

RULE

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

Hospital Program—Acute Inpatient Hospital
Services, Outlier



The Department of Health and Hospitals, Office of the Undersecretary, Bureau of Health Services Financing has adopted the following rule under the Medical Assistance Program as authorized by R.S. 46:153 and pursuant to Title XIX of the Social Security Act and as directed by the 1995-96 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program and 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, utilization review, and other measures as allowed by federal law." This rule is in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

Rule

The Department of Health and Hospitals, Office of the Undersecretary, Bureau of Health Services Financing amends its reimbursement methodology for qualification and calculation of outlier payments for catastrophic costs associated with medically necessary services provided to children under six in disproportionate share hospitals and for services to infants one year or under in all general acute care hospitals. To qualify for an outlier payment the covered charges for the case must exceed both \$150,000 and 200 percent of the prospective payment. Outlier cases qualifying under the above criteria will be reimbursed the marginal cost associated with the excess cost above the prospective payment amount. Marginal cost is considered to be 55 percent of cost.

Bobby P. Jindal
Secretary

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