

NOTICE OF INTENT

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

Physicians Services—Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing proposes to adopt the following 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, utilization review, and other measures as allowed by federal law". This proposed rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq.

The Department of Health and Hospitals, Bureau of Health Services Financing provides coverage and reimbursement for physician services under the Medicaid Program. Effective July 1, 1996 the bureau adopted four emergency rules concerning reimbursement under the Professional Services Program for anesthesia and surgery services as well as the payment rates for specified CPT procedure codes (*Louisiana Register*, Volume 22, Number 7).

The bureau's reimbursement policy has included payment for anesthesia services provided on the day of surgery or delivery. However this policy has not been promulgated under the Administrative Procedure Act. In addition, the bureau has determined that the more appropriate reimbursement for the re-injection of the epidural catheter necessitates the use of the CPT procedure code 00098 when a period of several hours lapses between a delivery and the performance of a tubal ligation and the re-injection of the epidural catheter is required.

Previously the bureau had not defined a global surgery period for the reimbursement of surgical services which is now necessary in order to reimburse these services properly. Each CPT surgical procedure code will be assigned to a specific global surgery period. Three global surgery periods consisting of the day before and the day of surgery and either 0, 10, or 90 post-operative days will be utilized. Pre- and post-operative visits made during any of these global surgery periods shall be considered to be a part of the surgery fee.

The Medicaid Program reimburses professional services according to established rates for Current Procedural Terminology (CPT) codes, locally assigned codes and HCPS codes contained on the Physician's Formulary File. Reimbursement for certain bilateral medical and surgical procedures has been provided at a rate of 200 percent of the fee on this Physician's Formulary file. The bureau is proposing to reduce reimbursement to 150 percent of the fee on the Physician's Formulary File for following CPT procedure codes.

30903	31276	49505	69420	31254
49495	49507	69421	31255	49496
49520	69424	31256	49500	49521
69433	31267	49501	49525	69436

The bureau has determined through the Legislative Auditor's Report that the fees paid for four CPT codes were above the southern regional average.

- 36415 - for routine finger stick to collect specimen;
- 99211 - outpatient visit, established patient (may not require physician's presence);
- 99212 - outpatient visit, established patient, straightforward medical decision making;
- 99233 - for subsequent hospital care, medical decision making of high complexity.

Therefore the bureau is proposing to reduce the reimbursement for the following CPT procedure codes payable under the Professional Services Program in accordance with the southern regional average.

The department is now proposing to adopt the above reimbursement provisions for anesthesia, surgery and certain CPT codes under the Administrative Procedure Act in order to maintain the cost savings initiated through emergency rulemaking.

Proposed Rule

The Department of Health and Hospitals, Bureau of Health Services Financing adopts the following regulations governing the provision of physician services under the Professional Services Program.

- 1. Anesthesia Services
 - A. Anesthesia services are reimbursed for the day of surgery or delivery.

B. CPT procedure code 00098 must be used when a period of several hours lapses between a delivery and the performance of a tubal ligation and the re-injection of the epidural catheter is required.

2. Surgery Services

A. Each CPT surgical procedure code shall be assigned to one of the global surgery periods.

B. Three different global surgery periods will be utilized. One period shall consist of 0 days defined as the day before and the day of surgery only; the second period shall consist of 10 days defined as the day before and the day of surgery and 10 post-operative days; and the third period shall consist of 90 days defined as the day before and the day of surgery and 90 post-operative days.

C. No outpatient or inpatient visits during the global surgery period will be reimbursed unless the diagnosis code for the visit is different from that of the diagnosis code necessitating the surgery.

3. Bilateral Medical and Surgical Procedure Reductions. Reimbursement shall be made at 150 percent of the fee on the Physician's Formulary File for the following CPT procedure codes.

30903	31276	49505	69420	31254
49495	49507	69421	31255	49496
49520	69424	31256	49500	49521
69433	31267	49501	49525	69436

4. Other Reimbursement Reductions

CPT Code	Description	New Fee
36415	Routine finger stick to collect specimen	\$ 2.65
99211	Outpatient visit, established patient (may not require physician's presence)	\$ 9.24
99212	Outpatient visit, established patient straightforward medical decision making	\$18.91
99233	Subsequent hospital care, medical decision making of high complexity	\$42.60

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 proposed rule.

A public hearing will be held on this matter on Monday, October 28, 1996 at 8:30 a.m. in the 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: Physician Services**

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

It is anticipated that implementation of this proposed rule and the corresponding emergency rule on the reimbursement changes for the Professional Services Program will reduce costs by approximately \$1,013,041 for SFY 1997; \$1,601,851 for SFY 1998; and \$1,697,962 for SFY 1999.

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

Implementation of this rule will decrease federal revenue collections by approximately \$4,451,043 for SFY 1997; \$4,135,437 for SFY 1998; and \$4,383,564 for SFY 1999.

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

The physician providers of the Medicaid Program will experience the above decrease in state expenditures.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no known effect on competition and employment.

Thomas D. Collins
Monk
Director

H. Gordon

9609#085

Chief Coordinator of the
Legislative Fiscal Office