits 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. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 64.67 percent in FY 18-19 and 65.79 percent in FYs 19-20 and 20-21 for the projected non-expansion population, and an FMAP rate of 93.5 percent in FY 18-19, 91.5 percent in FY 19-20 and 90.0 in FY 20-21 percent for the projected expansion population.

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

It is anticipated that the implementation of this proposed Rule will reduce federal revenue collections by approximately \$110,903 for FY 18-19, \$334,258 for FY 19-20 and \$333,463 for FY 20-21. It is anticipated that \$216 will be collected in FY 18-19 for the federal share of the 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 64.67 percent in FY 18-19 and 65.79 percent in FYs 19-20 and 20-21 for the projected non-expansion population, and an FMAP rate of 93.5 percent in FY 18-19, 91.5 percent in FY 19-20 and 90.0 in FY 20-21 percent for the projected expansion population.

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

This proposed Rule amends the provisions governing the reimbursement methodology for RHCs in order to implement a payment methodology to allow reimbursement for mammogram screenings and diagnostic services outside of the prospective payment system (PPS) rate. This proposed rule will be beneficial to Medicaid recipients as it reduces the number of RHC visits required to receive mammogram screening and diagnostic services, as well as early detection of breast cancer. There are no anticipated economic costs to RHCs; although, there may be a reduction in the number of RHC visits required to receive a mammogram which could reduce payments to RHCs.

However, we anticipate the rule will be beneficial to RHCs by allowing them to receive reimbursement for mammograms, in addition to the current PPS encounter rate. Although this rule increases payments for mammograms, we anticipate it will result in a net reduction in Medicaid programmatic expenditures by approximately \$133,516 for FY 18-19, \$407,880 for FY 19-20 and \$411,764 for FY 20-21 as a result of reduced payments for encounter visits associated with mammograms and offsetting savings in costs associated with breast cancer avoidance due to early detection and treatment, and a reduction in the number of encounters/office visits.