

NOTICE OF INTENT

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

Medically Needy Program

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing proposes to adopt the following proposed rule in the Medical Assistance Program as authorized by R.S. 46:153 and pursuant to Title XIX of the Social Security Act, 42 USCA 1396a et seq. 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 rule is proposed in accordance with the Administrative Procedure Act, R.S. 49:950 et seq.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has provided coverage for the Medically Needy Program under the Medicaid Program. The Medically Needy Program includes those individuals or families who meet all AFDC or SSI related categorical requirements and whose income is within the Medically Needy Income Eligibility Standard and/or whose resources are within the allowable limits. It also includes those individuals or families whose resources fall within the AFDC or SSI limits, but whose income is above the Medically Needy Income Eligibility Standard. Coverage for these individuals is optional under Title XIX of the Social Security Act Section 1902(a)(10) and 42 CFR Subpart D Section 435.300. A state may choose to include or exclude coverage for this eligibility category from its Title XIX State Plan. The department has determined it is necessary to terminate coverage for the Medically Needy eligibility category, and the following proposed rule is necessary to maintain a cost savings initiated through emergency rulemaking. An emergency rule was adopted effective July 1, 1996 (*Louisiana Register*, Volume 22, Number 7), terminating this optional program.

Proposed Rule

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing terminates coverage for all individuals certified for the Medically Needy Program including those individuals with an approved period of coverage which extends beyond June 30, 1996.

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 on this proposed rule is scheduled for Tuesday, October 29, 1996, at 1 p.m. in the auditorium of the Department of Transportation and Development, 1201 Capitol Access Road, Baton Rouge, LA. At this time, all interested parties will be afforded the opportunity to submit data, views, or arguments, orally or in writing. The deadline for the receipt of all written comments is 4:30 p.m. the day following the public hearing.

Bobby P. Jindal
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Medically Needy Program

- 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 termination of coverage for the Medically Needy Program will reduce costs by approximately \$8,649,494 for SFY 1997; \$10,972,168 for SFY 1998; and \$11,740,220 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 \$38,003,656 for SFY 1997; \$38,946,703 for SFY 1998; and \$41,672,972 for SFY 1999 based on decreased state expenditures.

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

Enrolled Medicaid providers will experience the reimbursement reductions shown above for Medicaid services rendered to recipients of the Medically Needy Program.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no known effect on competition and employment.

Thomas D. Collins
Director

H. Gordon Monk

9609#089

Chief Coordinator of the
Legislative Fiscal Office