

# DECLARATION OF EMERGENCY

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

Transplant Services-Reimbursement

The Department of Health and Hospitals, Bureau of Health Services Financing has adopted the following emergency rule under the Medical Assistance Program as authorized by R. S. 46:46:153 and pursuant Title XIX of the Social Security Act. This emergency rule is in accordance with the Administrative Procedure Act R. S. 49:953(B) et seq. and shall be in effect for the maximum period allowed or until adoption of the rule, whichever occurs first..

On July 1, 1994 the Department adopted the Prospective Payment Reimbursement Methodology for inpatient hospital services (referenced in *Louisiana Register* June 20, 1994 Volume 20 Number 6.) which included specific methodology for the reimbursement of transplant services. Subsequently the department determined that systems limitations prohibit the implementation of the transplant reimbursement provision of the Prospective Payment Reimbursement Methodology. Therefore, the department adopted the following rule to re-instituted the provisions of the Tax Equity and Fiscal Responsibility Act (TEFRA) for the reimbursement of transplant services. This emergency rule has been published in the *Louisiana Register* on April, August and December 20, 1995 Volume 21, Numbers 4, 8, and 12. The following emergency rule has been adopted to keep the above provision in force until adoption of the rule. This emergency rule is necessary to avoid a budget deficit in the medical assistance programs. It is anticipated that the continued implementation of this rule will reduce program expenditures by approximately \$268,328 for state fiscal year 1996 and \$281,475 for state fiscal year 1997.

### **Emergency Rule**

Effective March 24, 1996 the Department Health and Hospitals, Bureau of Health Services Financing repeals the reimbursement provisions governing organ transplant services contained in the "Hospital Prospective Reimbursement Methodology" rule referenced in the June 20, 1994 *Louisiana Register* (Volume 20, Number 6) and adopts the following provisions to govern Medicaid reimbursement for non-experimental organ transplant services which are prior authorized by the Medicaid Program. Payment is allowable only in accordance with a per diem limitation established for inpatient discharges for organ transplant services reflected for a distinct carve out unit. Each type of organ transplant service must be reported as a separate distinct carve-out unit cost. Organ procurement costs shall be included in the distinct carve-out unit cost and shall be subject to the per diem limitation. The per diem limitation shall be calculated based on inpatient routine and ancillary costs for the transplant carve-out discharges derived from each hospital's base period. The base period is the first cost reporting period beginning with September 30, 1983 through August 31, 1984 in which an allowable transplant was performed on a Medicaid patient. The base period per diem costs for transplant distinct carve-out units shall be inflated annually using the target rate percentage increase for inpatient prospective payment systems (PPS) exempt hospitals' operating costs established by federal statute and published annually in the *Federal Register*. Reimbursement for transplant distinct carve-out unit services shall not exceed the per diem limitation and no incentive payment shall be allowed. The Tax Equity and Fiscal Responsibility Act (TEFRA) provisions governing exceptions and adjustments for inpatient hospital services shall also apply to the per diem limitation for the reimbursement of distinct carve-out units for organ transplant services. The Medicaid share of each transplant unit's costs subject to the per diem limitation shall be included in the total Medicaid reimbursement at the hospital's cost settlement at fiscal year end.

Bobby P. Jindal  
Secretary

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