

NOTICE OF INTENT

Department of Health and Hospitals  
Bureau of Health Services Financing

Disproportionate Share Hospital Payments  
Mental Health Emergency Room Extensions  
(LAC 50:V.2711)

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to repeal LAC 50:V.2711 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 and Hospitals, Bureau of Health Services Financing amended the provisions governing disproportionate share hospital (DSH) payments for mental health emergency room extensions (MHEREs) in order to change the deadline for hospitals that established a MHERE to sign an agreement to participate for reimbursement of uncompensated care costs for psychiatric services (*Louisiana Register*, Volume 36, Number 8).

As a result of a budgetary shortfall in state fiscal year 2015, the department determined that it was necessary to amend the provisions governing DSH payments to eliminate payments for MHEREs (*Louisiana Register*, Volume 41, Number 3). This proposed

Rule is being promulgated in order to continue the provisions of the March 5, 2015 Emergency Rule.

**TITLE 50**  
**PUBLIC HEALTH-MEDICAL ASSISTANCE**  
**Part V. Hospital Services**  
**Subpart 3. Disproportionate Share Hospital Payments**

**Chapter 27. Qualifying Hospitals**

**§2711. Mental Health Emergency Room Extensions**

Repealed.

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 34:1628 (August 2008), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 36:1781 (August 2010), repealed LR 42:

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.

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.

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, but may increase the total direct and indirect cost to the provider to provide the same level of service due to the elimination of these payments. The proposed Rule may also have a negative impact on the provider's ability to provide the same level of service as described in HCR 170 if the elimination of these payments adversely impacts the provider's financial standing.

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. A public hearing on this proposed Rule is scheduled for Wednesday, June 29, 2016 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.

Rebekah E. Gee MD, MPH

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person

Preparing

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Rule Title: Disproportionate Share Hospital  
Payments  
Mental Health Emergency Room  
Extensions

Date Rule Takes Effect: March 5, 2015

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 the implementation of this proposed rule will result in estimated state general fund programmatic savings of \$2,387,991 for FY 15-16, \$2,382,525 for FY 16-17 and \$2,370,531 for FY 17-18. It is anticipated that \$432 (\$216 SGF and \$216 FED) will be expended in FY 15-16 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 62.17 percent in FY 15-16, 62.26 percent in FY 16-17 and 62.45 percent in FY 17-18.*

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

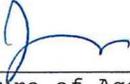
*It is anticipated that the implementation of this proposed rule will reduce federal revenue collections by approximately \$3,924,575 for FY 15-16, \$3,930,473 for FY 16-17 and \$3,942,467 for FY 17-18. It is anticipated that \$216 will be expended in FY 15-16 for the federal administrative expenses 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 62.17 percent in FY 15-16, 62.26 percent in FY 16-17 and 62.45 percent in FY 17-18.*

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

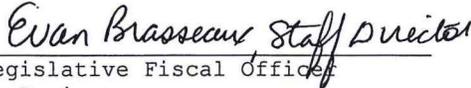
*This proposed Rule continues the provisions of the March 5, 2015 emergency rule which amended the provisions governing disproportionate share hospital (DSH) payments to eliminate payments for mental health emergency room extensions. It is anticipated that implementation of this proposed rule will reduce programmatic expenditures for DSH payments by approximately \$6,312,998 for FY 15-16, \$6,312,998 for FY 16-17 and \$6,312,998 for FY 17-18.*

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 negative effect on employment as it will reduce DSH payments. The reduction in payments may adversely impact the financial standing of providers and could possibly cause a reduction in employment opportunities.*

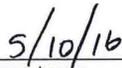


\_\_\_\_\_  
Signature of Agency Head  
or Designee



\_\_\_\_\_  
Legislative Fiscal Officer  
or Designee

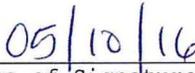
Jen Steele  
Interim Medicaid Director  
\_\_\_\_\_  
Typed name and Title of  
Agency Head or Designee



\_\_\_\_\_  
Date of Signature



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DHH/BHSE Budget Head



\_\_\_\_\_  
Date of Signature

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 proposed Rule continues the provisions of the March 5, 2015 emergency rule which amended the provisions governing disproportionate share hospital (DSH) payments to eliminate payments for mental health emergency room extensions.*

- 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 amended the provisions governing disproportionate share hospital (DSH) payments for mental health emergency room extensions (MHEREs) in order to change the deadline for hospitals that established a MHERE to sign an agreement to participate for reimbursement of uncompensated care costs for psychiatric services (Louisiana Register, Volume 36, Number 8).*

*As a result of a budgetary shortfall in state fiscal year 2015, the department determined that it was necessary to amend the provisions governing DSH payments to eliminate payments for MHEREs (Louisiana Register, Volume 41, Number 3). This proposed Rule is being promulgated in order to continue the provisions of the March 5, 2015 Emergency Rule.*

- 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.

*This proposed rule will result in a reduction in program expenditures for DSH payments by approximately \$6,312,566 for FY 15-16, \$6,312,998 for FY 16-17 and \$6,312,998 for FY 17-18. In FY 15-16, \$432 is included 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 15-16	FY 16-17	FY 17-18
PERSONAL SERVICES			
OPERATING EXPENSES	\$432	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES	(\$6,312,998)	(\$6,312,998)	(\$6,312,998)
REPAIR & CONSTR.			
POSITIONS (#)			
<b>TOTAL</b>	<b>(\$6,312,566)</b>	<b>(\$6,312,998)</b>	<b>(\$6,312,998)</b>

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.

*The expenses reflected above are the estimated decreases in program expenditures for DSH payments. In FY 15-16, \$432 is included 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 15-16	FY 16-17	FY 17-18
STATE GENERAL FUND	(\$2,387,991)	(\$2,382,525)	(\$2,370,531)
SELF-GENERATED			
FEDERAL FUND	(\$3,924,575)	(\$3,930,473)	(\$3,942,467)
OTHER (Specify)			
<b>Total</b>	<b>(\$6,312,566)</b>	<b>(\$6,312,998)</b>	<b>(\$6,312,998)</b>

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.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustment in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

*This proposed rule has no known impact on local governmental units.*

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 15-16	FY 16-17	FY 17-18
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS	(\$3,924,575)	(\$3,930,473)	(\$3,942,467)
LOCAL FUNDS			
<b>Total</b>	<b>(\$3,924,575)</b>	<b>(\$3,930,473)</b>	<b>(\$3,942,467)</b>

\*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.

*The amounts reflected above are the estimated reduction in the federal share of program expenditures for DSH payments. In FY 15-16, \$216 is included for the federal 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 proposed Rule continues the provisions of the March 5, 2015 emergency rule which amended the provisions governing disproportionate share hospital (DSH) payments to eliminate payments for mental health emergency room extensions.*

- 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 reduce programmatic expenditures for DSH payments by approximately \$6,312,998 for FY 15-16, \$6,312,998 for FY 16-17 and \$6,312,998 for FY 17-18.*

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

*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 negative effect on employment as it will reduce the payments made for DSH payments. The reduction in payments may adversely impact the financial standing of providers and could possibly cause a reduction in employment opportunities.*