

# Emergency Rules

## DECLARATION OF EMERGENCY

### Student Financial Assistance Commission Office of Student Financial Assistance

Tuition Opportunity Program for Students (TOPS)  
(LAC 28:IV.2103)

The Louisiana Student Financial Assistance Commission (LASFAC) is exercising the emergency provisions of the Administrative Procedure Act [R.S. 49:953(B)] to amend rules of the Tuition Opportunity Program for Students (R.S. 17:3042.1 and R.S. 17:3048.1).

The emergency rules are necessary to allow the Office of Student Financial Assistance and state educational institutions to effectively administer these programs. A delay in promulgating rules would have an adverse impact on the financial welfare of the eligible students and the financial condition of their families. The commission has, therefore, determined that these emergency rules are necessary in order to prevent imminent financial peril to the welfare of the affected students.

This declaration of emergency is effective January 11, 2000, and shall remain in effect for the maximum period allowed under the Administrative Procedure Act.

#### Title 28

#### EDUCATION

#### Part IV. Student Financial Assistance, Higher Education Scholarship and Grant Programs

#### Chapter 21. Miscellaneous Provisions and Exceptions §2103. Circumstances Warranting Exception to the Initial and Continuous Enrollment Requirements

A. - C.3. ...

D. Procedure for Requesting Exceptions to the Initial and Continuous Enrollment Requirement

1. The student should complete and submit an exception request form, with documentary evidence, to the Office as soon as possible after the occurrence of the event or circumstance that supports the reinstatement request and must submit the request no later than May 30 of the academic year the student requests reinstatement into TOPS.

2. If determined eligible for an exception, the recipient will be reinstated if he or she enrolls in the first fall, winter or spring term immediately following the exception ending date.

3. If determined ineligible for an exception provided in §2103.E 11 (2) by LOSFA, recipient may appeal in accordance with §2109 of these rules.

E. Qualifying Exceptions to the Initial and Continuous Enrollment Requirement. A student who has been declared ineligible for TOPS because of failure to meet the initial or continuous enrollment requirements may request reinstatement in TOPS based on one or more of the following exceptions.

1. Parental Leave

a. Definition. The student/recipient is pregnant or caring for a newborn or newly-adopted child less than one year of age.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts; and

ii. a written statement from a doctor of medicine who is legally authorized to practice certifying the date of diagnosis of pregnancy and the anticipated delivery date or the actual birth date, or written documentation from the person or agency completing the adoption that confirms the adoption and date of adoption.

c. Maximum Length of Exception. Up to two consecutive semesters (three consecutive quarters) per child.

#### 2. Physical Rehabilitation Program

a. Definition. The student/recipient is receiving rehabilitation in a program prescribed by a qualified medical professional and administered by a qualified medical professional.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including the reason for the rehabilitation, dates of absence from class, the necessity of withdrawing, dropping hours, etc., the semester(s) or number of days involved, and any other information or documents; and

ii. a written statement from a qualified medical professional describing the rehabilitation, including the diagnosis, the beginning date of the rehabilitation, the required treatment, and the length of the recovery period.

c. Maximum Length of Exception. Up to four consecutive semesters (six consecutive quarters) per occurrence.

#### 3. Substance Abuse Rehabilitation Program

a. Definition. The student/recipient is receiving rehabilitation in a substance abuse program prescribed by a qualified professional and administered by a qualified professional.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts, the reason for the rehabilitation, dates of absence from class, the necessity of withdrawing, dropping hours, etc., the semester(s) or number of days involved, and any other information or documents; and

ii. a written statement from a qualified professional describing the rehabilitation, including the diagnosis, the beginning date of the rehabilitation, the required treatment, and the length of the recovery period.

c. Maximum Length of Exception. Up to two consecutive semesters (three consecutive quarters). This exception shall be available to a student only one time.

#### 4. Temporary Disability

a. Definition. The student/recipient is recovering from an accident, injury, illness or required surgery, or the student/recipient is providing continuous care to his/her

spouse, dependent, parent or guardian due to an accident, illness, injury or required surgery.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts, the reason for the disability, dates of absence from class, the necessity of withdrawing, dropping hours, etc., the semester(s) or number of days involved, and any other information or documents; and

ii. a written statement from a qualified professional of the existence and of the accident, injury, illness or required surgery, including the dates of treatment, the treatment required, the prognosis, the length of the recovery period, the beginning and ending dates of the doctor's care, and opinions as to the impact of the disability on the student's ability to attend school.

c. Maximum Length of Exception. Up to four consecutive semesters (six consecutive quarters) for recipient; up to a maximum of two consecutive semesters (three consecutive quarters) for care of a disabled dependent, spouse, parent, or guardian.

#### 5. Permanent Disability

a. Definition. The student/recipient is permanently disabled in a manner that prevents the student from attending classes on a full time basis.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts, a description of the disability, the reason for the disability, the reason(s) the disability restricts class attendance to less than full time; and

ii. a written statement from a qualified professional stating the diagnosis of and prognosis for the disability, stating that the disability is permanent, and opining why the disability restricts the student/recipient from attending classes full time.

c. Maximum Length of Exception. Up to the equivalent of eight full time semesters of postsecondary education in part time semesters.

#### 6. Exceptional Educational Opportunity

a. Definition. The student/recipient is enrolled in an internship, residency, cooperative work, or work/study program or a similar program that is related to the student's major or otherwise has an opportunity not specifically sponsored by the school attended by the student that, in the opinion of the student's academic dean, will enhance the student's education. Participation in one of the programs does not qualify as an exception to the initial enrollment requirement.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts; and

ii. a written statement from the college/school official that the applicant is a student at the school/college and that the program is offered or sponsored by the college/school, or a statement from the dean of the college or the dean's designee that the program is related to the student's major and will enhance the student's education. The statements must include the dates of leave of absence, the semester(s) or number of days involved, the beginning and ending dates of the program.

c. Maximum Length of Exception. Up to two semesters (three consecutive quarters) or required program of study.

#### 7. Religious Commitment

a. Definition. The student/recipient is a member of a religious group that requires the student to perform certain activities or obligations which necessitate taking a leave of absence from school.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts, the necessity of withdrawing, dropping hours, etc., the semester(s) or number of days involved, and the length of the religious obligation; and

ii. a written statement from the college official and a written statement from the religious group's governing official evidencing the requirement necessitating the leave of absence including dates of the required leave of absence.

c. Maximum Length of Exception. Up to four consecutive semesters (six consecutive quarters).

#### 8. Death of Immediate Family Member

a. Definition. The student's spouse, parent, guardian, dependent, sister or brother or grandparent dies.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts; and

ii. a copy of the death certificate or a doctor's or funeral director's verifying statement or a copy of the obituary published in the local newspaper.

c. Maximum Length of Exception. Up to one semester or two quarters per death.

#### 9. Military Service

a. Definition. The student/recipient is in the United States Armed Forces Reserves and is called on active duty status or is performing emergency state service with the National Guard.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts, the dates of the required leave of absence, necessity of withdrawing, dropping hours, etc., the semester(s) or number of days involved, and the length of duty (beginning and ending dates), and

ii. a written certification from the commanding officer or regional supervisor including the dates and location of active duty; or

iii. a certified copy of the military orders.

c. Maximum Length of Exception. Up to the length of the required active duty service period.

#### 10. Transfer/Graduation Part Time

a. Definition. A student/recipient who completed his or her program requirements for graduation or for transfer to another institution.

b. Certification Requirements. The student/recipient must submit:

i. a completed exception request form including official college transcripts and the semester affected; and

ii. a written statement from the dean of the college or the dean's designee certifying that the student/recipient was not required to attend full time in order

to complete his or her program requirements for graduation or for transfer to another institution.

c. Maximum Length of Exception. One semester or one quarter.

11. Exceptional Circumstances

a. Definition. The student/recipient has exceptional circumstances, other than those listed in §2103.E.1-10, which are beyond his immediate control and which necessitates full or partial withdrawal from, or non-enrollment in, an eligible postsecondary institution.

i. The following situations are not exceptional circumstances:

(a). financial conditions related to a student's ability to meet his or her educational expenses are not a justified reason for failure to meet the hours or continuous enrollment requirement, because TOPS is a merit, rather than need-based award;

(b). dropping a course, failing a course, or withdrawing from school to protect the student's grade point average or because of difficulty with a course or difficulty arranging tutoring;

(c). not being aware of or understanding the requirements;

(d). assumption that advanced standing, summer course work, or correspondence course work credited outside the appropriate regular semesters or quarters would be applied to the hours requirement;

(e). differing scholarship or award requirements for other programs, such as NCAA full-time enrollment requirements;

(f). voluntary withdrawal from school to move out of state or pursue other interests or activities;

(g). claims of receipt of advice that is contrary to these rules, public information promulgated by LOSFA, award letters, and the Borrower's Rights and Responsibilities document that detail the requirements for full-time continuous enrollment;

(h). failure to provide or respond to a request for documentation within 30 days of the date of the request, unless additional time is requested in writing, LOSFA grants the request, and the requested documentation is provided within the additional time granted.

ii. All other situations will be assessed at the discretion of LOSFA and subject to appeal to the Commission.

b. Certification Requirement. Submit a completed exception request form including a sworn affidavit from the student detailing the circumstances and including the official college transcripts and documentation necessary to support the request for reinstatement.

c. Maximum Length of Exception. Up to two consecutive semesters or three consecutive quarters.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3021-3036, R.S. 17:3042.1 and R.S. 17:3048.1.

HISTORICAL NOTE: Adopted by the Student Financial Assistance Commission, Office of Student Financial Assistance LR 17:959 (October 1991), amended LR 22:338 (May 1996), repromulgated LR 24:647 (April 1998), amended LR 24:1916 (October 1998), LR 26:

Jack L. Guinn  
Executive Director

0002#001

## DECLARATION OF EMERGENCY

Office of the Governor  
Division of Administration  
Board of Trustees of the State  
Employees Group Benefits Program

Exclusive Provider Organization (EPO) F.M.L.A. Leave  
(LAC 32:V.103)

Pursuant to the authority granted by R.S. 42:871(C) and 874(B)(2), vesting the Board of Trustees with the responsibility for administration of the State Employees Group Benefits Program and granting the power to adopt and promulgate rules with respect thereto, the Board of Trustees hereby invokes the Emergency Rule provisions of R.S. 49:953(B).

The Board finds that it is necessary to amend the EPO Plan of Benefits to provide for continuation of coverage for an employee on approved F.M.L.A. leave. This action is necessary to implement requirements of the federal Family and Medical Leave Act (F.M.L.A.), and the rules and regulations promulgated pursuant thereto, in order to avoid sanctions or penalties from the United States.

Accordingly, the following Emergency Rule, adding Subsection E to Section 103 of *Louisiana Administrative Code*, Title 32, Part V, the EPO Plan of Benefits, is effective January 26, 2000, and shall remain in effect for a maximum of 120 days or until promulgation of the final Rule, whichever occurs first.

### Title 32

### EMPLOYEE BENEFITS

#### Part V. Exclusive Provider Organization (EPO)—Plan of Benefits

#### Chapter 1. Eligibility

#### §103. Continued Coverage

A. - D.3. ...

E. Family and Medical Leave Act (F.M.L.A.) Leave of Absence. An employee on approved F.M.L.A. leave may retain coverage for the duration of such leave. The participant employer shall pay the employer's share of the premium during F.M.L.A. leave, whether paid leave or leave without pay. The participant employer may pay the employee's share of the premium during unpaid F.M.L.A. leave, subject to reimbursement by the employee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:871(C) and 874(B)(2).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Board of Trustees of the State Employees Group Benefits Program, LR 25:1806 (October 1999), LR 26:

A. Kip Wall  
Interim Chief Executive Officer

0002#031

**DECLARATION OF EMERGENCY**

**Office of the Governor  
Division of Administration  
Board of Trustees of the State  
Employees Group Benefits Program**

Preferred Provider Organization (PPO) F.M.L.A. Leave  
(LAC 32:III.103)

Pursuant to the authority granted by R.S. 42:871(C) and 874(B)(2), vesting the Board of Trustees with the responsibility for administration of the State Employees Group Benefits Program and granting the power to adopt and promulgate rules with respect thereto, the Board of Trustees hereby invokes the Emergency Rule provisions of R.S. 49:953(B).

The Board finds that it is necessary to amend the PPO Plan Of Benefits to provide for continuation of coverage for an employee on approved F.M.L.A. leave. This action is necessary to implement requirements of the federal Family and Medical Leave Act (F.M.L.A.), and the rules and regulations promulgated pursuant thereto, in order to avoid sanctions or penalties from the United States.

Accordingly, the following Emergency Rule, adding Subsection E to Section 103 of *Louisiana Administrative Code*, Title 32, Part III, the PPO Plan Of Benefits, is effective January 26, 2000, and shall remain in effect for a maximum of 120 days or until promulgation of the final Rule, whichever occurs first.

**Title 32**

**EMPLOYEE BENEFITS**

**Part III. Preferred Provider Organization (PPO)—Plan of Benefits**

**Chapter 1. Eligibility**

**§103. Continued Coverage**

A. - D.3. ...

E. Family and Medical Leave Act (F.M.L.A.) Leave of Absence. An employee on approved F.M.L.A. leave may retain coverage for the duration of such leave. The participant employer shall pay the employer's share of the premium during F.M.L.A. leave, whether paid leave or leave without pay. The participant employer may pay the employee's share of the premium during unpaid F.M.L.A. leave, subject to reimbursement by the employee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:871(C) and 874(B)(2).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Board of Trustees of the State Employees Group Benefits Program, LR 25:1827 (October 1999), LR 26:

A. Kip Wall  
Interim Chief Executive Officer

0002#030

**DECLARATION OF EMERGENCY**

**Office of the Governor  
Division of Administration  
Office of State Uniform Payroll**

Payroll Deduction (LAC 4:III.Chapter 1)

In accordance with R.S. 49:953.B, the Office of the Governor, Division of Administration, Office of State Uniform Payroll, is exercising the emergency provision of the Administrative Procedure Act, to adopt the following rule amending the regulations governing payroll deductions. The purpose of the amendment is to further define, clarify, and establish parameters for vendor participation. Adoption of this emergency rule is necessary for timely notification prior to open enrollment for payroll deductions and the Flexible Benefits plan.

The effective date of this emergency rule is February 1, 2000, and it shall remain in effect for 120 days or until the final rule takes effect through the normal promulgation process, whichever occurs first.

The notice of intent to adopt the following rule under the Administrative Procedure Act will be published in the February 20, 2000, edition of the *Louisiana Register*.

**Title 4**

**ADMINISTRATION**

**Part III. Payroll**

**Chapter 1. Payroll Deductions**

**§101. Definitions**

*Administrative Contract* contractual agreement entered into by the state with a company or corporation which meets or exceeds the requirements to manage a Flexible Benefits Plan.

