

DECLARATION OF EMERGENCY

Department of Health Bureau of Health Services Financing

Rural Health Clinics—Reimbursement Methodology (LAC 50:XI.16705)

The Department of Health, Bureau of Health Services Financing amends LAC 50:XI.16705 as authorized by R.S. 36:254 and Title XIX of the Social Security Act. This Emergency Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:962, and shall be in effect for the maximum period allowed under the Act or until adoption of the final Rule, whichever occurs first.

Act 327 of the 2007 Regular Session of the Louisiana Legislature required the Department of Health, Bureau of Health Services Financing to reimburse small rural hospital outpatient services at 110 percent of cost. In compliance with the directives of Act 327, the department amended the provisions governing the reimbursement methodology for rural health clinics (RHCs) licensed as part of small rural hospitals and included a July 1, 2007 cutoff date (*Louisiana Register*, Volume 35, Number 5). The department now amends the provisions governing rural health clinics in order to remove the cutoff date which will allow existing RHCs licensed as small rural hospital outpatient departments after July 1, 2007 and new RHCs to receive the enhanced reimbursement going forward.

This action is being taken to promote the health and welfare of Medicaid recipients by ensuring continued provider participation in the Medicaid program. It is anticipated that implementation of this Emergency Rule will increase expenditures in the Medicaid program by \$17,331,336 for state fiscal year 2023-2024.

Effective July 1, 2023, the Department of Health, Bureau of Health Services Financing amends the provisions governing rural health clinics in order to remove the cutoff date to allow existing RHCs licensed as small rural hospital outpatient departments after July 1, 2007 and new RHCs to be reimbursed at 110 percent of cost.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part XI. Clinic Services

Subpart 15. Rural Health Clinics

Chapter 167. Reimbursement Methodology

§16705. Hospital-Based Rural Health Clinics

A. - A.2. ...

3. The payment received under this methodology will be compared each year to the BIPA PPS rate to assure the clinic that their payment under this alternative payment methodology (APM) is at least equal to the BIPA PPS rate. If the payment calculation at 110 percent of allowable cost is less than the BIPA PPS payments, the clinic will be paid the difference.

B. Effective for dates of service on or after July 1, 2023, the reimbursement methodology for services rendered by a rural health clinic licensed as part of a small rural hospital and included as a hospital outpatient department on the hospital's fiscal year end cost report prior to July 1, 2023 shall be eligible for the APM at 110 percent of allowable costs as calculated through cost settlement. Reimbursement shall be as follows:

1. The reimbursement methodology will be in accordance with §16705.A.1-3 as indicated above.

2. Future qualifications for the 110 percent alternative payment methodology reimbursement shall be determined on an annual basis for hospital-based rural health clinics enrolling and licensing as hospital outpatient departments during the hospital's fiscal year end cost reporting periods subsequent to June 30, 2023. Payments shall begin effective for dates of service beginning on July 1 after qualification.

3. Hospital-based rural health clinics that terminate their licensing as hospital outpatient departments will no longer be eligible for the alternative payment methodology at 110 percent of allowable costs upon termination.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:957 (May 2009), amended by the Department of Health, Bureau of Health Services Financing, LR 49:

Implementation of the provisions of this Rule may be contingent upon the approval of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

Tara A. LeBlanc, Bureau of Health Services Financing, is responsible for responding to inquiries regarding this Emergency Rule. A copy of this Emergency Rule is available for review by interested parties at parish Medicaid offices.

Stephen R. Russo, JD
Secretary

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