

NOTICE OF INTENT

**Department of Health
Bureau of Health Services Financing**

**Healthcare Services Provider Fees
Emergency Ambulance Service Providers
(LAC 48:I.4001,4003 and 4007)**

The Department of Health, Bureau of Health Services Financing proposes to adopt LAC 50:I.4001, 4003 and 4007 in the Medical Assistance Program as authorized by R.S. 36:254 and R.S. 46:2625. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Department of Health and Hospitals, Office of Management and Finance, amended and repromulgated the regulations governing provider fees for certain health care services pertaining to the administration of fees and the rights and obligations of service providers on whom such fees are imposed (Louisiana Register, Volume 26, Number 7).

Act 305 of the 2016 Regular Session of the Louisiana Legislature directed the Department of Health to establish qualifying criteria and implement a provider fee for qualified providers of emergency ground ambulance services.

In compliance with Act 305, the Department of Health, Bureau of Health Services Financing promulgated an Emergency Rule which amended the provisions governing provider fees for certain health care services in order to implement a provider

fee assessment for qualifying emergency ground ambulance service providers (Louisiana Register, Volume 42, Number 8). This proposed Rule is being promulgated to continue the provisions of the August 1, 2016 Emergency Rule.

Title 48
PUBLIC HEALTH—MEDICAL ASSISTANCE
Part I. General Administration
Subpart 1. General

Chapter 40. Provider Fees

§4001. Specific Fees

A. Definition

Net Operating Revenue—the gross revenues of an emergency ground ambulance service provider for the provision of emergency ground ambulance transportation services, excluding any Medicaid reimbursement, less any deducted amounts for bad debts, charity care and payer discounts.

B. - D. ...

E. Medical Transportation Services. Effective for dates of service on or after August 1, 2016, qualifying emergency ground ambulance service providers shall be assessed a fee of one and one-half percent of the net operation revenue.

1. Qualifying Criteria. Ambulance service providers must meet the following requirements in order to be assessed a fee of one and one-half percent of the net operating revenue. The ambulance service provider must be:

a. licensed by the State of Louisiana;
b. enrolled as a Louisiana Medicaid provider;
c. a provider of emergency ground ambulance transportation services as defined in 42 CFR 440.170 and Medical and Remedial Care and Services Item 24.a; and

d. a non-federal, non-public provider in the State of Louisiana, as defined in 42 CFR 433.68(c)(1), of emergency ground ambulance services that is contracted with a unit of local or parish government in the state of Louisiana for the provision of emergency ground ambulance transportation on a regular 24 hours per day and 7 days per week basis.

AUTHORITY NOTE: Promulgated in accordance with Chapter 45 of Title 46 as enacted in 1992, 46:2601-2605, redesignated as Chapter 47 of Title 46, containing R.S. 46:2621 to 46:2625 and PL 102-234.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Office of Management and Finance, LR 19:347 (March 1993), amended LR 20:51 (January 1994), LR 26:1478 (July 2000), amended by the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing, LR 33:100 (January 2007), amended by the Department of Health, Bureau of Health Services Financing, LR 42:

§4003. Due Date for Submission of Reports and Payment of Fees

A. ...

B. Medical Transportation Services. Effective August 1, 2016, qualified ambulance service providers will be assessed a fee at the end of each quarter not to exceed one and one-half percent of the net operating revenue of emergency ground ambulance service providers.

1. Qualified ambulance service providers will provide the Department of Health (Department) a monthly net operating revenue report for emergency ground ambulance transportation services by the fifteenth business day of the following month.

2. Qualified ambulance service providers will be issued a quarterly notice within 30 days from the end of the quarter. Payment will be due to the Department by qualified ambulance service provider within 30 days from date of notice.

AUTHORITY NOTE: Promulgated in accordance with Chapter 45 of Title 46 as enacted in 1992, 46:2601-2605, redesignated as Chapter 47 of Title 46, containing R.S. 46:2621 to 46:2625 and PL 102-234.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Office of Management and Finance, LR 19:347 (March 1993), amended LR 26:1479 (July 2000), amended by the Department of Health, Bureau of Health Services Financing, LR 42:

§4007. Delinquent and/or Unpaid Fees

A. Interest on Unpaid Provider Fees Other Than Medical Transportation Provider Fees. When the provider fails to pay the fee due, or any portion thereof, on or before the date it becomes delinquent, interest at the rate of one and one-half percent per month compounded daily shall be assessed on the unpaid balance until paid. In the case of interest on a penalty assessed, such interest shall be computed beginning 15 days from the date of notification of assessment until paid.