*Agency Number* three digit identifier in the DOA statewide payroll system which serves as a key for processing and reporting. It may represent a single agency or a group of agencies.

*Applicant* any company, corporation, or organization which has submitted an application to be approved as a vendor for state payroll deduction or a vendor which has submitted an application for approval of an additional product or a change to an existing product.

*Application* the process through which a vendor requests continued deduction authorization by providing verification of company status, employee participation, remittance reconciliation, designated coordinator, and etc.

*Authorized Code* a unique identification code assigned by OSUP to each vendor which has been approved in the application process.

*Commissioner* as referenced herein shall be the Commissioner of Administration, Division of Administration.

*Coordinator* a vendor designated representative who provides the single authorized contact for communication

between the vendor and the Division of Administration, Office of State Uniform Payroll, payroll systems outside of the DOA statewide payroll system and any administrative contract(or).

**Data File** the body of information documented by copies of correspondence between OSUP, SEGBP, administrative contractor, departments/agencies, vendors, Department of Insurance, and state employees relative to employee solicitation, participation and service from vendors.

**Deduction** any voluntary reduction of net pay under written authority of an employee, which is not required by federal or state statute, or by court ordered action.

**Department/Agency** as referenced herein shall be any one of the 20 major departments of state government or any subdivision thereof.

**Division of Administration (DOA)** the Louisiana State Agency under the Executive Department which provides centralized administrative and support services to state agencies as a whole by developing, promoting, and implementing executive policies and legislative mandates.

**DOA Statewide Payroll System** the statewide system administered by the Division of Administration, Office of State Uniform Payroll to provide uniform payroll services to state agencies.

**Employee Deduction Code** the unique set of characters (representing vendor, product, product eligibility and Flexible Benefits Plan participation) used to record, deduct, remit, and track an employee's selection of available deduction.

**Employee Payroll Benefits Committee (EPBC)** the group designated in §103 to review current and prospective payroll deduction benefits.

**Flexible Benefits Plan** the program initiated by the state under which employees may participate in tax reduction benefits offered under IRS Code Section 125.

**Flexible Benefits Plan Year** the annual period of time designated for participation ( e.g., July 1 through June 30).

**General Insurance Vendors** those insurance companies which market, through payroll deduction, non-tax qualified life and health insurance products.

**Governing Board** as referenced herein shall mean any one or all of: Board of Regents; Louisiana State University Board of Supervisors; Southern University Board of Supervisors; University of Louisiana Board of Supervisors; and Board of Supervisors of Community and Technical Colleges.

**Guidelines for Review (GFR)** as referenced herein shall mean the set of criteria established for the annual evaluation process.

**Insurable Interest** as referenced herein shall be as defined in R.S. 22:613.C.(1) and (2) e.g., an individual related closely by blood or by law, or a lawful and substantial economic interest in having the life, health or bodily safety of the individual insured continue.

**IntraAgency Deduction** a deduction required by the department/agency for cost effective collection of funds from employees for benefits provided, such as meals, housing, uniforms, and etc.

**IntraOffice Deduction** a deduction required by a particular office within a department/agency for cost effective collection of funds from employees for benefits provided, such as meals, housing, uniforms, and etc.

**IRS** as referenced herein shall mean the Internal Revenue Service with emphasis directed to the rules and regulations issued relative to employee taxes and benefits.

**Menu Item Provider** any vendor that provides a product which is included in the current year Flexible Benefits Plan.

**New Application** the process through which a new provider submits a request to be approved as a vendor to offer a specific product, or a current vendor requests for authorization to offer an additional product, policy form, or service plan.

**Non-Insurance Vendor** any vendor that offers a non-insurance product that is not provided under definition of a general insurance vendor.

**Office of State Uniform Payroll (OSUP)** the section within the Division of Administration primarily responsible for the DOA statewide payroll system and administration of the rules governing state employee payroll deductions.

**Organization** as referenced herein shall be any charitable group qualified under Federal Code 501 (c)(3), credit unions formed for the primary purpose of serving state (or parish) employees, labor union councils, or other deduction "permitted" by state statute. Permitted deductions are allowed by state statute rather than mandated.

**Payroll Reporting Number** the number used by the DOA statewide payroll system to identify a payroll reporting entity.

**Policy Form** referenced herein shall mean any of the written instruments through which a contract of insurance is set forth (i.e. the policy, certificate, rider, endorsement, application, schedule page, etc.) which is submitted to the Department of Insurance and subsequently approved for sale in Louisiana by the Commissioner of Insurance.

**Premium Due** the amount for which the client/employee would have been billed.

**Product** referenced herein shall mean the specific insurance or service authorized through the annual application process as defined in §115. This may include multiple policy forms and service plans under the product.

**Product Authorization** the term used to identify the annual process through which an additional product code is approved for a current vendor.

**Product Code** the portion of the employee deduction code assigned to specific insurance policy forms or vendor service plans authorized through the new application process.

**Provider** the individual or organization which renders service, provides goods, or guarantees delivery.

**Reconciliation** referenced herein refers to the resolution of differences resulting from a monthly match or comparison of vendor accounts receivable/invoice records to the state deduction/remittance records.

**Review** the process whereby the EPBC evaluates products and requests for product authorization.

**Section 125 Status** as referenced herein shall mean the eligibility, under Section 125 of the IRS Code, of the product to be included in a Flexible Benefits Plan menu.

**SED-2** referenced herein shall be the standard form developed by the Division of Administration, Office of State Uniform Payroll used to process new applications and annual applications for deduction authority.

**SED-4** as used herein shall mean the authorized deduction form published in this rule.

*Service Plan* type of insurance or non-insurance coverage under which benefits rather than monetary reimbursements are provided to the covered individual.

*Third Party* any agent for or representative of a provider.

*Uniform Fee Schedule* the fees designated for service(s) provided by state payroll systems for vendors, applicants, and others outside state government established by rule promulgated by the Division of Administration under R.S. 42:458.

*University* any one of the state higher education facilities which falls under the jurisdiction of appropriate "Governing Board."

*Vendor* referenced herein shall be any company, corporation, or organization having met the requirements of this rule and participating in payroll deduction.

*Vendor Representative* as referenced herein shall be any licensed agent or duly appointed representative designated by a vendor to market that vendor's authorized product(s).

*Voluntary Deduction* any deduction which the employee is free to accept or decline.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

### **§103. Employee Payroll Benefits Committee (EPBC)**

A committee comprised of 12 nominated and two ex-officio classified state employee members established by the commissioner prior to July 1, 1996 fulfills the requirement of §107-112 of this rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 22:22 (January 1996), LR 26:

### **§105. EPBC Selection and Tenure**

A. Initial members of the EPBC were selected by the UPS Payroll Steering Committee submitting a list of nominees for EPBC membership to the commissioner of administration for appointment of 12 members to serve staggered terms of one, two, and three years. Said list was submitted to the commissioner prior to November 30, 1995 and consisted of the following departmental membership:

1. one member, one-year term DHH-Department of Health and Hospitals;
2. one member, two-year term DOA-Division of Administration;
3. one member, three-year term DOC-Department of Corrections;
4. one member, one-year term DOL-Department of Labor;
5. one member, two-year term DOTD-Department of Transportation;
6. one member, three-year term DPS-Department of Public Safety;
7. one member, one-year term DSS-Department of Social Services;
8. one member, two-year term ED-Education (Schedule 19);
9. one member, three-year term ELEC-Elected Officials;

10. one member, one-year term LSUMC-HCSD-LSU Medical Center, Health Care Services Division;

11. one member, two-year term OTHER-other departments;

12. one member, three-year term WLF-Department of Wildlife and Fisheries;

13. ex-officio members shall be: director or assistant director of OSUP; and a designee of the Commissioner of Insurance.

a. Successive committee appointments shall be for a period of three years beginning July 1 consisting of the above departmental representation.

b. Prior to April 1, annually, EPBC shall submit, to the commissioner, three nominees for each of the four vacancies which will occur each year maintaining representation indicated in §105.A.

c. The commissioner shall select four of the nominees to fill respective dept/agency vacancies for EPBC membership.

d. The commissioner shall return a list of appointees to OSUP prior to May 1 each year.

e. Any EPBC vacancy which occurs due to termination of employment or retirement of a member, and which creates a vacancy for a period of 12 months or more shall be filled by appointment by the commissioner.

i. Within 30 days of notice of the vacancy, the EPBC shall submit a nominee for replacement to the commissioner.

ii. The commissioner shall affirm or reject the nomination within 30 days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 22:22 (January 1996), LR 26:

### **§107. EPBC Product Evaluation (Requirements)**

A. EPBC shall adopt and maintain basic Guidelines for Review (GFR), to follow in the conduct of the annual review of general insurance and non-insurance products.

B. OSUP shall maintain a data file of documentation provided each year by user agencies, employees, vendors, and Flexible Benefits Plan administrator relative to product utilization, services provided, and adherence to department/agency policy and this rule.

1. OSUP shall copy to the data file all correspondence relating to resolution of problems with and between vendors, employees, and departments/agencies.

2. OSUP shall include the basic information from annual application process and from new applications in the data file provided to EPBC.

C. The EPBC shall conduct an annual review of products authorized for deduction and new applications and requests for changes to existing products. The EPBC shall utilize the data file to evaluate user satisfaction with products and providers and the Guidelines for Review to evaluate product quality.

D. The EPBC shall issue an opinion of the annual review of all authorized products and all products and services requested on new applications, along with recommended actions to the commissioner.

E. OSUP shall provide the commissioner of administration information relative to vendor/product compliance with all other provisions of this rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 22:22 (January 1996), LR 26:

**§109. EPBC Product Evaluation (Annual Applications)**

A. Annual applications shall be submitted to the Division of Administration, Office of State Uniform Payroll by all vendors participating in payroll deduction. Annual application forms and instructions shall be provided to all approved vendors to be submitted prior to January 31 annually.

B. OSUP shall complete the annual application process in compliance with the commissioner's actions from the EPBC annual review.

1. On or before April 1 each year, the Division of Administration, Office of State Uniform Payroll or Governing Board will conduct a compliance review and shall notify vendors whether their annual application has been conditionally approved. See §119.

2. DOA statewide payroll system user agencies and other departments/agencies will be notified by OSUP of authorized deductions by vendor and product name and code.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 22:22 (January 1996), LR 26:

**§111. EPBC Product Evaluation (New Applications)**

A. New applications shall be submitted annually to the Division of Administration, Office of State Uniform Payroll for any company, corporation, or organization interested in a new payroll deduction for additional products, policy forms, or service plans.

1. Written notice of requests for a new payroll deduction for additional products, policy forms, or service plans should be sent to the Office of State Uniform Payroll prior to April 1, 2000 and December first annually thereafter, in order to receive an application form to submit.

2. On or before April 1, 2000 and January thereafter, OSUP will provide deduction application forms along with instructions for completion to each entity on file.

3. Applications must be completed and submitted to the Office of State Uniform Payroll by April 30, 2000 and January 31 annually thereafter.

B. The EPBC shall conduct an annual review of all products requested in the new application process.

1. OSUP shall provide copies of the current data file information to EPBC for the annual review.

2. EPBC shall utilize the data file to evaluate user need/employee need for products and evaluate products and vendors in accordance with the GFR.

C. EPBC shall issue an opinion of the results of the annual review of products and new applications, along with recommended actions.

D. EPBC shall issue a summary report of opinions resulting from the annual review along with recommended actions to the commissioner on or before October 1 annually.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 22:22 (January 1996), LR 26:

**§112. Requests for Changes to Existing Products**

A. Vendors are allowed to solicit for payroll deduction only those products submitted and approved in the annual renewal or application process. Any change to existing products must be submitted to the Office of State Uniform Payroll for review and approval.

1. Any changes to existing products, including across the board rate increases, co-payment changes, and benefit changes, must be submitted to the Office of State Uniform Payroll by October 1 annually.

2. The Office of State Uniform Payroll and the EPBC will review the request and notify vendor of acceptance or denial by December 1 annually.

a. If accepted, the Office of State Uniform Payroll will notify the vendor by December 1 and provide procedures for implementing the change.

b. If denied, the Office of State Uniform Payroll will notify the vendor and add the vendor to the file of vendors for new applications. (See §111 for new applications). Upon receipt of completed application, the product will be reviewed along with all other applicants in the annual review process.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 26:

**§113. Product Approval and Notification**

A. On or before November 1 annually, the commissioner of administration shall advise OSUP whether EPBC recommendations relative to products and new applications have been accepted or denied.

B. OSUP will complete the new application process for products which have been approved and notify all applicants whether requests were approved or denied. See §119.

C. DOA statewide payroll system user agencies and other departments/agencies will be notified by OSUP of authorized deductions by vendor and product name, DOA statewide payroll system vendor, product name and code and effective date. Deduction authorization for new products will be established on or before January 1 annually.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 22:22 (January 1996), LR 26:

**§115. Application Process**

A. Application shall be made by the company, corporation, or organization which is the provider of the product or recipient of monies and shall be signed by two officers of the applicant company, corporation or organization.

B. Applications for the purpose of providing deductions for IRA'S, *Annuities*, or *noninsurance investment programs* are not permitted.

C. Any applicant requesting authority to implement a deduction through OSUP, shall submit a completed application form to the Division of Administration, Office of State Uniform Payroll, Post Office Box 94095, Baton Rouge, LA 70804. Companies requesting application for any

state university shall submit the application to the Governing Board for that university. The application shall:

1. be submitted on a currently approved application (Form SED-2);

2. include certification (Form SED-3) from the secretary or undersecretary of the requesting department or university chancellor that said applicant has provided evidence that the vendor does meet the requirement of R.S. 42:455; that said deduction will not represent a duplication of a product of comparable value already provided by payroll deduction; that there is a recognized need for same; that a reasonable evaluation of the product was made by the department which substantiates the request; and that the applicant has been advised of the statute and the rule governing payroll deductions. Form SED-3 is submitted only with the completed application form SED-2;

3. indicate whether the request is for participation within a specific department/agency by choice (ability to service or applicability), or for statewide authority limited to certain payroll system(s);

4. include a written request for consideration for statewide authority (if current authority is limited) for next available deduction authorization;

5. designate a "coordinator" to represent the vendor as primary contact for: obtaining solicitation authorization for the vendor; dissemination of information and requirements among representatives presenting the product to state employees; resolution of invoicing, refund, and reconciliation problems; and resolving claims problems for employees;

6. respond to all applicable items (designated in instructions) on the form (SED-2) for new and annual renewal applications;

7. respond to all additional questions as required by EPBC.

D. Intraagency and/or intraoffice deductions for meals, housing, etc., will be permitted, provided the respective department head(s) certifies that collection of funds from employees is required by and is a benefit to the department/agency.

