



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 595** HLS 25RS 975
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 7, 2025	6:35 PM	Author: PHELPS
Dept./Agy.: Health/Medicaid		
Subject: TEFRA Eligibility		Analyst: Anthony Shamis

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 Provides relative to Medicaid coverage through the TEFRA option program

Present law established the Tax Equity and Fiscal Responsibility Act (TEFRA) option in Medicaid, and provides for eligibility criteria for the TEFRA option. The TEFRA option program shall offer coverage for all Medicaid state plan services for children with disabilities who would otherwise be ineligible for such benefits because their household income exceeds the state established limits for Medicaid.

Proposed law modifies present law to add that a child may qualify for TEFRA, if due to a disability, they require emergency care in a hospital Emergency Department (ED) more frequently than once per month. The child satisfies this requirement if a physician determines that the use of an ED is necessary to stabilize their condition, even if the child is not admitted to the hospital for inpatient treatment.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW					
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in an indeterminable impact to SGF and Federal Medicaid expenditures in the Louisiana Department of Health (LDH) to add additional criteria (more restrictive/must meet all criteria) to be eligible for the Tax Equity and Fiscal Responsibility Act (TEFRA) Children's Medicaid Option (CMO), also known as ACT 421 (2019). This bill further requires that a child must present for emergency care in a hospital emergency department more frequently than once per month. The child satisfies this eligibility criteria if his physician determines that use of the emergency room is necessary to stabilize a condition, such as acute chest syndrome, as a result of his disability, even if the child is not admitted to the hospital for inpatient treatment.

LDH reports that the number of children that would be eligible under this legislation is indeterminable, as the department is unable to estimate the number of children who would visit an emergency room more than once per month where the child's physician determines that use of an emergency room is necessary to stabilize a condition. In addition, the average annual cost of TEFRA enrollees varies based on the age of the child and whether the child has other health coverage (i.e. employer-sponsored healthcare coverage with parents).

See below:

Average Annual Cost for TEFRA Enrollees by Rate Cell:

- *LaHIPP TPL - <1 Year - \$1,130.50
- *LaHIPP TPL - Child 1-18 Years Average - \$2,768.01
- *Non-LaHIPP TPL - <1 Year \$21,157.40
- *Non-LaHIPP TPL - Child 1-18 Years Average - \$5,670.06
- *Non-TPL - <1 Year \$60,249.62
- *Non-TPL - Child 1-18 Years Average \$10,750.92

Note:
 LaHIPP = Louisiana Health Insurance Premium Payment Program; TPL = Third Party Liability

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
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