



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 198** HLS 26RS 252  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 22, 2026 5:29 PM	<b>Author:</b> ECHOLS
<b>Dept./Agy.:</b> LDH/Medicaid	<b>Analyst:</b> Cristian Nedelea
<b>Subject:</b> Medicaid reimbursement of ambulatory surgical centers	

HEALTH EG INCREASE GF EX See Note Page 1 of 2  
 Provides relative to Medicaid reimbursement of ambulatory surgical centers for certain procedures

Proposed law requires the secretary of the Louisiana Department of Health (LDH) to take all necessary actions by 10/01/26, to reimburse ambulatory surgical centers that perform gastroenterology, ophthalmology, and otolaryngology procedures, as well as dental surgery procedures at a rate which is the lesser of the rate paid in an outpatient hospital setting or 100% of the Medicare rate for the same procedures. It also requires LDH to update the reimbursement rates annually.

Proposed law shall become effective upon the signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Federal Funds	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to result in an indeterminable but potentially significant increase in SGF, Statutory Dedications out of Medical Assistance Trust Fund, and Federal expenditures within the Louisiana Department of Health (LDH) in FY 27 and subsequent fiscal years. Proposed law mandates Medicaid reimbursement for gastroenterology, ophthalmology, and otolaryngology procedures, as well as dental surgery procedures provided in an ambulatory surgical center (ASC) at a rate which is the lesser of the rate paid in an outpatient hospital setting or 100% of the Medicare rate for the same procedures.

**The expenditure projection is based on data and information provided by LDH:**

- (1) Baseline utilization, representing current Medicaid volume and expenditures for gastroenterology services only performed in ASC settings (requests for information regarding ophthalmology, otolaryngology and dental are pending).
- (2) Rate differential, or the delta between the current ASC Medicaid fee schedule and the 100% Medicare ASC rate (assuming it is less than the outpatient hospital rate for the same service).

As an illustrative estimate, reimbursing an ASC for gastroenterology services only at 100% of the Medicare ASC rate could increase expenditures within the LDH by \$1.68 M in FY 27 (9 months impact) (\$244,808 SGF, \$23,104 Statutory Dedications, \$1.41 M Federal) and \$2.24 M in subsequent fiscal years (12 month impact) (\$233,995 SGF, \$123,221 Statutory Dedications, \$1.88 M Federal).

The following data and assumptions were used for this projection:

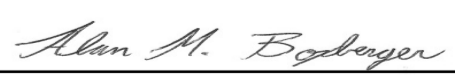
(a) Rate Differential: the average cost of gastroenterology services provided by ASCs at the Medicaid rate was \$1.04 M per FY (based on FY 24 and FY 25 Medicaid data). If the ASCs were reimbursed at the 100% Medicare ASC rate, the average cost of gastroenterology services would increase to \$2.96 M per FY, resulting in additional \$1.92 M in total Medicaid expenses per FY.

**EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

Proposed law is anticipated to result in an indeterminable increase in Statutory Dedications out of the Medical Assistance Trust Fund (MATF) within LDH. The revenue increase is a direct result of the 5.5% premium tax collections levied on MCO per member per month (PMPM) expenditures. The increased reimbursement rates will be integrated into the actuarially sound premium payments made by LDH to MCOs. Because of the 10/01/2026 effective date and with premium tax collections based on a calendar year, the Statutory Dedications fiscal impact for FY 27 is assumed to accrue for only two months of collections (payment months of November and December 2026).

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}	<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

  
**Alan M. Boxberger**  
 Legislative Fiscal Officer



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**CONTINUED EXPLANATION from page one:**

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**EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE**

(b) Population: All services will be provided through the Healthy LA Managed Care Organization (MCO) program. Capitation payments paid to the MCOs account for a 10% administrative cost of the benefit expenditures and a 5.5% premium tax of the total cost.

(c) Assumes no changes in utilization for future fiscal years.

(d) FMAP: 90% Federal Medical Assistance Percentage (FMAP) is applied for the Medicaid Expansion population; 68.06% blended FMAP rate is applied to the Non-Expansion population for FY 27 and future fiscal years.

<u>Fiscal Year</u>	<u>SGF</u>	<u>Stat Ded</u>	<u>Federal</u>	<u>Total</u>
FY 27	\$244,808	\$23,104	\$1,412,371	\$1,680,283
FY 28	\$233,995	\$123,221	\$1,883,162	\$2,240,378
FY 29	\$233,995	\$123,221	\$1,883,162	\$2,240,378
FY 30	\$233,995	\$123,221	\$1,883,162	\$2,240,378
FY 31	\$233,995	\$123,221	\$1,883,162	\$2,240,378
<b>TOTAL</b>	<b>\$1,180,790</b>	<b>\$515,987</b>	<b>\$8,945,018</b>	<b>\$10,641,795</b>

*Note: The LFO has requested updated utilization data and information from LDH reflecting the amendments contained in the proposed law, which add ophthalmology, otolaryngology and dental surgery procedures. This fiscal note will be updated upon receipt and analysis of that data.*

**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}

  
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