E. All vendors shall file an annual application with the Division of Administration, Office of State Uniform Payroll or Governing Board as scheduled by that office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

### **§117. Applicant and Vendor Requirements**

A. Any applicant for deduction which is not regulated by the Department of Insurance or federal or state Office of Financial Institutions and not permitted by state statute, except charitable organizations, shall:

1. possess appropriate license or other required certification for providing the particular product or service for a fee;

2. have been doing business in this state for not less than five years providing the product and/or services anticipated to be offered state employees;

3. be in compliance with all requirements of any regulatory and/or supervisory office or board charged with such responsibility by state statute or federal regulations;

4. provide to the commissioner within 30 days of approval an irrevocable Letter of Credit in the amount of \$100,000, or an irrevocable pledge of a Certificate of Deposit in the amount of \$100,000 to protect the state and any officer or employee from loss arising out of participation in the program or plan offered by the vendor;

5. have been recommended for consideration by the Employee Payroll Benefits Committee as an applicant from the annual review of active and prospective deductions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

### **§119. Notification, Implementation, and Transition**

A.1. On or before April 1 each year, the Division of Administration, Office of State Uniform Payroll or Governing Board will conduct a compliance review and shall notify vendors whether their annual application has been conditionally approved.

2. The EPBC shall conduct a thorough review of all products and, on or before January 1 each year, the Division of Administration, Office of State Uniform Payroll, shall notify all vendors whether their annual application has been approved.

3. Vendors whose requests have not been approved by the EPBC shall be notified by the Division of Administration, Office of State Uniform Payroll, by December first annually.

4. On or before first of January, each year OSUP shall notify all DOA statewide payroll system agencies and other departments/agencies and university governing boards of any new products which have been approved for deduction; Governing Boards shall notify universities.

5. Payroll systems outside of the DOA statewide payroll system will advise vendors whether the deduction will be established.

B. The vendor shall enroll employees for semi-monthly deduction amounts only. Optional modes may be authorized by OSUP or Governing Board prior to implementation of the deduction. Vendors granted deduction authority on the DOA statewide payroll system must use only semi-monthly deduction amounts. Payroll systems outside of the DOA statewide payroll system which permit monthly deductions may continue same.

C. Any vendor receiving payment through voluntary deductions on the effective date of this rule shall continue to be approved as a vendor until the next annual renewal process under the following conditions:

1. has a currently approved application on file, provided:

a. general insurance vendors have met the rating requirements set forth in R.S. 42:455 or equivalent;

b. noninsurance vendors shall have met the requirements set forth in this rule as required in R.S. 42:455 B;

c. individual product participation shall exceed 1000;

d. proper monthly reconciliation is being accomplished;

e. policy information and detail employee/client participation has been provided in response to requests for same from OSUP;

2. all other permitted deduction vendors have filed application for informational purposes.

D. Vendors currently participating in deductions which do not meet the minimum requirements set forth in R.S. 42:455 A.(1) a-e, (2) a-e or are not in compliance with the requirements of this rule by December 31, 2000 will be denied deduction privileges.

E. Vendors will be allowed twelve months after initial approval to meet the minimum product participation requirements.

F. Companies, corporations, or organizations which have been placed on the annual listing of applicants (April 1, 1999-March 31, 2000) for consideration of deduction participation shall not be exempted from compliance with any part of this rule.

1. New applications shall be processed for review by the EPBC in May 2000 and in February annually thereafter.

2. Results of the EPBC review shall be forwarded to the commissioner on or before October 1 annually.

3. The commissioner shall confirm or reject each recommendation and notify OSUP to establish, deny, and/or delete deduction authorization, and notify vendors and non-UPS agencies accordingly by December 30 each year.

4. OSUP shall notify vendors whether application requests have been approved or denied.

5. OSUP shall notify vendors and departments/agencies of products approved for deduction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

#### **§121. Deduction Authorization Form**

A. Vendors not exempted in §121.F of this rule shall provide and use the standard deduction authorization format (Form SED-4) authorized by the Division of Administration.

1. The form provided by the vendor shall be no less than 8 1/2 inches in width nor 11 inches in length with a top margin (top of page to top of blocked area) of 1 1/8 inches.

2. Within a blocked area as illustrated herein the form shall include:

- a. the employee name and Social Security Number;
- b. the employer (department/agency) name and payroll reporting number or other appropriate I.D. (identification);
- c. vendor name, authorized code (vendor) and product code;
- d. product name, Section 125 eligibility, monthly premium amount, and semi-monthly premium amounts;
- e. amount of deduction, frequency, and beginning date of the deduction;
- f. employee signature and date of signature;
- g. authorized agent/vendor representative signature.

3. The form may include additional information provided that such information shall not represent a disclaimer or escape clause(s) in favor of the vendor. The authorization shall not stipulate any "contract" or "term of participation" requirements. However, employees may

designate a 'cap' or annual maximum for a charitable organization deduction authorized by R.S. 42:456.

B. The authorization must specify product name, Section 125 status, monthly premium or fee, the amount of deduction to be taken and the frequency of deduction as semi-monthly (24 annually). All "MS \_ \_ \_ \_" deductions in the DOA statewide payroll system must be semi-monthly only. Payroll systems outside of the DOA statewide payroll system which currently provide a monthly deduction cycle may continue same.

C. An employee shall have only one deduction authorization (which may cover more than one product) for a single vendor effective at any one time. Total current deduction amount and each component amount that make up that total must be reflected on any successive form(s). The form shall indicate:

1. a total monthly premium or fee amount, the total semi-monthly amount, individual product codes, and premium/fee amounts for each product code;

2. the pay period (date) in which the deduction was calculated to begin.

D. Vendor shall be responsible for completing authorization forms prior to obtaining employee signature and for submitting forms to the appropriate payroll office designated by each employing department/agency.

E. Deduction forms must contain appropriate employer identification number to support monthly Reconciliation process.

F. State Employee Group Benefits, Louisiana Deferred Compensation, United Way, U.S. "EE" Savings Bond, and Flexible Benefits Plan enrollment forms may be used in lieu of standard deduction (Form SED-4).

G. An employee may discontinue any voluntary deduction amount that is not committed for participation in a current Flexible Benefits Plan Year by providing written notification of that intent to his or her payroll office.

H. A deduction authorization shall not be processed for any employee which is intended to provide a benefit for any party for whom the employee has no insurable interest.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), amended LR 19:318 (March 1993), amended LR 22:22 (January 1996), LR 26:

#### **§123. Solicitation of State Employees**

A. Employees may be solicited for deduction only:

1. after notification to the vendor and state department/agencies from the Division of Administration, Office of State Uniform Payroll, or notification from the Governing Board for Universities, that the product has been approved;

2. upon written authorization from employer department and agency administrator; and

3. for participation in products currently authorized for deduction.

B. Solicitation of employees shall be conducted within the guidelines established by the department/agency.

C. The coordinator shall be responsible for obtaining solicitation authorization and department policy from the department/agency secretary or his designee.

D. Vendors may be barred by a department/agency from solicitation within that department/agency. Vendors may be barred from solicitation statewide by OSUP.

E. Any vendor representative who has been barred from state participation by a vendor shall not be allowed to represent any vendor for deduction for a minimum of two years thereafter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

#### **§125. Vendor Responsibility**

A. Vendor coordinator shall be responsible for dissemination of information such as the requirements of this rule and department/agency policy and procedures to vendor representatives.

B. Vendor coordinator shall act as liaison for the vendor with any administrative contract (or) and the state relative to Flexible Benefits Plan participation. The coordinator shall also be responsible for dissemination of information to vendor representatives.

C. Vendor shall use invoice/billing identification structure that is compatible with payroll agency control groups to facilitate the monthly reconciliation.

D. Vendors shall be responsible for preparing a reconciliation of monthly payroll deduction/remittances to vendor's monthly premium due.

E. Monthly Reconciliation shall include total monthly premium due amount, each product amount and product code that makes up the total amount of premium due, total remittance amount, and a listing of all exceptions between the premium due and deduction/remittance by employee within billing/payroll reporting groups.

F. Monthly Reconciliation exception listing shall identify the employee by Social Security Number and payroll reporting number and shall be grouped within payroll agency numbers for DOA statewide payroll system agencies and similarly for payroll systems outside of the DOA statewide payroll system.

G. Vendors shall furnish evidence of reconciliation to the Division of Administration, Office of State Uniform Payroll as requested by that office. Like verification may be required by other payroll systems outside of the DOA statewide payroll system.

H. Monthly certification of reconciliation will not be required of vendors that provide participants or members with monthly or quarterly statements of activity and/or balances.

I. Vendors failing to provide accurate and timely reconciliation verification will be barred from active solicitation until satisfactory certification is submitted to the Division of Administration, Office of State Uniform Payroll.

J. Vendors shall not be authorized to submit any deduction form which was obtained from an employee for the purpose of transmitting any part of that deduction to a third party.

K. Vendors must identify each policy form for specific product provided on the SED-2 application form. Vendors must indicate whether the form SED-2 is an annual application (renewal) or a new application for a product or service not previously approved for deduction.

L. Vendors shall not submit deduction forms listing any product or service for which a product code has not been assigned through the new application process. Vendors shall submit deduction forms only for those policy forms or service plans which have been approved.

M. Vendors shall follow procedures established by the Division of Administration, Office of State Uniform Payroll or Governing Board when refunding payroll deducted and remitted premiums to employees, implementing across the board rate increases, or requesting changes to existing products. See §112.

N. Vendors, applicants, and any representatives thereof shall be prohibited from any action intended to influence the opinion or recommendation of any EPBC member.

O. Vendors must reconcile monthly remittances in total and at each product level as of January.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

#### **§127. Department/Agency Responsibility**

A. Department secretary/undersecretary or his designee shall:

1. approve or reject requests for solicitation authorization presented only by designated coordinators of approved vendors;

2. confirm with the vendor coordinator (and/or Louisiana Department of Insurance when applicable) the credentials of any vendor agent not represented to the department by the vendor coordinator;

3. provide vendor coordinators a copy of department/agency policy relative to receipt, processing, and cancellation of payroll deduction forms, as well as guidelines prior to permitting access to employees;

4. certify the use of any intraagency deduction to collect funds from employees for meals, housing, etc., is required by and is a benefit to the agency/department;

5. insure that intraoffice deductions such as flower, gift, and coffee funds are not permitted;

6. provide support for participation of selected EPBC members.

B. Departments/agencies shall provide OSUP a written report of acts of noncompliance by any vendor to this rule or to the published guidelines of that department/agency.

C. Payroll personnel of DOA statewide payroll system agencies may process refunds for amounts previously deducted from any vendors which receive consolidated remittance only as directed by OSUP. Payroll systems outside of the DOA statewide payroll system shall establish written policy for remittance and refund of deductions taken.

D. Department/agency payroll/personnel shall:

1. accept only authorization forms which conform to the standard deduction format (Form SED-4) from vendor representatives;

2. verify that the vendor name and the vendor and product codes on any deduction form submitted are in agreement with the current approved list;

3. accept forms for employee deductions which contain no obvious alterations without employee's written acknowledgment of such change;

4. be responsible for verifying that the deduction amount is in agreement with the monthly amount shown on the authorization;

5. be responsible for maintaining compliance with employee flexible benefits plan year contract commitment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

#### **§129. Reporting**

A. Vendors shall provide written notification within ten days of final approval of any change in the name, address, company status, principal officers, and designated coordinator to OSUP.

B. Vendors shall provide as required by OSUP data disks, mailers, labels, postage, or other supplies necessary to avoid cost to the state in providing deduction information. Like assistance shall be provided to other payroll systems as determined appropriate to control state cost of providing deduction.

C. Annual (renewal) applications shall list specific products/policy forms provided. No new products or services or changes to existing products or services shall be added to SED-4 forms or marketed without prior approval through the annual application process.

D. Departments/agencies shall be responsible for reporting any infractions of this rule and/or department policy committed by any vendor or vendor representative to OSUP and/or appropriate Governing Board or Boards.

E. Vendors shall provide written notification of the dismissal of any representative participating in state deduction to OSUP and/or appropriate Governing Board or Boards.

F. Vendors with deductions "permitted" by statute shall provide annual (renewal) applications (Form SED-2).

G. Each Governing Board shall provide OSUP an annual report relative to vendors currently approved for deductions within each system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996). LR 26:

#### **§131. Fees**

A. Data, information, reports, or any other services provided to any vendor or any other party by the DOA statewide payroll system or other state payroll system shall be subject to payment of a fee for the cost of providing said data, information, reports, and/or services in accordance with the Uniform Fee Schedule.

B. Fees assessed shall be satisfied in advance of receipt of the requested data.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform

Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

#### **§133. Termination of Payroll Deduction**

A. Unethical conduct or practices of the vendor will result in the termination of payroll deduction authority for that vendor.

B. Unethical or unprofessional conduct of any vendor representative shall result in that individual being barred from participation in state deduction for any vendor.

C. Deduction authority shall be revoked for any vendor that fails to maintain compliance with provisions of R.S. 42:455.

D. Deduction authority may be revoked for any vendor that fails to comply with requirements of this rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

#### **§135. General**

A. Deduction authorization shall not be transferred.

B. Approval of an applicant in no way constitutes endorsement or certification of the applicant/vendor by the state.

C. Group Benefits HMO and other Board Approved third party pass-through deductions and credit union reciprocal agreement payments to other state agency credit unions for transferred employees shall be the only exception to §125.J.

D. Administrative responsibilities of this rule shall preclude the Division of Administration from sponsoring applicants for vendor deduction authorization.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

#### **§137. Appeal Process**

A. Any vendor participating in deduction debarred from participating for any reason by a department/agency or university shall have the right to have that action reviewed by filing a written request for review with the secretary of the department/agency, or the chairman of the respective Governing Board. This request for review shall be filed within 10 days from the notice of debarment.

B. A written decision shall be rendered on any request for review within 14 days of receipt.

C. Any vendor who is not satisfied with this decision has the right to appeal to the commissioner of administration. Any such appeal must be in writing and received by the commissioner within 10 days of receipt by the vendor. The commissioner shall issue a written decision on the matter within 14 days of receipt of the written appeal.

D. The decision of the commissioner shall be the final administrative review.

SED-3 {09/95}

DEPARTMENT REQUEST  
FOR  
PAYROLL DEDUCTION VENDOR

In accordance with the rule governing payroll deductions, Title 4 (Chapter 1, §115.C.2),

I, \_\_\_\_\_, \_\_\_\_\_, on behalf of the  
NAME TITLE

employees of \_\_\_\_\_, hereby request  
DEPARTMENT

favorable consideration of a payroll deduction application submitted by:

A.

\_\_\_\_\_  
APPLICANT/VENDOR NAME

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
CITY/STATE/ZIP

\_\_\_\_\_  
AGENT/REPRESENTATIVE

\_\_\_\_\_  
PHONE (Area/Number/Extension)

To offer:

B. (PRODUCT/

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Section 125 Eligible  
Yes  No

I further certify that this request does not represent a duplication of a product or service of comparable value currently available in the payroll system; that a review and/or survey conducted by this department has indicated a need for this particular deduction; that the above named company applicant has provided evidence of having met and/or exceeded all requirement of R. S. 42:455; and has knowledge of the requirements of the rule governing payroll deductions.