B. Collection of Delinquent Provider Fee Other Than Medical Transportation Provider Fees

1. - D. ...

E. Emergency Ground Ambulance Service Provider Fees

1. Penalties and Interest for Non-Payment of Assessment

a. If the Department audits a qualifying ambulance service provider's records and determines the net operating revenue reported is incorrect for the assessment collected, the Department shall fine the qualifying ambulance service provider .15 percent of the corrected assessment. The fine is payable within 30 days of the invoice.

b. If a qualifying ambulance service provider fails to fully pay its assessment on or before the due date, the Department shall assess a late penalty of .15 percent of the quarterly calculated assessment. The Department shall reserve the right to suspend all Medicaid payments to a qualifying

ground ambulance service provider until the provider pays the assessment and penalty due in full or until the provider and the Department reach a negotiated settlement.

AUTHORITY NOTE: Promulgated in accordance with Chapter 45 of Title 46 as enacted in 1992, 46:2601-2605, redesignated as Chapter 47 of Title 46, containing R.S. 46:2621 to 46:2625 and PL 102-234.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Office of Management and Finance, LR 19:347 (March 1993), amended LR 20:1114 (October 1994), LR 26:1479 (July 2000), amended by the Department of Health, Bureau of Health Services Financing, LR 42:

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.

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will have no impact on family functioning, stability and autonomy as described in R.S. 49:972.

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed

Rule will have no impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973.

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, but may increase direct or indirect cost to the provider to provide the same level of service due to provider fees imposed on qualifying ground ambulance service providers. This proposed Rule may also have a negative impact on the provider's ability to provide the same level of service as described in HCR 170 if the payment of fees adversely impacts the provider's financial standing.

Interested persons may submit written comments to Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030 or by email to MedicaidPolicy@la.gov. Ms. Steele is responsible for responding to inquiries regarding this proposed Rule. A public hearing on this proposed Rule is scheduled for Thursday, September 29, 2016 at 9:30 a.m. in Room 118, Bienville Building, 628 North Fourth Street, Baton Rouge, LA. At that time all interested persons will be afforded an opportunity to submit data, views or arguments either orally or

in writing. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

Rebekah E. Gee MD, MPH

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person

Preparing

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Rule Title: Healthcare Provider Services
Fees

Emergency Ambulance Service
Providers

Date Rule Takes Effect: August 1, 2016

SUMMARY

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. The following summary statements, based on the attached worksheets, will be published in the Louisiana Register with the proposed agency rule.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (SUMMARY)

It is anticipated that the implementation of this proposed rule will result in a programmatic cost to the state associated with the use of provider fee revenue collections. The associated cost is reflected in the Medical Transportation Program - Emergency Ambulance Services - Enhanced Reimbursements Rule published in the August 20, 2016 edition of the Louisiana Register. It is anticipated that \$648 (\$324 SGF and \$324 FED) will be expended in FY 16-17 for the state's administrative expense for promulgation of this proposed rule and the final rule.

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

It is anticipated that the implementation of this proposed rule will increase statutory dedicated revenue collections by approximately \$2,092,091 for FY 16-17, \$3,138,137 for FY 17-18 and \$3,138,137 for FY 18-19. In addition, it is anticipated that federal revenue collections will increase by approximately \$3,451,664 for FY 16-17, \$5,177,011 for FY 17-18 and \$5,177,011 for FY 18-19. It is anticipated that \$324 will be expended in FY 16-17 for the federal administrative expenses for promulgation of this proposed rule and the final rule.

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

This proposed Rule continues the provisions of the August 1, 2016 Emergency Rule which amended the provisions governing provider fees for certain health care services in order to implement a provider fee assessment for qualifying emergency ground ambulance service providers. Emergency ambulance expenditures associated with the ambulance fee assessment will be reflected in the Medical Transportation Program - Emergency Ambulance Services - Enhanced Reimbursements Rule published in the August 20, 2016 edition of the Louisiana Register.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

It is anticipated that the implementation of this proposed rule will not have an effect on competition and employment.

