

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 658** HLS 25RS 1146

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 10, 2025	5:34 PM	Author: TURNER
Dept./Agy.: Health/LDH		Analyst: Luis Galvan
Subject: Establishes the Medicaid Trust Fund for Addiction Recovery		

MEDICAID EN INCREASE RV See Note
Establishes the Medicaid Trust Fund for Addiction Recovery

Proposed law establishes the Medicaid Trust Fund for Addiction Recovery (fund) in the state treasury. Requires deposit of monies from intergovernmental transfers, self-assessed provider fees, federal grants, and other sources, after allocation to the Bond Security and Redemption Fund. Proposed law defines "addiction provider" to include inpatient and residential substance use treatment, intensive outpatient services, and withdrawal management. Limits use of fund principal to specific purposes, including Medicaid addiction provider rate rebasing, reimbursement system development, enhanced payments to local government healthcare facilities, LDH administrative reimbursements, and repayment of federal overpayments. Permits annual appropriation of investment earnings for direct care personnel wage enhancements and Medicaid services eligible for federal match. Authorizes LDH to assess fees on addiction recovery providers, provided the fees are eligible for federal match, and requires fee collection to follow the standard rulemaking process. Proposed law provides for confidentiality of provider financial information.

EXPENDITURES	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.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable increase in expenditures within LDH associated with the creation of the Medicaid Trust Fund for Addiction Recovery, which establishes separate provisions for the use of principal and investment earnings. Disbursements may be made to LDH, local governments, or other entities pursuant to appropriation. Principal may be used for rebasing Medicaid reimbursement rates, developing and funding a new reimbursement system for Medicaid addiction recovery service providers, enhancing payments to local government-operated programs, and refunding disallowed funds to the federal government. Investment earnings from the fund may be appropriated annually for wage enhancements for direct care personnel and Medicaid services eligible for federal match. LDH may impose provider fees only if those fees are eligible for federal financial participation and must follow the standard administrative rulemaking process. All other uses of the principal require a two-thirds vote of the Legislature.

State Treasury requires certain resources to create and administer a statutory dedication, as in this measure. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in revenues associated with the creation of the Medicaid Trust Fund for Addiction Recovery beginning in FY 26. Increased revenue is anticipated to derive from Dedicated and Federal Funds. Proposed law authorizes the fund to receive deposits from self-assessed fees, intergovernmental transfers (IGTs), and federal grant allocations. Provider fees may only be imposed if eligible for federal financial participation, and LDH is required to follow the standard administrative rulemaking process. Proposed law does not specify the provider fee amount and includes no estimates for potential IGTs or federal grants in future fiscal years.

Senate Dual Referral Rules
 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
Deputy Fiscal Officer