Department \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

SED-4 (9/95)

( V E N D O R N A M E H E R E )

State of Louisiana Employee Payroll Deduction Authorization						
Employee Name		Soc.	Sec.	No.	Payroll Reporting No.	
Department/Agency/Section Name			Control No.		Authorized Codes MS@ a-?    MS@ m-?	
I hereby authorize my employer to deduct a total of \$ _____, monthly rate, from my salary until further notice and remit same to <u>(VENDOR NAME HERE)</u> . A TOTAL Semi-Monthly Deduction in the amount of \$ _____ represents one half of the total monthly premium required for the coverage(s) detailed below. I, hereby waive on behalf of myself, my heirs, successors, agents, and assigns any and all rights of action against the State of Louisiana, its agents, and assigns, arising out of the deduction, failure to deduct, or any other handling of this request for payroll withholding.						
<b>DEDUCTION DETAIL (Product Codes, Premium Amts., 125 Elig.) MENU ELECTIONS</b>						
PRODUCT NAME	PLAN PART. CODE YES NO	125 ELIG.	MO. PREM.	PAYROLL CODE	INELIGIBLE & NON-PART Semi-Mo.	ELIGIBLE PART Semi-Mo.
PRODUCT ONE ##	P	Y	\$	MS@ P ?		\$
Product one ##	N	Y	\$	MS@ N ?	\$	
PRODUCT TWO ##	P	Y	\$	MS@ P ?		\$
Product two ##	N	Y	\$	MS@ N ?	\$	
PRODUCT THREE ##	P	Y	\$	MS@ P ?		\$
Product three ##	N	Y	\$	MS@ N ?	\$	
<b>SUB TOTALS MS@ Non-Part. - Part.</b>					\$ _____	\$ _____
Other Product 1 ##	N	N	\$	MS@ N ?	\$	
Other Product 2 ##	N	N	\$	MS@ N ?	\$	
Other Product 3 ##	N	N	\$	MS@ N ?	\$	
Begin/Change Date	Total Mo. Prem.		\$			
Date/Authorized	Total Semi-Mo. Ineligible		MS@	\$ _____		
BY: _____	Total Semi-Mo. Non-Part.		MS@	\$ _____		
Employee Signature	Total Semi-Mo		MS@	\$ _____		
	Participating					
<b>TOTAL SEMI-MONTHLY</b>				<b>MS@</b>	\$ _____	
(THIS FORM SUPERSEDES AND REPLACES ALL OTHER AUTHORITY FOR THIS DEDUCTION)						
Presentation and deduction authorization processed by: _____						
MS@ Agent			Phone _____			
Address _____						

( @ = Vendor Code Letter ? = Product Code Letter ## = FBMC Product Type number )

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 12:763 (November 1986), amended LR 16:402 (May 1990), LR 19:318 (March 1993), LR 22:22 (January 1996), LR 26:

Whitman Kling  
Deputy Undersecretary

0002#024

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Adult Denture Program Termination of Services

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as

directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides coverage for denture and denture repair services rendered to recipients age twenty-one years and older. As a result of a budgetary shortfall, the Bureau has determined it is necessary to terminate coverage of this optional services program under its Title XIX State Plan. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures in the Medicaid Program by approximately \$1,146,737 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective February 21, 2000, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing terminates coverage and reimbursement for denture services provided to recipients age twenty-one and older under the Medicaid Program.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#052

### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

#### **Chiropractic Services Termination of Services**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures

to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides coverage for chiropractic services under the Medicaid Program. Section 440.225 of the Code of Federal Regulations (42 CFR) states that "any of the services defined in subpart A of this part that are not required under sections 440.210 and 440.220 may be furnished under the state plan at the state's option". Chiropractic services are considered optional under the Title XIX of the Social Security Act and a state may choose to either include or exclude these services under the Medicaid State Plan.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to terminate coverage of chiropractic services for recipients aged 21 and older. However, the Medicaid Program will continue to provide coverage of medically necessary manual manipulation of the spine for Early and Periodic Screening, Diagnostic and Treatment Program (EPSDT) recipients under the age of 21 years when the service is rendered as the result of a referral from an EPSDT medical screening provider. Prior authorization shall continue to be required for chiropractic services rendered to recipients under four years of age and for the thirteenth chiropractic service rendered to recipients between the ages of 5 and 21. However, reimbursement shall no longer be made to chiropractors for radiology procedures.

This action is necessary to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for the chiropractic services by approximately \$176,404 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective February 21, 2000, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing terminates coverage and reimbursement for chiropractic services for recipients aged 21 and older. However, the Medicaid Program will continue to provide coverage of medically necessary manual manipulation of the spine for Early and Periodic Screening, Diagnostic and Treatment Program (EPSDT) recipients under the age of 21 years when the service is rendered as the result of a referral from an EPSDT medical screening provider. Prior authorization shall continue to be required for chiropractic services rendered to recipients under four years of age and for the thirteenth chiropractic service rendered to recipients between the ages of 5 and 21. However, reimbursement shall no longer be made to chiropractors for radiology procedures.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this

emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#050

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment Customized  
Wheelchairs Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule in the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law." This emergency rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing reimburses certain durable medical equipment items using a formula based on a percentage calculation of the Manufacturer's Suggested Retail Price (MSRP). As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement for manual type customized wheelchairs and their components from MSRP minus 15 percent to MSRP minus 20 percent and reduce the reimbursement for motorized type customized wheelchairs from MSRP minus 12 percent to MSRP minus 17 percent.

This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for customized wheelchairs in the Durable Medical Equipment Program by approximately \$135,656 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces reimbursement for manual type customized wheelchairs and their components from Manufacturer's Suggested Retail Price (MSRP) minus 15 percent to MSRP minus 20 percent and motorized type customized wheelchairs from MSRP minus 12 percent to MSRP minus 17 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#039

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment E and K Procedure Codes

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 et seq. and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing reimburses certain durable medical equipment items at 80 percent of the Medicare Fee Schedule amount or billed charges whichever is the lesser amount for specific Health Care Financing Administration Common Procedure Codes (HCPC). As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce reimbursement for these specified HCPC procedure codes by 10 percent. Reimbursement will be reduced to 70 percent of the Medicare fee schedule amount or billed charges whichever is the lesser amount for the following HCPC procedure codes:

E1050-E1060	Wheelchairs with special features
E1070-E1110	
E1170-E1213	
E1221-E1224	
E1240-E1295	
K0002-K0014	
L7803-L8030	Breast Prosthesis
L8039	

L8400-L8435	Prosthetic Sheaths
L8470-L8485	Prosthetic Socks
L8100-L8230	Elastic Support Stockings
L8239	
A7003-A7017	Nebulizer Administrative Supplies
K0168-K0181	
K0529-K0530	
E0840-E0948	Traction Equipment
E0781, K0455	External Ambulatory Infusion Pumps
E0621	Patient Lift Slings
E0480	Percussors
E0550-E0560	Humidifiers
E0565	Compressors

This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for the designated medical equipment and supply items in the Durable Medical Equipment Program by approximately \$13,711 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement for certain durable medical equipment items identified by specific HCPC procedure codes by 10 percent. Reimbursement will be reduced to 70 percent of the Medicare Fee Schedule amount or billed charges whichever is the lesser amount for the following HCPC procedure codes:

E1050-E1060	Wheelchairs with special features
E1070-E1110	
E1170-E1213	
E1221-E1224	
E1240-E1295	
K0002-K0014	
L7803-L8030	Breast Prosthesis
L8039	
L8400-L8435	Prosthetic Sheaths
L8470-L8485	Prosthetic Socks
L8100-L8230	Elastic Support Stockings
L8239	
A7003-A7017	Nebulizer Administrative Supplies
K0168-K0181	
K0529-K0530	
E0840-E0948	Traction Equipment
E0781, K0455	External Ambulatory Infusion Pumps
E0621	Patient Lift Slings
E0480	Percussors
E0550-E0560	Humidifiers
E0565	Compressors

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this

emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#049

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment Enteral  
Formulas Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule in the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law." This emergency rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing reimburses for various groupings of enteral formulas either at 100 percent of the Medicare Fee Schedule or at an established flat fee amount for individual formulas or billed charges whichever is the lesser amount. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce reimbursement for these enteral formulas by 20 percent. Reimbursement will be reduced to 80 percent of the Medicare Fee Schedule for various groupings of formulas or to a rate of 80 percent of established flat fee amount for certain individual formulas or billed charges whichever is the lesser amount.

This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for enteral formulas in the Durable Medical Equipment Program by approximately \$287,437 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces reimbursement for enteral formulas by 20 percent. Reimbursement will be reduced to 80 percent of the Medicare Fee Schedule for various groupings of enteral formulas or to a rate of 80 percent of established flat fee

amount for certain individual formulas or billed charges whichever is the lesser amount.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#046

### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment  
Equipment and Supplies Delivery Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement in the Durable Medical Equipment Program for the delivery of medical equipment and supplies. The reimbursement is either the lessor of billed charges or 10 percent of the total shipping amount of the prior authorized medical equipment and supplies up to a maximum amount of \$75. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rate for delivery of medical equipment and supplies to either the lessor of billed charges or 5 percent of the total shipping amount of the prior authorized medical equipment and supplies up to a maximum of \$50. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures in the Durable Medical Equipment Program by approximately \$61,893 for state fiscal year 1999-2000.

### **Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement rate for delivery of medical equipment and supplies to either the lessor of billed charges or 5 percent of the total shipping amount of the prior authorized medical equipment and supplies up to a maximum of \$50.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#045

### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment  
Flat Fee Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for the certain durable medical equipment items at a rate of 80 percent of the Medicare allowable fee. As a result of a budgetary shortfall, the Bureau has determined it is necessary to change the reimbursement methodology for these items from a percentage of the Medicare allowable fee to a Medicaid established flat fee amount. Reimbursement for these durable medical equipment items will be as follows:

Enteral infusion pumps

B9000, B9002	\$595 purchase	\$92 rental per month
B0777, B0778		

Standard type wheelchairs

E1130 and K0001	\$250 purchase	\$35 rental per month
E1140	\$412.50 purchase	\$38.50 rental per month
E1150	\$453.75 purchase	\$42.35 rental per month
E1160	\$375 purchase	\$50 rental per month

Hospital beds

E0255	\$650 purchase	\$75 rental per month
E0265	\$1250 purchase	\$75 rental per month

Artificial eyes

V2623	\$500 purchase	
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Commode chairs

E0163	\$55 purchase	
E0164	\$83.55 purchase	
E0165	\$85 purchase	
E0166	\$142.80 purchase	

Stationary suction machines

Z0500	\$225 purchase	\$35 rental per month
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This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for these durable medical equipment items by approximately \$42,559 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing changes the reimbursement methodology for the following durable medical equipment items from 80 percent of the Medicare allowable fee to a Medicaid established flat fee amount:

Enteral infusion pumps

B9000, B9002	\$595 purchase	\$92 rental per month
B0777, B0778		

Standard type wheelchairs

E1130 and K0001	\$250 purchase	\$35 rental per month
E1140	\$412.50 purchase	\$38.50 rental per month
E1150	\$453.75 purchase	\$42.35 rental per month
E1160	\$375 purchase	\$50 rental per month

Hospital beds

E0255	\$650 purchase	\$75 rental per month
E0265	\$1250 purchase	\$75 rental per month

Artificial eyes

V263	\$500 purchase	
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Commode chairs

E0163	\$55 purchase	
E0164	\$83.55 purchase	
E0165	\$85 purchase	
E0166	\$142.80 purchase	

Stationary suction machines

Z0500	\$225 purchase	\$35 rental per month
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Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#044

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment Medicare Part B Claims

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for full co-insurance and deductibles for Medicare Part B claims for durable medical equipment and supplies. Section 1902(a)(10) of the Social Security Act provides states flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost-sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that "a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, coinsurance, or co-payments for Medicare cost sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary."

When a state's payment for Medicare cost sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined that it is necessary to compare the Medicare payment and the Medicaid rate on file for Medicare Part B claims for medical equipment or supply items. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for in the Durable Medical Equipment Program by approximately \$112,470 for state fiscal year 1999-2000.

**Emergency Rule**

Effective with dates of service February 8, 2000, and thereafter, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment to the Medicaid rate on file for Medicare Part B claims for medical equipment or supply items. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of the Medicare/Medicaid payment comparison, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full

for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#047

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment  
Orthotics and Prosthetics Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule in the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law." This emergency rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing reimburses certain durable medical equipment items identified by specific Health Care Financing Administration Common Procedure Codes (HCPC) at 80 percent of the Medicare Fee Schedule amount or billed charges, whichever is the lesser amount. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce reimbursement for orthotic and prosthetic items by 10 percent. Reimbursement will be reduced to 70 percent of the Medicare Fee Schedule amount or billed charges, whichever is the lesser amount, for the following HCPC procedure codes:

L0100-L2999	Orthotics
L3650-L4380	
L5000-L7499	Prosthetics

This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for orthotic and prosthetic items in the Durable Medical Equipment Program by approximately \$76,816 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement for certain durable medical equipment items identified by specific HCPC procedure codes by 10 percent. Reimbursement will be reduced to 70 percent of the Medicare Fee Schedule amount or billed charges, whichever is the lesser amount, for the following HCPC procedure codes:

L0100-L2999	Orthotics
L3650-L4380	
L5000-L7499	Prosthetics

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#042

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment, Ostomy and  
Urological Supplies Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 et seq. and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative

Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing reimburse certain durable medical equipment items identified by specific Health Care Financing Administration Common Procedure Codes (HCPC) at either 80 percent of the Medicare Fee Schedule, 80 percent of the Manufacturer's Suggested Retail Price (MSRP) or billed charges, whichever is the lesser amount. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rate for these items by 10 percent. The reimbursement will be reduced to 70 percent of the Medicare Fee Schedule, 70 percent of the MSRP amount or billed charges, whichever is the lesser amount for the following HCPC codes:

A4200- A4460	Ostomy and Urological supplies
A4927-A5149	
K0133-K0139	
A6020-A6406	Wound dressings and supplies
K0216-K0437	

This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures in the durable medical equipment program by approximately \$31,025 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement for certain durable medical equipment items identified by specific Health Care Financing Administration Common Procedure Codes by 10 percent. The reimbursement will be reduced to 70 percent of the Medicare Fee Schedule, 70 percent of the Manufacturer's Suggested Retail Price (MSRP) amount or billed charges, whichever is the lesser amount for the following HCPC codes:

A4200- A4460	Ostomy and Urological supplies
A4927-A5149	
K0133-K0139	
A6020-A6406	Wound dressings and supplies
K0216-K0437	

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#041

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment, Oxygen Concentrators and Glucometers Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for oxygen concentrators and glucometers in the Durable Medical Equipment (DME) Program. Currently, oxygen concentrators are reimbursed at a flat fee of \$1500 for purchase and \$175 per month rental. Glucometers are reimbursed at a flat fee of \$100 for purchase (rental is not applicable). As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement fees for oxygen concentrators to \$1250 for purchase and \$150 per month for rental and for glucometers to \$30 for purchase. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for oxygen concentrators and glucometers by approximately \$52,576 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement provided under the Durable Medical Equipment Program for oxygen concentrators to \$1250 for purchase and \$150 per month for rental and for glucometers to \$30 for purchase.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person

responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#043

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Durable Medical Equipment, Parenteral and Enteral Supplies Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 et seq., and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing reimburses certain durable medical equipment items identified by specific Health Care Financing Administration Common Procedure Codes (HCPC) at 80 percent or 100 percent of the Medicare Fee Schedule. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rate for these items by 10 percent. The reimbursement will be reduced to 70 percent of the Medicare Fee Schedule amount for the following HCPC codes:

B4034-B4084, B9004-B9999	Parenteral and Enteral supplies
E0776, E0791	
A4624-A4625	Suction Catheters
A4621	Tracheostomy masks or collars
A4623	Tracheostomy cannulas

The reimbursement will be reduced to 90 percent of the Medicare Fee Schedule amount for the following HCPC codes:

A4622	Tracheostomy tubes
A4629	Tracheostomy care kits

This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures in the durable medical equipment program by approximately \$106,983 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement for certain durable medical equipment items identified by specific Health Care Financing Administration Common Procedure Codes by 10 percent. The reimbursement will be reduced to 70 percent of the Medicare Fee Schedule amount for the following HCPC codes:

B4034-B4084, B9004-B9999	Parenteral and Enteral supplies
E0776, E0791	
A4624-A4625	Suction Catheters
A4621	Tracheostomy masks or collars
A4623	Tracheostomy cannulas

The reimbursement will be reduced to 90 percent of the Medicare Fee Schedule amount for the following HCPC codes:

A4622	Tracheostomy tubes
A4629	Tracheostomy care kits (HCPC) codes

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#040

**DECLARATION OF EMERGENCY**  
**Department of Health and Hospitals**  
**Office of the Secretary**  
**Bureau of Health Services Financing**

Durable Medical Equipment Z and E Procedure Codes

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted

the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 et seq. and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides a flat fee reimbursement for all durable medical equipment items identified by Health Care Financing Administration Common Procedure Codes (HCPC) beginning with the letter "Z"; all miscellaneous equipment items identified with the HCPC code E1399; and all home health supply items and other miscellaneous supplies identified with the HCPC code Z1399. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement for medical equipment and home health supply items in the Durable Medical Equipment Program that are identified by a HCPC code beginning with the letter "Z" or HCPC code E1399 or Z1399 by 30 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for the designated medical equipment and home health supply items in the Durable Medical Equipment Program by approximately \$136,042 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement for all durable medical equipment items identified by Health Care Financing Administration Common Procedure Codes (HCPC) beginning with the letter "Z"; all miscellaneous equipment items authorized with the HCPC codes E1399; and all home health supply items and other miscellaneous supplies identified with the HCPC code Z1399 by 30 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#048

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Early Periodic Screening Diagnosis and Treatment (EPSDT) Dental Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) dental services under the Medicaid Program. Reimbursement for these services is a flat fee established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement fees for EPSDT Dental services by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for EPSDT Dental services by approximately \$405,404 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement fees for the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Dental services by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#018

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Early Periodic Screening Diagnosis and Treatment (EPSDT) KidMed Services

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) KidMed Services under the Medicaid Program. Reimbursement for these services is the flat fee established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement fees for EPSDT KidMed services by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for EPSDT KidMed services by approximately \$476,038 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement fees for the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) KidMed services by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#021

## DECLARATION OF EMERGENCY

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Early Periodic Screening Diagnosis and  
Treatment (EPSDT) Rehabilitation  
Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Rehabilitation services under the Medicaid Program. Reimbursement for these services is a flat fee established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the fees for EPSDT Rehabilitation services by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for EPSDT Rehabilitation services by approximately \$45,200 for state fiscal year 1999-2000.

### **Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement rates for the Early Periodic Screening Diagnosis and Treatment (EPSDT) Rehabilitation services by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#020

## DECLARATION OF EMERGENCY

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Emergency Ambulance Transportation  
Services Medicare Crossover

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for full co-insurance and deductibles for Medicare Part B claims for emergency ambulance services. Section 1902(a)(10) of the Social Security Act provides States flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that States have flexibility in complying with the requirements to pay Medicare cost sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that "a State is not required to provide any payment for any expenses incurred relating to payment for deductibles, coinsurance, or copayments for Medicare cost-sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the State plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary."

When a State's payment for Medicare cost sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The beneficiary does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to compare the Medicare payment and the Medicaid rate on file for emergency ambulance

services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is being taken in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for the emergency ambulance services by approximately \$207,328 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of services on or after March 1, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment and the Medicaid rate on file for emergency ambulance services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of applying the limit of the Medicaid maximum payment, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#073

#### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Emergency Medical Transportation Program  
Emergency Ambulance Transportation Services

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule in the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization

review, and other measures as allowed by federal law." This emergency rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for emergency ambulance transportation services. Reimbursement for these services is the base rate established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the base rate for emergency ambulance transportation services by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for emergency ambulance transportation services by approximately \$225,979 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the base rate for emergency ambulance transportation services by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#022

#### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Emergency Medical Transportation  
Program  
Nonemergency Ambulance  
Transportation Services

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule in the Medical Assistance Program as authorized by R.S.46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization

review, and other measures as allowed by federal law." This emergency rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for nonemergency ambulance transportation services. Reimbursement for these services is the base rate established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall the Bureau has determined it is necessary to reduce the base rate for nonemergency ambulance transportation services to the rate that was in effect prior to July 1, 1999. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for nonemergency ambulance transportation services by approximately \$159,874 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the base rate for nonemergency ambulance transportation services to the rate that was in effect prior to July 1, 1999.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#014

### **DECLARATION OF EMERGENCY**

#### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

##### **Family Planning Clinics Reimbursement Reduction**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative

Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides coverage for family planning clinic services. Reimbursement for these services is a flat fee established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rate for family planning services by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for family planning services by approximately \$4,672 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement to family planning clinics by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#038

### **DECLARATION OF EMERGENCY**

#### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

##### **Hemodialysis Centers Medicare Part B Claims**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for full co-insurance and deductibles for Medicare Part B claims for hemodialysis services. Section 1902(a)(10) of the Social Security Act provides states flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost-sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that "a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, co-insurance, or co-payments for Medicare cost sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary."

When a state's payment for Medicare cost sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined that it is necessary to do a comparison of the Medicare payment and the Medicaid rate on file for hemodialysis services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for hemodialysis services by approximately \$1,431,273 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective with date of service February 8, 2000, and thereafter, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment to the Medicaid rate on file for hemodialysis services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of the Medicare/Medicaid payment comparison, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the

Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#037

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### **Home Health Extended Skilled Nursing Visits Reimbursement**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Service Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect of the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for Home Health extended skilled nursing visits provided to medically fragile Medicaid recipients under the age of 21. Reimbursement is made at a prospective rate established by the Bureau. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rate for the first hour of the Home Health extended skilled nursing visit to \$20. The first hour of care must be included in the prior authorization request for extended skilled nursing visits. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures in the Home Health Program by approximately \$302,092 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement rate for the first hour of the Home Health extended skilled nursing visit to \$20. The first hour of care must be included in the prior authorization request for extended skilled nursing visits.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#013

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### **Home Health Services, Skilled Nursing and Physical Therapy Reimbursement**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect of the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for skilled nursing and physical therapy services provided by home health agencies. Reimbursement is made at a prospective rate established by the Bureau. As a result of a budgetary shortfall, the Bureau has determined it is necessary to create a separate reimbursement rate of 80 percent of the current skilled nursing rate when services are performed by a licensed practical nurse (LPN). However, the current fee on file will continue to be paid when a registered nurse (RN) provides the skilled nursing service. In addition, it is necessary to establish a separate reimbursement rate of 80 percent of the current physical therapy rate when services are provided by a physical therapist assistant. However, the current fee on file will continue to be paid when a licensed physical therapist provides the physical therapy services. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for skilled nursing and physical therapy

services provided by home health agencies by approximately \$258,079 for state fiscal year 1999-2000.

### **Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing establishes a separate reimbursement rate of 80 percent of the current Home Health skilled nursing rate when the skilled nursing service is provided by a licensed practical nurse (LPN). However, the current fee on file will continue to be paid when a licensed registered nurse (RN) provides the skilled nursing service. In addition, a separate reimbursement rate of 80 percent of the current Home Health physical therapy rate is established when the physical therapy services are provided by a physical therapist assistant. However, the current fee on file will continue to be paid when a licensed physical therapist provides the physical therapy services.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#017

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### **Hospital Program, Outpatient Services Reimbursement**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule in January of 1996 which established the reimbursement methodology for outpatient hospital services at an interim

rate of 60 percent of billed charges and cost settlement adjusted to 83 percent of allowable costs documented in the cost report, except for laboratory services subject to the Medicare Fee Schedule and outpatient surgeries (*Louisiana Register*, Volume 22, Number 1).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the interim reimbursement rate for hospital outpatient services to a hospital specific cost to charge ratio calculation based on filed cost reports for the period ending in state fiscal year 1997. The final reimbursement for these services will continue to be cost settlement at 83 percent of allowable costs. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for hospital outpatient services by approximately \$2,776,021 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after March 8, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing amends the interim payment for outpatient hospital services not subject to a fee schedule in private hospitals to a hospital specific cost to charge ratio calculation based on filed cost reports for the period ending in state fiscal year 1997. The final reimbursement for these services will continue to be cost settlement at 83 percent of allowable costs.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#085

### **DECLARATION OF EMERGENCY**

#### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### **Inpatient Hospital Services Medicare Part A**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This

emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

Section 1902(a)(10) of the Social Security Act provides States flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost-sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, co-insurance, or co-payments for Medicare cost sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary.

When a state's payment for Medicare cost-sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Act 10 of the 1999 Regular Session of the Louisiana Legislature contained provisions limiting the payment of co-insurance and deductibles for inpatient hospital services rendered to dually eligible Medicare/Medicaid recipients to the Medicaid maximum payment effective July 1, 1999. The provisions of Act 10 specifically excluded small rural hospitals from this limitation of payment to the Medicaid maximum. As a result of a budgetary shortfall, the Bureau has determined it is necessary to do comparison of the Medicare payment and the Medicaid rate on file for the revenue code(s) on Medicare Part A claims for services provided in small rural hospitals and hospital skilled nursing units. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is being taken in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for Medicare Part A claims for inpatient services rendered in small rural hospitals and hospital skilled nursing units by approximately \$1,442,849 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after February 1, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment to the Medicaid rate on file for the revenue code(s) on

Medicare Part A claims for services provided in small rural hospitals and hospital skilled nursing units. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of the Medicare/Medicaid payment comparison, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#007

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### **Inpatient Psychiatric Services Medicare Part A**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for full co-insurance and deductibles for inpatient services provided in a free-standing psychiatric hospital or a distinct-part psychiatric unit of an acute care hospital. Section 1902(a)(10) of the Social Security Act provides states flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the

Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost-sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that "a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, co-insurance, or co-payments for Medicare cost sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary."

When a state's payment for Medicare cost-sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary (QMB) is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to compare the Medicare payment and the Medicaid rate on file for the revenue code(s) on the Medicare Part A claim for inpatient psychiatric services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is being taken in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for Medicare Part A claims for inpatient mental health hospital services by approximately \$624,685 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after February 8, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment and the Medicaid rate on file for the revenue code(s) on the Medicare Part A claim for inpatient psychiatric services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of applying the limit of the Medicaid maximum payment, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this

emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#036

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### **Inpatient Psychiatric Services Reimbursement**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule which established the prospective reimbursement methodology for inpatient psychiatric hospital services provided in either a free-standing psychiatric hospital or distinct part psychiatric unit of an acute care general hospital (*Louisiana Register*, Volume 19, Number 6). This rule was subsequently amended by a rule adopted to discontinue the practice of automatically applying an inflation adjustment to the reimbursement rates for inpatient psychiatric services in those years when the rates are not rebased (*Louisiana Register*, Volume 25, Number 5).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the Medicaid prospective per diem rates for inpatient psychiatric services by 7 percent. This action is being taken in order to avoid a budget deficit in the medical assistance program. Taking into consideration the 7 percent reduction in per diem rates in state fiscal year 2000, the Department has carefully reviewed the proposed rates and is satisfied that they are consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers so that inpatient psychiatric services under the state plan are available at least to the extent that they are available to the general population in the state. It is estimated that implementation of this emergency rule will reduce expenditures for the inpatient

psychiatric services by approximately \$313,568 for state fiscal year 1999-2000.

## **Emergency Rule**

Effective for dates of service on or after March 1, 2000 the Department of Health and Hospitals, Bureau of Health Services Financing reduces the reimbursement for inpatient psychiatric services by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#083

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### **Laboratory and Portable X-Ray Services<sup>c</sup> Medicare Part B**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for full co-insurance and deductibles for Medicare Part B claims for laboratory and portable x-ray services. Section 1902(a)(10) of the Social Security Act provides states flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost-sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, co-insurance, or copayments for Medicare cost-

sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary.

When a state's payment for Medicare cost-sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The beneficiary does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to do comparison of the Medicare payment and the Medicaid rate on file for the procedure code on Medicare Part B claims for laboratory and portable x-ray services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is being taken in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for the laboratory and portable x-ray services by approximately \$65,430 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of services on or after February 1, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment to the Medicaid rate on file for the procedure code on Medicare Part B claims for laboratory and portable x-ray services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of applying the limit of the Medicaid maximum payment, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#009

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### Laboratory and Portable X-Ray Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Service Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect of the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides coverage for laboratory and portable x-ray services under the Medicaid Program. Reimbursement for laboratory services is made on the basis of either the lower of billed charges, the state maximum amount, or the Medicare fee schedule amount. Reimbursement for portable x-ray services is on a flat fee basis. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rates for laboratory and portable x-ray services by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for laboratory and portable x-ray services by approximately \$495,632 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement for laboratory and portable x-ray services by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#023

## DECLARATION OF EMERGENCY

### Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

#### Long Term Hospital Reimbursement Methodology

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule in June 20, 1994 which established the reimbursement methodology for inpatient hospital services, including long-term acute hospitals under the specialty hospital peer groups (*Louisiana Register*, Volume 20, Number 6) and subsequently adopted a rule which amended the peer group rate payment to the lowest blended per diem rate for each specialty hospital category without otherwise changing the methodology (*Louisiana Register*, Volume 22, Number 1). The reimbursement methodology for psychiatric treatment was later disjoined from the methodology for other types of services in a long-term acute hospitals in order to reimburse these services at the same prospective per diem rate established for psychiatric treatment facilities (*Louisiana Register*, Volume 23, Number 2). The June 20, 1994 rule was subsequently amended to restructure the prospective reimbursement methodology for inpatient services provided in long-term acute hospitals (*Louisiana Register*, Volume 23, Number 12).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce Medicaid prospective per diem rates for inpatient long term hospital services by 7 percent. This action is being taken in order to avoid a budget deficit in the medical assistance program. Taking into consideration the 7 percent reduction in per diem rates in state fiscal year 2000, the Department has carefully reviewed the proposed rates and is satisfied that they are consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers so that long term hospital services under the state plan are available at least to the extent that they are available to the general population in the state. It is estimated that the implementation of this emergency rule will reduce expenditures to long-term

hospitals by approximately \$132,224 for state fiscal year 1999-2000.

