

## NOTICE OF INTENT

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

### Private ICF/MR Facility Services

The Department of Health and Hospitals, Bureau of Health Services Financing is proposing to adopt the following rule under the Medical Assistance Program as authorized by R.S. 46:153 et seq. 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 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 proposed rule is in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Bureau of Health Services Financing provides coverage for intermediate care facility services for the handicapped and/or mentally retarded (ICF/MR) provided by private intermediate care facilities and reimbursement is made according to prospective rates established under the Reimbursement for Private ICF-MR Facilities rule (*Louisiana Register*, October 20, 1989, Volume 15, Number 10). The department determined that it was necessary to reduce the reimbursement rates by limiting administrative and general support costs to 24 percent of all other programmatic costs including plant operation and maintenance, costs related to capital assets, dietary expenses, linen and laundry expenses, housekeeping expenses, personal recipient needs, medical and nursing expenses, therapeutic and training expenses, recreational expenses, consultant expenses, educational expenses and in-house ancillary services expenses. An emergency rule was adopted and published in the *Louisiana Register*, Volume 21 Number 10 which amended the rule on Reimbursement for Private ICF-MR Facilities cited above by limiting administrative and general support costs to 24 percent of all other programmatic costs. The following proposed rule establishes this reduction methodology as a permanent provision of the rule on Reimbursement for Private ICF-MR Facilities.

#### **Proposed Rule**

The Department of Health and Hospitals, Bureau of Health Services Financing amends the rule on Reimbursement for Private ICF-MR Facilities (*Louisiana Register*, October 20, 1989, Volume 15, Number 10) by limiting administrative and general support costs to 24 percent of all other programmatic costs including plant operation and maintenance, costs related to capital assets, dietary expenses, linen and laundry expenses, housekeeping expenses, personal recipient needs, medical and nursing expenses, therapeutic and training expenses, recreational expenses, consultant expenses, educational expenses and in-house ancillary services expenses.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, Box 91030, Baton Rouge, LA 70821-9030. He is responsible for responding to inquiries regarding this proposed rule. A public hearing will be held on this matter at 9:30 a.m. Tuesday April 23, 1996, in the first floor auditorium of the Department of Transportation and Development, 1201 Capitol Access Road, Baton Rouge, LA. At that time all interested parties will be afforded an opportunity to submit data, views or arguments, orally or in writing. The deadline for the receipt of all comments is 4:30 p.m. on the day following the public hearing.

Bobby P. Jindal  
Secretary

#### **FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES**

##### **RULE TITLE: Private ICF/MR Facility Services**

#### **I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

It is anticipated that implementation of this proposed rule will result in decreased expenditures for Private ICF/MR Facility services by approximately \$229,063 for SFY 1995-1996; \$1,765,153 for SFY 1996-1997; and \$1,873,789 for SFY 1997-1998.

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

It is anticipated that federal revenue collections for Private ICF/MR Facility services will decrease by approximately \$608,461 for SFY 1995-96; \$4,974,382 for SFY 1996-97 and \$5,062,660 for SFY 1997-1998.

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

It is anticipated that the providers of the Private ICF/MR Facility will experience the combined state and federal expenditure decreases shown above for the provision of these services.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no known effect on competition and employment.

Thomas D. Collins  
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