Jan Diez
Signature of Agency Head
or Designee *Jan Steele*

Evan Brasseaux, Staff Director
Legislative Fiscal Officer
or Designee

Jen Steele, Medicaid Director
Typed name and Title of
Agency Head or Designee

8/10/16
Date of Signature

Bhasker Jodi
DHH/BHSF Budget Head

8/10/16
Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

This proposed Rule continues the provisions of the August 1, 2016 Emergency Rule which amended the provisions governing provider fees for certain health care services to implement a provider fee assessment for qualifying emergency ground ambulance service providers.

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

Act 305 of the 2016 Regular Session of the Louisiana Legislature directed the Department of Health to establish qualifying criteria and implement a provider fee assessment for qualified providers of emergency ground ambulance services.

In compliance with Act 305, the Department of Health, Bureau of Health Services Financing promulgated an Emergency Rule which amended the provisions governing provider fees for certain healthcare services in order to implement a provider fee assessment for qualifying emergency ground ambulance service providers (Louisiana Register, Volume 42, Number 8). This proposed Rule is being promulgated to continue the provisions of the August 1, 2016 Emergency Rule.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session.

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

It is anticipated that the implementation of this proposed rule will result in a programmatic cost to the state associated with the use of provider fee revenue collections. The Medicaid program will utilize these provider fee revenues to make additional emergency ambulance provider payments. The cost estimates will be reflected in the Medical Transportation Program - Emergency Ambulance Services - Enhanced Reimbursements Rule published in the August 20, 2016 edition of the Louisiana Register. In FY 16-17, \$648 is included for the state's administrative expense for promulgation of this proposed rule and the final rule.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

- (a) _____ If yes, attach documentation.
(b) _____ If no, provide justification as to why this rule change should be published at this time.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

I. A. COST OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase or (decrease) in cost to implement the proposed action?

COST	FY 16-17	FY 17-18	FY 18-19
PERSONAL SERVICES			
OPERATING EXPENSES	\$648	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES	\$0	\$0	\$0
REPAIR & CONSTR.			
POSITIONS (#)			
TOTAL	\$648	\$0	\$0

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

In FY 16-17, \$648 is included for the state's administrative expense for promulgation of this proposed rule and the final rule.

3. Sources of funding for implementing the proposed rule or rule change.

Source	FY 16-17	FY 17-18	FY 18-19
STATE GENERAL FUND	\$324		
SELF-GENERATED			
FEDERAL FUND	\$3,451,664	\$5,177,011	\$5,177,011
OTHER (Specify)	\$2,092,091	\$3,138,137	\$3,138,137
Total	\$5,544,079	\$8,315,148	\$8,315,148

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes, sufficient funds are available to implement this rule.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THIS PROPOSED ACTION.

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

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

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

2. Indicate the sources of funding of the local governmental unit that will be affected by these costs or savings.

There is no known impact on the sources of local governmental unit funding.

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

- A. What increase or (decrease) in revenues can be expected from the proposed action?

REVENUE INCREASE/DECREASE	FY 16-17	FY 17-18	FY 18-19
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*	\$2,092,091	\$3,138,137	\$3,138,137
FEDERAL FUNDS	\$3,451,664	\$5,177,011	\$5,177,011
LOCAL FUNDS			
Total	\$5,543,755	\$8,315,148	\$8,315,148

*Specify the particular fund being impacted - Statutory Dedicated Revenue

- B. Provide a narrative explanation of each increase or decrease in revenue shown in "A". Describe all data, assumptions, and methods used in calculating these increases or decreases.

The amounts reflected above are the estimated increases in statutory dedicated revenue (Medical Assistance Trust Fund) collections and federal revenue collections to the Department. In FY 16-17, \$324 is included for the federal expense for promulgation of this proposed rule and the final rule.

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

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effects on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.)

This proposed Rule continues the provisions of the August 1, 2016 Emergency Rule which amended the provisions governing provider fees for certain healthcare services to implement a provider fee assessment for qualifying emergency ground ambulance service providers.

- B. Also, provide an estimate of any revenue impact resulting from this rule or rule change to these groups.

Emergency ambulance expenditures associated with the ambulance fee assessment will be reflected in the Medical Transportation Program - Emergency Ambulance Services - Enhanced Reimbursements Rule published in the August 20, 2016 edition of the Louisiana Register.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

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

It is anticipated that the implementation of this proposed rule will not have an effect on competition and employment.