#### Emergency Rule

Effective for dates of service on or after March 1, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing reduces the reimbursement to long term hospitals by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#084

## DECLARATION OF EMERGENCY

### Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

#### Mental Health Rehabilitation Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Service Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect of the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for mental health rehabilitation services under the Medicaid Program. Reimbursement for these services is a prospective, negotiated and noncapitated rate based on the delivery of services as specified in the service agreement and the service package required for the adult and child/youth populations. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the established reimbursement rates for high need services for adults and children as well as moderate need services for children by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce

expenditures in the Mental Health Rehabilitation Program by approximately \$359,472 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement rates in the Mental Health Rehabilitation Program for high need services for adults and children as well as moderate need services for children by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#019

### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

#### **Out-of-State Hospitals' Inpatient Reimbursement**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule in January of 1996 which established the reimbursement methodology for inpatient hospital services provided in out-of-state hospitals at the lower of 50 percent of billed charges or the Medicaid per diem rate of the state wherein the services are provided (*Louisiana Register*, Volume 22, Number 1). This rule was subsequently amended in September of 1997 to increase the reimbursement to 72 percent of billed charges for inpatient services provided in out-of-state hospitals to recipients up to age 21 (*Louisiana Register*, Volume 23, Number 9)

As a result of a budgetary shortfall, the Bureau has determined it is necessary to amend the reimbursement methodology for out-of-state hospitals that have provided at least 500 inpatient hospital days in State Fiscal Year 1999 to Louisiana Medicaid recipients and are located in border cities. Border cities are defined as cities that are located within a 50 mile trade area of the Louisiana state border. The following two cities meet the criteria for number of inpatient hospital days provided to Louisiana Medicaid recipients and the definition of border cities: Natchez, Mississippi and Vicksburg, Mississippi. Louisiana Medicaid reimbursement for inpatient services provided in all hospitals located in these two border cities will be at the lesser of each hospital's actual cost per day as calculated from the 1998 filed Medicaid cost report or the Mississippi Medicaid per diem rate. The actual cost per day is calculated by dividing total Medicaid inpatient cost by total Medicaid inpatient days, including nursery days. This reimbursement methodology is applicable for all Louisiana Medicaid recipients who receive inpatient services in an out-of-state hospital located in a border city, including those recipients up to the age of 21. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for out-of-state hospital services by approximately \$42,697 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after March 8, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing amends the reimbursement methodology for out-of-state hospitals that provided at least 500 inpatient hospital days in State Fiscal Year 1999 to Louisiana Medicaid recipients and are located in border cities. Border cities are defined as cities that are located within a 50 mile trade area of the Louisiana state border. The following two cities meet the criteria for number of inpatient hospital days provided to Louisiana Medicaid recipients and the definition of border cities: Natchez, Mississippi and Vicksburg, Mississippi. Louisiana Medicaid reimbursement for inpatient services provided in all hospitals located in these two border cities will be at the lesser of each hospital's actual cost per day as calculated from the 1998 filed Medicaid cost report or the Mississippi Medicaid per diem rate. The actual cost per day is calculated by dividing total Medicaid inpatient cost by total Medicaid inpatient days, including nursery days. This reimbursement methodology is applicable for all Louisiana Medicaid recipients who receive inpatient services in an out-of-state hospital located in a border city, including those recipients up to the age of 21.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#082

## DECLARATION OF EMERGENCY

### Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

#### Outpatient Hospital Laboratory Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule in April of 1997 that established a uniform reimbursement methodology for all laboratory services subject to the Medicare Fee Schedule regardless of the setting in which the services are performed, outpatient hospital or a non-hospital setting. Outpatient hospital laboratory services are reimbursed at the same reimbursement rate as laboratory services performed in non-hospital setting (*Louisiana Register*, Volume 23, Number 4).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rates for outpatient hospital laboratory services by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. Taking into consideration the 7 percent reduction in reimbursement rates in state fiscal year 2000, the Department has carefully reviewed the proposed rates and is satisfied that they are consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers so that outpatient hospital laboratory services under the state plan are available at least to the extent that they are available to the general population in the state. It is estimated that implementation of this emergency rule will reduce expenditures for outpatient hospital laboratory services by approximately \$129,481 for state fiscal year 1999-2000.

#### Emergency Rule

Effective for dates of service on or after March 8, 2000 the Department of Health and Hospitals, Bureau of Health Services Financing reduces the reimbursement for outpatient hospital laboratory services by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA

70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule notice is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#079

## DECLARATION OF EMERGENCY

### Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

#### Outpatient Hospital Rehabilitation Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule in June of 1997 which established a uniform reimbursement methodology for all rehabilitation services regardless of the setting in which the services are performed, outpatient hospital or a free-standing rehabilitation center (*Louisiana Register*, Volume 23, Number 6). Rehabilitation services include physical, occupational, speech, hearing, and language therapies.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rates for outpatient hospital rehabilitation services by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. Taking into consideration the 7 percent reduction in reimbursement rates in state fiscal year 2000, the Department has carefully reviewed the proposed rates and is satisfied that they are consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers so that outpatient hospital rehabilitation services under the state plan are available at least to the extent that they are available to the general population in the state. It is estimated that implementation of this emergency rule will reduce expenditures for outpatient hospital rehabilitation services by approximately \$34,105 for state fiscal year 1999-2000.

### **Emergency Rule**

Effective for dates of service on or after March 8, 2000 the Department of Health and Hospitals, Bureau of Health Services Financing reduces the reimbursement for outpatient hospital rehabilitation services by 7 percent. Outpatient hospital rehabilitation services include physical, occupational, speech, hearing, and language therapies.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#078

### **DECLARATION OF EMERGENCY**

#### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

#### **Outpatient Hospital Services Medicare Part B**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950(B)(1) et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for full co-insurance and deductibles for Medicare Part B claims for outpatient hospital services. Section 1902(a)(10) of the Social Security Act provide states flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs.

Section 4714 states that "a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, co-insurance, or copayments for Medicare cost-sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary."

When a state's payment for Medicare cost-sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The beneficiary does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to do comparison of the Medicare payment and the Medicaid rate on file for the applicable revenue code. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for the outpatient hospital services by approximately \$1,651,781 for state fiscal year 1999-2000.

### **Emergency Rule**

Effective for dates of admission on or after February 8, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment to the Medicaid rate on file for the applicable revenue code. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of the Medicare/Medicaid payment comparison, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#035

## DECLARATION OF EMERGENCY

### Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

#### Outpatient Surgery Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule in December of 1985 that established the criteria and reimbursement for certain surgical procedures when performed in an outpatient setting. Reimbursement for these surgical procedures was set at a flat fee per service if the procedure code is included in one of the four Medicaid established payment groups. Reimbursement for those surgical procedures not included in the Medicaid outpatient surgery list was not changed from the established methodology (*Louisiana Register*, Volume 11, Number 12). A rule was subsequently adopted in January of 1996 which established the reimbursement methodology for outpatient hospital services at an interim rate of 60 percent of billed charges, except for those outpatient surgeries subject to the Medicaid outpatient surgery list (*Louisiana Register*, Volume 22, Number 1).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to assign the highest flat fee in the four Medicaid established payment groups for outpatient surgery to those surgical procedures that are not included in the Medicaid outpatient surgery list. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for the outpatient hospital surgery services by approximately \$880,048 for state fiscal year 1999-2000.

#### Emergency Rule

Effective for dates of service on or after March 8, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing amends the reimbursement methodology for those surgical procedures that are not included in the Medicaid outpatient surgery list to the highest flat fee in the

four Medicaid established payment groups for outpatient surgery.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#077

## DECLARATION OF EMERGENCY

### Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

#### Pharmacy Program Average Wholesale Price

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

Act 10 of the 1999 Regular Session of the Louisiana Legislature contained provisions that amended the reimbursement methodology for prescription drugs under the Medicaid Program. The provisions of Act 10 limited the payments for prescription drugs by amending the Estimated Acquisition Cost formula from Average Wholesale Price (AWP) minus 10.5 percent for single source drugs (brand name), multiple source drugs which do not have a state Maximum Allowable Cost (MAC) or Federal Upper Limit and those prescriptions subject to MAC overrides based on the physician's certification that a brand name product is medically necessary to AWP minus 10.5 percent for independent pharmacies and 13.5 percent for chain pharmacies. Chain pharmacies were defined as five or more Medicaid enrolled pharmacies under common ownership. All other Medicaid enrolled pharmacies were defined as independent pharmacies.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to amend the current

reimbursement methodology for prescription drugs by changing the Estimated Acquisition Cost formula from AWP minus 10.5 percent to AWP minus 15 percent for independent pharmacies and from AWP minus 13.5 percent to AWP minus 16.5 percent for chain pharmacies for single source drugs (brand name), multiple source drugs which do not have a state Maximum Allowable Cost (MAC) or Federal Upper Limit and those prescriptions subject to MAC overrides based on the physician's certification that a brand name product is medically necessary.

The Bureau has also determined that chain pharmacies shall be defined as more than 15 Medicaid enrolled pharmacies under common ownership. All other Medicaid enrolled pharmacies are defined as independent pharmacies. This action is necessary in order to avoid a budget deficit in the Medical Assistance Program. It is estimated that implementation of this emergency rule will reduce expenditures in the Pharmacy Program by approximately \$8,204,732 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of services on or after February 1, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing limits payments for prescription drugs to the lower of:

- 1) Average Wholesale Price (AWP) minus 15 percent for independent pharmacies (all other Medicaid enrolled pharmacies) and 16.5 percent for chain pharmacies (more than 15 Medicaid enrolled pharmacies under common ownership);
- 2) Louisiana's Maximum Allowable Cost limitation plus the Maximum Allowable Overhead Cost;
- 3) Federal Upper Limits plus the Maximum Allowable Overhead Cost; or
- 4) provider's usual and customary charges to the general public. General public is defined as all other non-Medicaid prescriptions including third-party insurance, pharmacy benefit management plans and cash.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#015

### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Private Hospital-Inpatient Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the

following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule in June of 1994 which established the prospective reimbursement methodology for inpatient services provided in private (non-state) acute care general hospitals (*Louisiana Register*, Volume 20, Number 6). The reimbursement methodology was subsequently amended in a rule adopted in January of 1996 which established a weighted average per diem for each hospital peer group (*Louisiana Register*, Volume 22, Number 1). This rule was later amended by a rule adopted in May of 1999 which discontinued the practice of automatically applying an inflation adjustment to the reimbursement rates in those years when the rates are not rebased (*Louisiana Register*, Volume 25, Number 5).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the prospective per diem rates for private (non-state) acute hospital inpatient services by 7 percent. This action is being taken in order to avoid a budget deficit in the medical assistance program. Taking into consideration the 7 percent reduction in per diem rates in state fiscal year 2000, the Department has carefully reviewed the proposed rates and is satisfied that they are consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers so that private (non-state) inpatient hospital services under the state plan are available at least to the extent that they are available to the general population in the state. It is estimated that implementation of this emergency rule will reduce expenditures for the private hospital inpatient services by approximately \$3,499,524 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after March 8, 2000 the Department of Health and Hospitals, Bureau of Health Services Financing reduces the reimbursement for private (non-state) hospital inpatient services by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this

emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#076

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

Private Intermediate Care Facilities for the Mentally Retarded Leave of Absence Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule which established the reimbursement methodology for private intermediate care facilities for the mentally retarded (ICF/MR) on October 20, 1989 (*Louisiana Register*, Volume 15, Number 10). The reimbursement methodology contained provisions governing payment to private ICFs/MR when the recipient is absent from the facility due to hospitalization or visits with family. A rule was subsequently adopted in April of 1999 to expand the number of payable hospital leave of absence days from five to seven days per hospitalization for treatment of an acute condition (*Louisiana Register*, Volume 25, Number 4).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the payment to private ICFs/MR for hospital leave days by 25 percent. The reimbursement for hospital leave days will be 75 percent of the applicable per diem rate. This action is being taken in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures to the private intermediate care facilities for the mentally retarded by approximately \$28,851 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after March 8, 2000, the Department of Health and Hospitals, Bureau of Health

Services Financing reduces the payment to private intermediate care facilities for the mentally retarded for hospital leave days by 25 percent. The reimbursement for hospital leave days will be 75 percent of the applicable ICF/MR per diem rate.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#081

## **DECLARATION OF EMERGENCY**

### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

Private Intermediate Care Facilities for the Mentally Retarded Reimbursement Methodology

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule on October 20, 1989 which established the reimbursement methodology for private intermediate care facilities for the mentally retarded (*Louisiana Register*, Volume 15, Number 10). This rule was subsequently amended by a rule adopted to discontinue the practice of automatically applying an inflation adjustment to the reimbursement rates in those years when the rates are not rebased (*Louisiana Register*, Volume 25, Number 6).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the Medicaid prospective per diem rates for private intermediate care facilities for the mentally retarded (ICF-MR) by 7 percent. This action is being taken in order to avoid a budget deficit in the medical assistance programs. Taking into

consideration the 7 percent reduction in per diem rates in state fiscal year 2000, the Department has carefully reviewed the proposed rates and is satisfied that they are consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers so that private intermediate care facilities for the mentally retarded (ICF-MR) services under the state plan are available at least to the extent that they are available to the general population in the state. It is estimated that implementation of this emergency rule will reduce expenditures to the private intermediate care facilities for the mentally retarded by approximately \$2,246,075 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after March 1, 2000 the Department of Health and Hospitals, Bureau of Health Services Financing reduces the reimbursement for private intermediate care facilities for the mentally retarded by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#075

### **DECLARATION OF EMERGENCY**

#### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

Private Nursing Facilities  
Leave of Absence Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule which established the reimbursement methodology for

private nursing facilities on June 20, 1984 (*Louisiana Register*, Volume 10, Number 6). The reimbursement methodology contained provisions governing payment to private nursing facilities when the recipient is absent from the facility due to hospitalization or visits with family. A rule was subsequently adopted in May of 1998 to expand the number of payable hospital leave of absence days from five to seven per hospitalization for treatment of an acute condition (*Louisiana Register*, Volume 24, Number 5)

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the payment to private nursing facilities for hospital leave days by 25 percent. The reimbursement for hospital leave days will be 75 percent of the applicable per diem rate. This action is being taken in order to avoid a budget deficit in the medical assistance program. It is estimated that implementation of this emergency rule will reduce expenditures to the private nursing facilities by approximately \$436,512 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after March 8, 2000 the Department of Health and Hospitals, Bureau of Health Services Financing reduces the payment to private nursing facilities for hospital leave days by 25 percent. The reimbursement for hospital leave days will be 75 percent of the applicable private nursing facility per diem rate.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#080

### **DECLARATION OF EMERGENCY**

#### **Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing**

Private Nursing Facilities Reimbursement Methodology

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopts the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative

Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule on June 20, 1984 which established the reimbursement methodology for private nursing facilities (*Louisiana Register*, Volume 10, Number 6). This rule was subsequently amended by a rule adopted to discontinue the practice of automatically applying an inflation adjustment to the reimbursement rates in those years when the rates are not rebased (*Louisiana Register*, Volume 25, Number 6).

