

NOTICE OF INTENT

**Department of Health and Hospitals
Bureau of Health Services Financing**

**Outpatient Hospital Services
Radiology Utilization Management
(LAC 50:V.6105)**

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to amend LAC 50:V.6105 under the Medical Assistance Program as authorized by 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 and Hospitals, Bureau of Health Services Financing adopted provisions governing radiology utilization management (RUM) to implement a prior authorization requirement for certain outpatient high-tech imaging services in order to reduce unnecessary radiology studies (*Louisiana Register*, Volume 36, Number 1). The department now proposes to amend the January 20, 2010 Rule governing outpatient hospital services to exclude certain Medicaid recipients from radiology utilization management who are not eligible for high-tech imaging, who have a primary health insurance that covers the services or who are enrolled in a Medicaid Program with a structured capitated reimbursement methodology. In keeping with the protocol of the Indian Health Care Plan, the department also proposes to exclude Native Americans from RUM.

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 or autonomy as described in R.S. 49:972.

Title 50

**PUBLIC HEALTH-MEDICAL ASSISTANCE
Part V. Hospitals
Subpart 5. Outpatient Hospitals**

Chapter 61. Other Outpatient Hospital Services

Subchapter A. General Provisions

§6105. Radiology Utilization Management

A. - C. ...

D. The following Medicaid recipients are excluded from radiology utilization management:

1. Family Planning Waiver recipients;
2. LaCHIP Affordable Plan recipients;
3. Program of All Inclusive Care for the Elderly (PACE) recipients;
4. Native American recipients; and
5. recipients who have primary health insurance coverage provided by:

- a. Medicare; or
- b. a private health insurance carrier.

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 36:67 (January 2010), amended LR 36:

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.

Interested persons may submit written comments to Don Gregory, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is responsible for responding to inquiries regarding this proposed Rule. A public hearing on this proposed Rule is scheduled for Wednesday, June 23, 2010 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.

Alan Levine

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person

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Rule Title:

Outpatient Hospital Services
Radiology Utilization Management

Date Rule Takes Effect: August 20, 2010

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 implementation of this proposed rule will not have a programmatic fiscal impact to the state other than the cost of promulgation for FY 09-10. It is anticipated that \$246 (\$123 SGF and \$123 FED) will be expended in FY 09-10 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 the implementation of this proposed rule will have no effect on federal revenue collections other than the federal share for promulgation. It is anticipated that \$123 will be collected in FY 09-10 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 NON-GOVERNMENTAL GROUPS (Summary)

This rule proposes to amend the provisions governing radiology utilization management (RUM) for outpatient hospital services to exclude certain Medicaid recipients from the prior authorization requirements of radiology utilization management. It is anticipated that implementation of this proposed rule will not have economic cost or benefits for FY 09-10, FY 10-11 and FY 11-12.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.

Signature of Agency Head
or Designee

Legislative Fiscal Officer
or Designee

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 rule proposes to amend the provisions governing radiology utilization management (RUM) for outpatient hospital services to exclude certain Medicaid recipients from the prior authorization requirements of radiology utilization management.

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

The Department of Health and Hospitals, Bureau of Health Services Financing adopted provisions governing radiology utilization management (RUM) to implement a prior authorization requirement for certain outpatient high-tech imaging services in order to reduce unnecessary radiology studies (Louisiana Register, Volume 36, Number 1). The department now proposes to amend the January 20, 2010 Rule governing outpatient hospital services to exclude certain Medicaid recipients from radiology utilization management who are not eligible for high-tech imaging, who have a primary health insurance that covers the services or who are enrolled in a Medicaid Program with a structured capitated reimbursement methodology. In keeping with the protocol of the Indian Health Care Plan, the department also proposes to exclude Native Americans from RUM.

- 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.

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 09-10. It is anticipated that \$246 will be expended in FY 09-10 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.

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 09-10 | FY 10-11 | FY 11-12 |
|-----------------------|--------------|------------|------------|
| PERSONAL SERVICES | | | |
| OPERATING EXPENSES | \$246 | \$0 | \$0 |
| PROFESSIONAL SERVICES | | | |
| OTHER CHARGES | | | |
| REPAIR & CONSTR. | | | |
| POSITIONS (#) | | | |
| TOTAL | \$246 | \$0 | \$0 |

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.

In FY 09-10, \$246 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 09-10 | FY 10-11 | FY 11-12 |
|--------------------|--------------|------------|------------|
| STATE GENERAL FUND | \$123 | \$0 | \$0 |
| SELF-GENERATED | | | |
| FEDERAL FUND | \$123 | \$0 | \$0 |
| OTHER (Specify) | | | |
| Total | \$246 | \$0 | \$0 |

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.

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 09-10 | FY 10-11 | FY 11-12 |
|---------------------------|--------------|------------|------------|
| STATE GENERAL FUND | | | |
| AGENCY SELF-GENERATED | | | |
| RESTRICTED FUNDS* | | | |
| FEDERAL FUNDS | \$123 | \$0 | \$0 |
| LOCAL FUNDS | | | |
| Total | \$123 | \$0 | \$0 |

**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.

In FY 09-10, \$123 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 rule proposes to amend the provisions governing radiology utilization management (RUM) for outpatient hospital services to exclude certain Medicaid recipients from the prior authorization requirements of radiology utilization management.

- 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 not have economic cost or economic benefits for FY 09-10, FY 10-11 and FY 11-12.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT