

2025 Regular Session

HOUSE BILL NO. 658

BY REPRESENTATIVE TURNER

MEDICAID: Establishes the Medicaid Trust Fund for Addiction Recovery

1 AN ACT

2 To enact Chapter 54-A of Title 46 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 46:2693, relative to intergovernmental relations; to impose fees
4 on addiction recovery providers; to establish the Medicaid Trust Fund for Addiction
5 Recovery; to provide for the transfer, deposit, and use of monies in the Medicaid
6 Trust Fund for Addiction Recovery; to provide for an effective date; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 54-A of Title 46 of the Louisiana Revised Statutes of 1950,
10 comprised of R.S. 46:2693, is hereby enacted to read as follows:

11 CHAPTER 54-A MEDICAID TRUST FUND FOR ADDICTION RECOVERY

12 §2693. Medicaid Trust Fund for Addiction Recovery

13 A.(1) There is hereby established a permanent trust fund in the state treasury
14 designated the "Medicaid Trust Fund for Addiction Recovery", hereinafter referred
15 to in this Chapter as the "fund". After allocation of money to the Bond Security and
16 Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of
17 Louisiana, the treasurer shall deposit in and credit to the fund all money that is
18 received from any source, including but not limited to an intergovernmental transfer
19 program provided for in this Chapter and all income on investment of monies in the
20 fund.

1 (2) Monies in the fund shall be invested by the treasurer in the same manner
2 as monies in the state general fund, and interest earned on the investment of these
3 monies shall be credited to the fund. All unencumbered and unexpended monies in
4 the fund at the end of the fiscal year shall remain in the fund.

5 (3) Monies in the fund may be used as the source of state matching funds for
6 Medicaid funds to make enhanced payments to local government-owned health care
7 facilities.

8 B.(1) After July 1, 2025, self- assessed fees, federal grant allocations, or any
9 other source shall not be subject to appropriation unless authorized by a joint
10 resolution approved by two-thirds of the elected members of each house of the
11 legislature and except to provide for:

12 (a) The re-basing of reimbursement rates for addiction providers in
13 accordance with the approved state Medicaid plan.

14 (b) The development and funding of a reimbursement system for the
15 Medicaid addiction provider program.

16 (c) The payment of all costs of local governments related to their
17 participation in the intergovernmental transfer program.

18 (d) The enhanced payment to any local government-owned health care
19 facilities or health care programs in amounts as required by written agreements
20 between the secretary and the local governments which are recommended by the
21 Intergovernmental Transfer Subcommittee created and established in R.S. 46:2692
22 and approved by the governor and the Joint Legislative Committee on the Budget.

23 (e) The reimbursement of the Louisiana Department of Health for costs
24 incurred in preparing the application for and implementing the intergovernmental
25 transfer program established in this Chapter.

26 (f) The reimbursement of any monies deposited into the fund as a result of
27 over payments of federal funds.

28 (2) Upon completion of the initial intergovernmental transfer, addiction
29 providers will be re-based in accordance with the approved state Medicaid plan. In

1 ensuing years, re-basing in accordance with the approved state Medicaid plan may
2 come from the principal in the trust, but shall be limited to earnings on investment
3 from the fund.

4 (3) Only earnings on investment from the fund may be appropriated each
5 fiscal year for services of the state Medicaid program in the following order of
6 priority:

7 (a) For providing for a wage enhancement for direct care personnel working
8 in Medicaid certified addiction provider settings in accordance with a plan
9 established by the Louisiana Department of Health and representatives of the
10 addiction provider industry. The plan shall provide for a direct pass-through of the
11 costs of such wage enhancement in a manner to ensure that the addiction provider
12 rate is adjusted to reflect the full costs of such wage enhancement.

13 (b) For appropriations solely and exclusively for services of the state
14 Medicaid program that are subject to federal financial participation in matching
15 funds.

16 (4) Monies in the fund shall not be used to displace, replace, or supplant
17 appropriations from the state general fund for the Medicaid program below the
18 amount of state general fund appropriations for the Medicaid program for the 2025-
19 2026 Fiscal Year unless the official forecast of recurring monies available for
20 appropriation which is utilized by the legislature in its adoption of the state budget
21 for the ensuing fiscal year as provided in R.S. 39:26 indicates that revenues for such
22 year will be insufficient to fund the state budget at the same level as the previous
23 year.

24 (5) The state treasurer shall report the status of the fund at least quarterly to
25 the secretary of the Louisiana Department of Health and the Intergovernmental
26 Transfer Subcommittee.

27 C.(1) The Louisiana Department of Health is hereby authorized to adopt and
28 impose fees for healthcare services provided by the Medicaid program on addiction
29 recovery providers. The amount of any fee shall not exceed the total cost to the state

1 of providing the healthcare service subject to such fee. In addition, the amount of
2 the fees imposed under the rules and regulations adopted shall not exceed the
3 percentage of net patient service revenues permitted by federal regulation pursuant
4 to 42 CFR 433.68 as determined by the department on a per occupied bed per day
5 basis.

6 (2) Any fee authorized by and imposed pursuant to this Section shall be
7 considered an allowable cost for purposes of insurance or other third party
8 reimbursements and shall be included in the establishment of reimbursement rates.

9 (3) Subject to the exceptions contained in Article VII, Section 9(A) of the
10 Constitution of Louisiana, all fees collected pursuant to the authority granted in this
11 Section shall be paid into the state treasury and shall be credited to the Bond Security
12 and Redemption Fund. Out of the funds remaining in the Bond Security and
13 Redemption Fund after a sufficient amount is allocated from that fund to pay all
14 obligations secured by the full faith and credit of the state which become due and
15 payable within any fiscal year, the treasurer shall, deposit the fees into the Medicaid
16 Trust Fund for Addiction Recovery an amount equal to the total amount of such fees
17 collected.

18 D. The department shall promulgate rules and regulations in accordance with
19 the Administrative Procedure Act necessary to administer the fees imposed herein,
20 including but not limited to rules and regulations regarding the collection and
21 payment of the fees and the records necessary to be maintained and made available
22 by the providers on whom the fees are imposed. Any such information, other than
23 the amount of fees collected from each provider and the total amount of revenues
24 generated by the fees authorized herein, which is received by any department or
25 agency of the state pursuant to this Chapter shall be held confidential.

26 E. The governor, by executive order, may designate any agency, department,
27 or division of state government to collect the fees authorized herein.

28 Section 2. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
3 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 658 Engrossed

2025 Regular Session

Turner

Abstract: Establishes the Medicaid Trust Fund for Addiction Recovery and imposes a fee for addiction recovery services.

Proposed law establishes the Medicaid Trust Fund for Addiction Recovery. Monies in the fund shall be invested in the same manner as the state general fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund. Directs the treasurer to deposit money into the fund from any source, including but not limited to intergovernmental transfers. Permits the use of the monies in the fund as a source of state matching funds for Medicaid funds.

Proposed law authorizes the La. Dept. of Health (LDH) to adopt rules and regulations to impose fees on healthcare services provided by the Medicaid program on addiction recovery providers, and for collection and payment of the fees. Proposed law sets a limit on the fee.

Proposed law authorizes the principal in the fund from proceeds from self-assessed fees, federal grant allocations, or other sources to be subject to appropriation authorized by a joint resolution requiring a 2/3 vote. Proposed law requires the use of the principal for the re-basing of reimbursement rates of addiction providers, development and funding of a reimbursement for addiction providers, enhanced payment to any local government-owned health care facilities or programs, reimbursement of LDH for costs, and reimbursement of monies deposited into the fund as a result of over payments of federal funds.

Effective upon signature of governor or a lapse of time for gubernatorial action.

(Adds R.S. 46:2693)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Remove references to Opioid Abatement Settlement Fund.