

**DECLARATION OF EMERGENCY**

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

**Inpatient Hospital Services  
Public-Private Partnerships  
Reimbursement Methodology  
(LAC 50:V.1703)**

The Department of Health and Hospitals, Bureau of Health Services Financing amends LAC 50:V.1703 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This Emergency Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:953(B)(1) et seq., and shall be in effect for the maximum period allowed under the Act or until adoption of the final Rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing promulgated an Emergency Rule which amended the provisions governing inpatient hospital services to establish supplemental Medicaid payments to non-state owned hospitals in order to encourage them to take over the operation and management of state-owned and operated hospitals that have terminated or reduced services. Participating non-state owned hospitals shall enter into a cooperative endeavor agreement with the department to support this public-provider partnership initiative (*Louisiana Register*, Volume 39, Number 11). The department promulgated an Emergency Rule which amended the

provisions governing the reimbursement methodology for ~~supplemental Medicaid payments for~~ inpatient psychiatric hospital services provided by non-state owned hospitals participating in public-private partnerships (*Louisiana Register*, Volume 39, Number 1). ~~The department now proposes to amend the provisions governing reimbursement for Medicaid payments for inpatient services provided by non-state owned major teaching hospitals participating in public-private partnerships which assume the provision of services that were previously delivered and terminated or reduced by a state-owned and operated facility.~~ In April 2013, the department promulgated an Emergency Rule to continue the provisions of the January 2, 2013 Emergency Rule (*Louisiana Register*, Volume 39, Number 4).

The department amended the provisions governing the reimbursement methodology for inpatient services provided by non-state owned major teaching hospitals participating in public-private partnerships which assume the provision of services that were previously delivered and terminated or reduced by a state-owned and operated facility to establish an interim per diem reimbursement (*Louisiana Register*, Volume 39, Number 4). In June 2013, the department determined that it was necessary to rescind the January 2, 2013 and the May 3, 2013 Emergency Rules governing Medicaid payments to non-state owned

hospitals for inpatient psychiatric hospital services (Louisiana Register, Volume 39, Number 6).

The department now proposes to amend the provisions of the April 15, 2013 Emergency Rule in order to revise the formatting of these provisions as a result of the promulgation of the June 1, 2013 Emergency Rule to assure that these provisions are promulgated in a clear and concise manner in the Louisiana Administrative Code (LAC). This action is being taken to promote the health and welfare of Medicaid recipients by maintaining recipient access to much needed hospital services.

~~This action is being taken to promote the health and welfare of Medicaid recipients by maintaining recipient access to much needed hospital services. It is estimated that implementation of this Emergency Rule will not result in programmatic costs to the Medicaid Program for state fiscal year 2012-2013.~~

Effective ~~April 15~~ July 20, 2013, the Department of Health and Hospitals, Bureau of Health Services Financing amends the provisions of the April 15, 2013 Emergency Rule governing Medicaid payments for inpatient hospital services provided by non-state owned hospitals participating in public-private partnerships.

## **Title 50**

### **PUBLIC HEALTH—MEDICAL ASSISTANCE**

**Part V. Hospital Services**  
**Subpart 1. Inpatient Hospital Services**

**Chapter 17. Public-Private Partnerships**

**§1703. Reimbursement Methodology**

A. ~~Payments to qualifying hospitals shall be made on a quarterly basis in accordance with 42 CFR 447.272~~Reserved.

B. ~~Effective for dates of service on or after January 2, 2013, a new Medicaid enrolled non-state acute care hospital that enters into a cooperative endeavor agreement with the Department of Health and Hospitals to provide inpatient psychiatric hospital services to Medicaid and uninsured patients, and which also assumes the operation and management of a formerly state-owned and operated psychiatric hospital shall be paid a per diem rate of \$581.11 per day.~~Effective for dates of service on or after April 15, 2013, a major teaching hospital that enters into a cooperative endeavor agreement with the Department of Health and Hospitals to provide acute care hospital services to Medicaid and uninsured patients and which assumes providing services that were previously delivered and terminated or reduced by a state owned and operated facility shall be reimbursed as follows:

1. The inpatient reimbursement shall be reimbursed at 95 percent of allowable Medicaid costs. The interim per diem

reimbursement may be adjusted not to exceed the final reimbursement of 95 percent of allowable Medicaid costs.

~~C. Effective for dates of service on or after April 15, 2013, a major teaching hospital that enters into a cooperative endeavor agreement with the Department of Health and Hospitals to provide acute care hospital services to Medicaid and uninsured patients and which assumes providing services that were previously delivered and terminated or reduced by a state owned and operated facility shall be reimbursed as follows:~~

~~1. The inpatient reimbursement shall be reimbursed at 95 percent of allowable Medicaid costs. The interim per diem reimbursement may be adjusted not to exceed the final reimbursement of 95 percent of allowable Medicaid costs.~~ C. - K.

Reserved.

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 39:

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

Interested persons may submit written comments to J. Ruth Kennedy, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. She 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.

~~Bruce D. Greenstein~~ Kathy H. Kliebert

Secretary