

## DECLARATION OF EMERGENCY

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

Hospital Program.Outpatient Rehabilitation 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 pursuant to Title XIX of the Social Security Act and as directed by the 1996-97 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 has reimbursed hospitals for outpatient speech, occupational and physical therapies through a cost settlement process. The bureau has now determined it is necessary to revise this payment procedure by establishing a flat fee for services in accordance with the reimbursement methodology for rehabilitation clinics. Therefore, the following emergency rule has been adopted to reimburse hospitals a flat fee for service for outpatient rehabilitation services which will no longer be settled in the cost reports. Hospitals are required to bill for these services using the same state-assigned HCPCS procedure codes used by rehabilitation clinics in addition to the hospital revenue code. These hospital revenue codes include physical therapy services (HR420-429); occupational therapy services (HR430-439); and speech therapy services (HR440-449). This action is necessary to avoid a budget deficit in the medical assistance programs. It is anticipated that implementation of this emergency rule will save approximately \$4,772,000 for state fiscal year 1996-1997.

### **Emergency Rule**

Effective for dates of service August 1, 1996 and thereafter, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reimburses hospitals for outpatient rehabilitation services including speech, occupational and physical therapies at a flat fee for service based on payments made to rehabilitation clinics for these services. These services shall no longer be settled in the cost report. Hospitals are required to bill for these services using the same state-assigned HCPCS procedure codes payable to rehabilitation clinics, in addition to the hospital revenue code.

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

Bobby P. Jindal  
Secretary

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