As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce Medicaid prospective per diem rates for private nursing facilities by 7 percent. This action is being taken in order to avoid a budget deficit in the medical assistance program. Taking into consideration the 7 percent reduction in per diem rates in state fiscal year 2000, the Department has carefully reviewed the proposed rates and is satisfied that they are consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers so that private nursing facilities services under the state plan are available at least to the extent that they are available to the general population in the state. It is estimated that implementation of this emergency rule will reduce expenditures to the private nursing facilities by approximately \$10,058,209 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after March 1, 2000 the Department of Health and Hospitals, Bureau of Health Services Financing reduces the reimbursement to private nursing facilities by 7 percent.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#074

### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Professional Services Program<sup>c</sup> Medicare Part B Claims

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in

the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for full co-insurance and deductibles for Medicare Part B claims for professional services. Section 1902(a)(10) of the Social Security Act provides states flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost-sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, co-insurance, or co-payments for Medicare cost sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary.

When a state's payment for Medicare cost sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined that it is necessary to do comparison of the Medicare payment and the Medicaid rate on file for the procedure code(s) indicated on the Medicare Part B claims for professional services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. However, claims for hemodialysis and transplantation services are excluded from this limitation. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for professional services by approximately \$3,813,281 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective with date of service February 1, 2000 and thereafter, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare

payment to the Medicaid rate on file for the procedure code(s) indicated on the Medicare Part B claims for professional services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. However, claims for hemodialysis and transplantation services are excluded from this limitation. If the Medicaid payment is reduced or eliminated as a result of the Medicare/Medicaid payment comparisons, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#010

#### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Professional Services Program  
Neonatal Care Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for neonatal care. Reimbursement for these services is the flat fee established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce

the reimbursement of neonatal care services for the following Current Procedural Terminology (CPT) procedure codes: CPT code 99295 to \$496.85 and CPT code 99298 to \$100.10. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for neonatal care services by approximately \$87,724 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement of neonatal care services for the following Current Procedural Terminology (CPT) procedure codes: CPT code 99295 to \$496.85 and CPT code 99298 to \$100.10.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#016

#### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Professional Services Program  
Physician Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing reimburses professional services in accordance with an established fee schedule for Current Procedural Terminology (CPT) codes, locally assigned codes and Health Care Financing Administration (HCFA)

Common Procedure Codes (HCPC). Reimbursement for these services is a flat fee established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement fees for surgery codes (CPT codes 10040-69979), medicine codes (CPT codes 90281-99199), evaluation and management codes (CPT codes 99201-99499) fees for radiology services codes (CPT codes 70010-79999), pathology and laboratory services codes (CPT codes 80048-89399), and selected locally-assigned HCPCS by 7 percent. Excluded from this reduction will be the reimbursement fees for chemotherapy medications, prenatal and postnatal visits (CPT codes Z9004, Z9005 and Z9006), vaginal and cesarean deliveries, tubal ligations, anesthesia services for vaginal and cesarean deliveries, hemodialysis, tonsillectomies and adenoidectomies, neonatal care, and radiology oncology services. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for physician services by approximately \$4,376,700 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement fees for surgery codes (CPT codes 10040-69979), medicine codes (CPT codes 90281-99199), evaluation and management codes (CPT codes 99201-99499) fees for radiology services codes (CPT codes 70010-79999), pathology and laboratory services codes (CPT codes 80048-89399) and selected locally-assigned Health Care Financing Administration (HCFA) Common Procedure Codes (HCPC) by 7 percent. Excluded from this reduction will be reimbursement fees for chemotherapy medications, prenatal and postnatal visits (CPT codes Z9004, Z9005 and Z9006), vaginal and cesarean deliveries, tubal ligations, anesthesia services for vaginal and cesarean deliveries, hemodialysis, tonsillectomies and adenoidectomies, neonatal care, and radiology oncology services.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#012

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Professional Services Program; Tonsillectomy and Adenoidectomy Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for tonsillectomy and adenoidectomy services. Reimbursement for these services is the flat fee established by the Bureau minus the amount which any third party coverage would pay. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the professional fees for the performance of tonsillectomies and adenoidectomies for the following Current Procedural Terminology (CPT) procedure codes:

CPT code 42820	\$425.25
CPT code 42821	\$425.25
CPT code 42825	\$405.00
CPT code 42826	\$438.75
CPT code 42830	\$408.38
CPT code 42831	\$388.13

This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for tonsillectomies and adenoidectomies by approximately \$144,403 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the professional fees for the performance of tonsillectomies and adenoidectomies for the following Current Procedural Terminology (CPT) procedure codes:

CPT code 42820	\$425.25
CPT code 42821	\$425.25
CPT code 42825	\$405.00
CPT code 42826	\$438.75
CPT code 42830	\$408.38
CPT code 42831	\$388.13

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#011

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Rehabilitation Centers Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Service Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect of the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides coverage and reimbursement for services delivered by rehabilitation centers that are not part of a hospital, but are organized to provide a variety of outpatient rehabilitative services including physical, occupational, speech, hearing, and

language therapies. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the reimbursement rates for services provided in a rehabilitation center by 7 percent. This action is being taken in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures to rehabilitation centers by approximately \$5,000 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of service February 1, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the reimbursement rates for services provided in rehabilitation centers by 7 percent. Rehabilitation centers are facilities that are not part of a hospital, but are organized to provide a variety of outpatient rehabilitative services including physical, occupational, speech, hearing, and language therapies.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at the parish Medicaid office for review by interested parties.

David W. Hood  
Secretary

0002#006

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Rehabilitation Services Medicare Crossover

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for full co-insurance and deductibles for Medicare Part B claims for rehabilitation services. Section 1902(a)(10) of the

Social Security Act provides states flexibility in the payment of Medicare cost-sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost-sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that "a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, coinsurance, or copayments for Medicare cost-sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary."

When a state's payment for Medicare cost-sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to compare the Medicare payment and the Medicaid rate on file for the revenue code(s) on the Medicare Part B claim for rehabilitation services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is being taken in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for rehabilitation services by approximately \$199,823 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service on or after February 8, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment and the Medicaid rate on file for the revenue code(s) on the Medicare Part B claims for rehabilitation services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of applying the limit of the Medicaid maximum payment, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person

responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#034

### **DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Substance Abuse Clinics, Medicare Part B

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Service Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the Administrative Procedure Act, R.S. 49:953(B)(1) et seq. and shall be in effect of the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing currently provides reimbursement for full co-insurance and deductibles for Medicare Part B claims for substance abuse clinic services. Section 1902(a)(10) of the Social Security Act provide states flexibility in the payment of Medicare cost sharing for dually eligible Medicare/Medicaid recipients who are not Qualified Medicare Beneficiaries (QMBs). Section 4714 of the Balanced Budget Act of 1997 clarifies that states have flexibility in complying with the requirements to pay Medicare cost sharing for Qualified Medicare Beneficiaries and the protections against payment liability for QMBs. Section 4714 states that a state is not required to provide any payment for any expenses incurred relating to payment for deductibles, co-insurance, or copayments for Medicare cost-sharing to the extent that payment under Title XVIII for the service would exceed the payment amount that otherwise would be made under the state plan under this title for service if provided to an eligible recipient other than a Medicare beneficiary.

When a state's payment for Medicare cost-sharing for an item or service rendered to a dually eligible Medicare/Medicaid recipient or a Qualified Medicare Beneficiary is reduced or eliminated to limit the amount under Title XVIII that the beneficiary may be billed or charged for the service, the amount of payment made under Title XVIII plus the

amount of payment (if any) under the Medicaid State Plan shall be considered to be payment in full for the service. The beneficiary does not have any legal liability to make payment for the service.

As a result of a budgetary shortfall, the Bureau has determined it is necessary to do comparison of the Medicare payment and the Medicaid rate on file for the applicable procedure code on the Medicare Part B claim for substance abuse clinic services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures for the Substance Abuse Clinic services by approximately \$67 for state fiscal year 1999-2000.

**Emergency Rule**

Effective for dates of admission on or after February 1, 2000, the Department of Health and Hospitals, Bureau of Health Services Financing shall compare the Medicare payment to the Medicaid rate on file for the procedure code on the Medicare Part B claim for substance abuse clinic services. If the Medicare payment exceeds the Medicaid rate, the claim will be adjudicated as a paid claim with a zero payment. If the Medicaid rate would exceed the Medicare payment, the claim will be reimbursed at the lesser of the co-insurance and deductible or up to the Medicaid maximum payment. If the Medicaid payment is reduced or eliminated as a result of the Medicare/Medicaid payment comparison, the amount of the Medicare payment plus the amount of the Medicaid payment (if any) shall be considered to be payment in full for the service. The recipient does not have any legal liability to make payment for the service.

Interested persons may submit written comments to the following address: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this emergency rule. A copy of this emergency rule is available at parish Medicaid offices for review by interested parties.

David W. Hood  
Secretary

0002#008

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Substance Abuse Clinics Termination of Services

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule in the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in

the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing currently provides coverage for Substance Abuse Clinic services under the Medicaid Program. As a result of a budgetary shortfall, the Bureau has determined it is necessary to terminate coverage of this optional services program under its Title XIX State Plan. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that implementation of this emergency rule will reduce expenditures in the Medicaid Program by approximately \$2,310,850 for state fiscal year 1999-2000.

**Emergency Rule**

Effective February 21, 2000, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing terminates coverage and reimbursement for Substance Abuse Clinic services under the Medicaid Program.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#033

**DECLARATION OF EMERGENCY**

**Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing**

Targeted Case Management Services Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R.S. 46:153 and 36:254 et seq. and pursuant to Title XIX of the Social Security Act and as directed by the 1999-2000 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is in accordance with the Administrative

Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing provides reimbursement for targeted case management services rendered to the following targeted populations: Infants and Toddlers, High Risk Pregnant Women, HIV-Infected Persons and Elderly and Disabled Adult Waiver recipients. Reimbursement for these services is a fixed monthly rate for the provision of the core elements of case management services. As a result of a budgetary shortfall, the Bureau has determined it is necessary to reduce the fixed monthly reimbursement rate for case management services provided to the above-referenced targeted populations by 7 percent. This action is necessary in order to avoid a budget deficit in the medical assistance programs. It is estimated that the implementation of this emergency rule will reduce expenditures for case management services by approximately \$91,114 for state fiscal year 1999-2000.

#### **Emergency Rule**

Effective for dates of service February 8, 2000 and after, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reduces the fixed monthly reimbursement rate for targeted case management services by 7 percent for services provided to the following targeted populations: Infants and Toddlers, High Risk Pregnant Women, HIV-Infected Persons and Elderly and Disabled Adult Waiver recipients.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to all inquiries regarding this emergency rule. A copy of this emergency rule is available for review by interested parties at parish Medicaid offices.

David W. Hood  
Secretary

0002#051

### **DECLARATION OF EMERGENCY**

#### **Department of Natural Resources Office of Conservation**

Pollution Control Statewide Order No. 29-B  
(LAC 43:XIX.129)

Order requiring testing of exploration and production (E&P) waste upon receipt by a commercial facility, and identification of acceptable storage, treatment and disposal methods for certain E&P waste types.

Pursuant to the power delegated under the laws of the State of Louisiana, and particularly Title 30 of the Revised Statutes of 1950, as amended, and in conformity with the provisions of the Louisiana Administrative Procedure Act, Title 49, Sections 953(B)(1) and (2), 954(B)(2), as amended, the following Emergency Rule and reasons therefor are now

adopted and promulgated by the Commissioner of Conservation as being necessary to protect the public health, safety and welfare of the people of the State of Louisiana, as well as the environment generally, by continuing a procedure for testing E&P waste after receipt at a commercial facility and identifying acceptable storage, treatment and disposal methods for certain E&P wastes at commercial facilities.

#### **Need and Purpose**

Certain oil and gas exploration and production waste (E&P waste) is exempt from the hazardous waste regulations under the Resource Conservation and Recovery Act (RCRA). This exemption is based on findings from a 1987-1988 Environmental Protection Agency (EPA) study and other studies that determined this type of waste does not pose a significant health or environmental threat when properly managed. The EPA, in its regulatory determination, found that these wastes are adequately regulated under existing federal and state programs.

Existing Louisiana State regulations governing the operations of commercial E&P waste disposal facilities (Statewide Order No. 29-B) require only very limited testing of the waste received for storage, treatment and disposal at each commercial facility. Such limited testing finds its basis in the above-mentioned national exemption for E&P waste recognized by the EPA. However, public concern warranted the Commissioner of Conservation to issue a first Emergency Rule effective May 1, 1998 (May 1, 1998 Emergency Rule), the purpose of which was to gather technical data regarding the chemical and physical makeup of E&P waste disposed of at permitted commercial E&P waste disposal facilities within the State of Louisiana. The May 1, 1998 Emergency Rule had an effective term of 120 days. However, technical experts under contract with the Office of Conservation determined during the term of the May 1, 1998 Emergency Rule that sampling and testing should be extended for an additional 30 days for the purpose of receiving additional data in order to strengthen the validity of the inferred concentration distributions within the various E&P waste types. Therefore, a Second Emergency Rule was issued on August 29, 1998, and effective through September 30, 1998.

The Second Emergency Rule required continued comprehensive analytical testing of E&P waste at the site of generation together with verification testing at the commercial E&P waste disposal facility. During the terms of the first and second Emergency Rules, approximately 1,800 E&P waste testing batches were analyzed, with the raw data results being filed with the Office of Conservation. Technical experts under contract with the Office of Conservation, together with staff of the Office of Conservation, determined that the number of raw data sets of E&P waste types, along with other published analytical results of E&P waste testing, provided adequate numbers of validated test results of the various generic E&P waste types to reach statistically valid conclusions regarding the overall chemical and physical composition of each type of E&P waste.

Therefore, continued testing of E&P waste at the site of generation was unnecessarily redundant, and was discontinued. The Third Emergency Rule adopted on

October 1, 1998 required continued testing of each E&P waste shipment at the commercial disposal facility according to procedures described in Section D. Such continued testing was required to assure that E&P waste shipments received for disposal at commercial facilities were consistent with evolving E&P waste profiles.

A Fourth Emergency Rule, adopted January 29, 1999, a Fifth Emergency Rule, adopted May 29, 1999, and a Sixth Emergency Rule, adopted September 26, 1999 provided requirements for continued testing of all E&P waste shipments received for disposal at commercial E&P waste disposal facilities, as well as identifying acceptable methods of storage, treatment and disposal of certain E&P waste types at such commercial facilities. However, since evaluation of data generated by Emergency Rules 1 and 2 has not been completed and a permanent rule has not been promulgated, it is necessary to adopt a Seventh Emergency Rule, effective January 24, 2000, to continue the requirements of the Fourth Emergency Rule.

Concurrent with implementation of this Emergency Rule, the Office of Conservation will continue development of a permanent rule for the management and disposal of E&P waste at commercial facilities within the State of Louisiana. Best E&P waste management practices, based on established E&P waste profiles, will be incorporated into the permanent rule. Such permanent rule will also address specific storage, treatment and disposal options for the various categories of E&P waste.

**Synopsis**

1. E&P Waste will be Transported with Identification

Each load of E&P waste transported from the site of generation to a commercial facility for disposal will be accompanied by an Oilfield Waste Shipping Control Ticket (Form UIC-28) and presented to the operator before offloading. Copies of completed Form UIC-28 are required to be timely filed with the Office of Conservation.

Produced water, produced formation fresh water and other E&P waste fluids are exempt from certain provisions of the testing requirements provided they are:

- 1) transported in enclosed tank trucks, barges, or other enclosed containers,
- 2) stored in enclosed tanks at a commercial facility, and
- 3) disposed by deepwell injection.

Such provision is reasonable because, provided the above conditions are met, exposure to the public and to the environment would be minimal.

2. Each Load of E&P Waste will be Tested at Commercial Facility

Before offloading at a commercial E&P waste disposal facility and in order to verify that the waste qualifies for the E&P category, each load of E&P waste shall be sampled for required parameters. Additionally, the presence and concentration of BTEX (benzene, toluene, ethyl benzene and xylene) compounds and hydrogen sulfide must be determined. Appropriate records of tests shall be kept at each commercial facility for review by the Office of Conservation.

3. Identification of Acceptable Storage, Treatment and Disposal Methods (Options) for E&P Waste

It is required that all offsite storage, treatment and disposal methods for E&P waste utilize approved technologies that are protective of public health and the environment. The Fifth Emergency Rule required that injection in Class II wells, after storage in a closed system, shall be utilized for Waste Types 01 and 14. The remainder of the E&P waste types are currently under study to confirm acceptable storage, treatment and disposal methods. Any additional acceptable storage, treatment and disposal methods will be promulgated in the near future.

**Reasons**

Recognizing the potential advantages of a testing program that is fully protective of public health and the environment and that adequately characterizes such waste as to its potentially toxic constituents, and by the identification of acceptable storage, treatment and disposal methods for certain types of E&P waste, it has been determined that failure to establish such procedures and requirements in the form of an administrative rule may lead to the existence of an imminent peril to the public health, safety and welfare of the people of the state of Louisiana, as well as the environment generally.

Protection of the public and our environment therefore requires the Commissioner of Conservation to take immediate steps to assure that adequate testing is performed and acceptable storage, treatment and disposal methods for certain types of E&P waste are employed at commercial facilities. The Emergency Rule, Amendment to Statewide Order No. 29-B (Emergency Rule) set forth hereinafter, is now adopted by the Office of Conservation.

**Title 43**

**NATURAL RESOURCES**

**Part XIX. Office of Conservation General Operations**

**Subpart 1. Statewide Order No. 29-B**

**Chapter 1. General Provisions**

**§129. Pollution Control**

A. - L. ...

M. Off-site Storage, Treatment and/or Disposal of E & P Waste Generated From Drilling and Production of Oil and Gas Wells

1. Definitions

\*\*\*

*Commercial Facility* a legally permitted waste storage, treatment and/or disposal facility which receives, treats, reclaims, stores, or disposes of exploration and production waste for a fee or other consideration, and shall include the term "transfer station".

\*\*\*

*Exploration and Production (E&P) Waste* drilling fluids, produced water, and other waste associated with the exploration, development, or production of crude oil or natural gas and which is not regulated by the provisions of the Louisiana Hazardous Waste Regulations and the Louisiana Solid Waste Regulations. Such wastes include, but are not limited to, the following:

Waste Type	Waste Description
01	salt water (produced brine or produced water), except for salt water whose intended and actual use is in drilling, workover or completion fluids or in enhanced mineral recovery operations

02	oil-base drilling mud and cuttings
03	water-base drilling mud and cuttings
04	workover and completion fluids
05	production pit sludges
06	production storage tank sludges
07	produced oily sands and solids
08	produced formation fresh water
09	rainwater from ring levees and pits at production and drilling facilities
10	washout water generated from the cleaning of containers that transport E&P waste and are not contaminated by hazardous waste or material
11	washout pit water and solids from oilfield related carriers that are not permitted to haul hazardous waste or material
12	natural gas plant processing (E&P) waste which is or may be commingled with produced formation water
13	waste from approved salvage oil operators who only receive oil (BS&W) from oil and gas leases
14	pipeline test water which does not meet discharge limitations established by the appropriate state agency, or pipeline pigging waste, i.e., waste fluids/solids generated from the cleaning of a pipeline
15	wastes from permitted commercial facilities
16	crude oil spill clean-up waste
50	Salvageable hydrocarbons
99	other approved E&P waste

\* \* \*

*NOW* exploration and production waste

\* \* \*

M.2. - M.4.h. ...

5. Criteria for the Operation of Commercial Facilities and Transfer Stations

a. - h.iii. ...

i. Receipt, Sampling and Testing of E&P Waste

i. ...

ii. Testing Requirements

(a). Before offloading E&P waste at a commercial facility, including a transfer station, each load of E&P waste shall be sampled and analyzed by commercial facility personnel for the following:

(i). pH, electrical conductivity (EC-mmhos/cm) and chloride (Cl) content; and

(ii). the presence and concentration of BTEX (benzene, toluene, ethyl benzene, and xylene) compounds using an organic vapor monitor or other procedures sufficient to identify and quantify BTEX;

(iii). the sample temperature (degrees Fahrenheit) representing actual testing conditions of the sample obtained for BTEX analysis by methodology that will assure sufficient accuracy; and

(iv). the presence and concentration of hydrogen sulfide (H<sub>2</sub>S) using a portable gas monitor.

(b). The commercial facility operator shall enter the pH, electrical conductivity, chloride (Cl) content, BTEX, BTEX sample temperature and hydrogen sulfide measurements on the manifest (Form UIC-28) which accompanies each load of E&P waste.

(c). Produced water, produced formation fresh water, and other E&P waste fluids are exempt from organic vapor monitoring measurement (BTEX), and the H<sub>2</sub>S

measurement in (a) above if the following conditions are met:

(i). if transported by the generator or transporter in enclosed tank trucks, barges, or other enclosed containers; and

(ii). if stored in an enclosed container at a commercial facility; and

(iii). if disposed by deep well injection.

(d). Records of these tests shall be kept on file at each commercial facility for a period of three years and be available for review by the Commissioner or his designated representative. Copies of completed Form UIC-28 shall be filed with the Office of Conservation as provided in 129.M.6.d.

d.i. - l. ...

m. It is required that all offsite storage, treatment and disposal methods for E&P waste utilize approved technologies that are protective of public health and the environment. The following chart includes acceptable and required storage, treatment and disposal methods for each type of E&P waste disposed of at commercial facilities within the State of Louisiana:

Waste Type	Required Storage, Treatment and Disposal Method(s)
01	Injection in Class II well utilizing a closed system
02	(reserved)
03	(reserved)
04	(reserved)
05	(reserved)
06	(reserved)
07	(reserved)
08	(reserved)
09	(reserved)
10	(reserved)
11	(reserved)
12	(reserved)
13	(reserved)
14	Pipeline test water - Injection in Class II well utilizing a closed system Pipeline pigging waste - (reserved)
15	(reserved)
16	(reserved)
50	Commercial salvage oil facility
99	(reserved)

M.6. - S. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30.4 et seq.

HISTORICAL NOTE: Adopted by the Department of Conservation (August 1943), promulgated by the Department of Natural Resources, Office of Conservation, LR 6:307 (July 1980), amended LR 8:79 (February 1982), LR 9:337 (May 1983), LR 10:210 (March 1984), LR 12:26 (January 1986), LR 16:855 (October 1990), LR 17:382 (April 1991), LR 26:

**Summary**

The Emergency Rule herein above adopted evidences the finding of the Commissioner of Conservation that failure to adopt the above rules may lead to an imminent risk to public health, safety and welfare of the citizens of Louisiana, and that there is not time to provide adequate notice to interested parties. However, the Commissioner of Conservation notes

again that a copy of the permanent Amendment to Statewide Order No. 29-B will be developed in the immediate future, with a public hearing to be held as per the requirements of the Administrative Procedure Act.

The Commissioner of Conservation concludes that the above Emergency Rule will better serve the purposes of the Office of Conservation as set forth in Title 30 of the Revised Statutes, and is consistent with legislative intent. The adoption of the above Emergency Rule meets all the requirements provided by Title 49 of the Louisiana Revised Statutes. The adoption of the above Emergency Rule is not intended to affect any other provisions, rules, orders, or regulations of the Office of Conservation, except to the extent specifically provided for in this Emergency Rule.

Within five days from date hereof, notice of the adoption of this Emergency Rule shall be given to all parties on the mailing list of the Office of Conservation by posting a copy of this Emergency Rule with reasons therefor to all such parties. This Emergency Rule with reasons therefor shall be published in full in the *Louisiana Register* as prescribed by law. Written notice has been given contemporaneously herewith notifying the Governor of the State of Louisiana, the attorney general of the State of Louisiana, the Speaker of the House of Representatives, the President of the Senate and the State Register of the adoption of this Emergency Rule and reasons for adoption.

**Effective Date and Duration**

1. The effective date for this emergency rule shall be January 24, 2000.

2. The Emergency Rule herein adopted as a part thereof, shall remain effective for a period of not less than 120 days hereafter, or until the adoption of the final version of an Amendment to Statewide Order No. 29-B as noted herein, whichever occurs first.

Signed at Baton Rouge, Louisiana, this 24th day of January, 2000.

Philip N. Asprodites  
Commissioner

0002#029

**DECLARATION OF EMERGENCY**

**Department of Wildlife and Fisheries  
Wildlife and Fisheries Commission**

**Light Geese Hunting Season**

In accordance with the emergency provisions of R.S. 49:953B and 967D of the Administrative Procedure Act, and under the authority of R.S. 56:115, the Secretary of the Department of Wildlife and Fisheries acting on behalf of the Wildlife and Fisheries Commission hereby adopts the following Emergency Rule for special regulations concerning the taking of "light geese" (Snow, Blue and Ross geese).

Effective January 24-28 and January 30-March 12, 2000 in the East Waterfowl Hunting Zone and February 7-March 12, 2000 in the West Waterfowl Hunting Zones, all waterfowl hunting seasons will be closed and the taking of "light geese" will be permitted by regulations established

through the U.S. Fish and Wildlife Service Conservation Order which was effectuated by P.L. 106-108 effective November 24, 1999. Under the Conservation Order the following rules shall be in effect for the taking of "light geese" through March 12, 2000.

1. The use of electronic calls shall be legal.
2. Unplugged shotguns holding more than 3 shells will be legal.
3. There will be no daily or possession limits on numbers of light geese taken.
4. Shooting hours will be one-half hour before sunrise until one-half hour after sunset.

A Declaration of Emergency is necessary because the U.S. Fish and Wildlife Service has notified the states that the Conservation Order shall be available to the states in accordance with the Arctic Tundra Habitat Emergency Conservation Act (P.L. 106-108). The Conservation Order is being implemented in an attempt to alleviate catastrophic habitat and ecological problems associated with overabundant snow goose populations. This Declaration of Emergency is being promulgated to allow Louisiana the opportunity to assist with national and international management regimes designed to stem the continued expansion of snow goose populations.

The Youth Waterfowl Hunt in the East Zone shall proceed as originally promulgated by the Wildlife and Fisheries Commission.

James H. Jenkins, Jr.  
Secretary

0002#003

**DECLARATION OF EMERGENCY**

**Department of Wildlife and Fisheries  
Wildlife and Fisheries Commission**

**Offshore Shrimp Season Closure**

In accordance with the emergency provisions of R.S. 49:953(B) and R.S. 49:967 of the Administrative Procedure Act which allows the Wildlife and Fisheries Commission to use emergency procedures to set shrimp seasons, and R.S. 56:497 which provides that the Wildlife and Fisheries Commission shall have the authority to open or close the state's offshore waters to shrimping, the Wildlife and Fisheries Commission hereby orders a closure to shrimping in that portion of the state's territorial waters, south of the Inside/Outside Shrimp Line as described in R.S. 56:495, from the Houma Navigational Canal Channel delineated by the Channel Buoy line to the eastern shore of Freshwater Bayou. This closure is effective at 6 a.m., Monday, February 7, 2000. The Commission also hereby orders that that portion of the state's territorial waters, south of the Inside/Outside Shrimp Line as described in R.S. 56:495, from the Houma Navigation Canal Channel as designated by the Channel Buoy line to the Atchafalaya River Ship Channel at Eugene Island as delineated by the Channel Buoy Line, shall reopen to shrimping at 6 a.m., on Monday, April 17, 2000.

R.S. 56:498 provides that the minimum legal count on white shrimp is 100 (whole shrimp) count per pound after the third Monday in December. Current biological sampling conducted by the Department of Wildlife and Fisheries has indicated that white shrimp in this portion of the state's outside waters do not average 100 count minimum legal size and are present in significant numbers. This action is being taken to protect these small white shrimp and allow them the opportunity to grow to a more valuable size.

The Wildlife and Fisheries Commission authorizes the Secretary of the Department of Wildlife and Fisheries to close to shrimping, if necessary to protect small white shrimp, any part of the remaining territorial waters, if

biological and technical data indicates the need to do so, and to reopen any area closed to shrimping when the closure is no longer necessary; and hereby authorizes the Secretary of the Department of Wildlife and Fisheries to open and close special seasons for the harvest of white shrimp in any portion of the state's inshore waters where such a season would not detrimentally impact small brown shrimp.

Thomas M. Gattle, Jr.  
Chairman

0002#090