



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 1028** HLS 26RS 1402  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 2, 2026	1:50 PM	<b>Author:</b> LYONS
<b>Dept./Agy.:</b> Louisiana Department of Health / Medicaid		<b>Analyst:</b> Cristian Nedelea
<b>Subject:</b> Reimbursement rates for non-emergency transportation		

MEDICAID EN +\$2,601,174 GF EX See Note Page 1 of 2

Requires the Louisiana Department of Health to increase the reimbursement rates for nonemergency medical transportation providers

Proposed law requires the Louisiana Department of Health (LDH) to establish a Medicaid reimbursement minimum rate of \$14.50 per trip and \$2.10 per mile for non-emergency medical transportation (NEMT) services, including wheelchair-accessible NEMT. It requires LDH to promulgate rules to establish a NEMT rate methodology for multiple passenger trips based on the number of passengers being transported. The LDH shall not allow an individual to be transported via NEMT to a Medicaid covered service outside of the individual's parish of residence or contiguous parishes unless there is a determination of medical necessity by the Medicaid managed care organization or the LDH. Proposed law requires the LDH to take all necessary actions to implement the provisions of this legislation no later than ninety days after the effective date of this Act. Proposed law provides that the provisions of this legislation shall become effective when an Act of the Louisiana Legislature containing a specific appropriation of monies for the implementation of the provisions of this Act becomes effective. Proposed law shall become effective upon 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.	\$2,601,174	\$3,058,052	\$3,058,052	\$3,058,052	\$3,058,052	\$14,833,382
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$187,491	\$1,124,945	\$1,124,945	\$1,124,945	\$1,124,945	\$4,687,271
Federal Funds	\$10,847,029	\$16,270,544	\$16,270,544	\$16,270,544	\$16,270,544	\$75,929,205
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$13,635,694</b>	<b>\$20,453,541</b>	<b>\$20,453,541</b>	<b>\$20,453,541</b>	<b>\$20,453,541</b>	<b>\$95,449,858</b>
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$187,491	\$1,124,945	\$1,124,945	\$1,124,945	\$1,124,945	\$4,687,271
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$187,491</b>	<b>\$1,124,945</b>	<b>\$1,124,945</b>	<b>\$1,124,945</b>	<b>\$1,124,945</b>	<b>\$4,687,271</b>

**EXPENDITURE EXPLANATION**

The provisions of proposed legislation are effective when an Act of the Louisiana Legislature containing a specific appropriation of monies for implementation becomes effective.

Proposed law is anticipated to result in an expenditure increase within the Louisiana Department of Health (LDH) of \$13.6 M (\$2.6 M SGF, \$187,491 Statutory Dedications out of the Medical Assistance Trust Fund - MATF, and \$10.8 M Federal) in FY 27 (8 payment months). Expenditures are projected to increase to \$20.5 M (\$3.1 M SGF, \$1.1 M Statutory Dedications - MATF, and \$16.3 M Federal) in FY 28 (full year cost) and subsequent fiscal years. Proposed law requires LDH to set the minimum Medicaid reimbursement rate for NEMT services to \$14.50 per trip and \$2.10 per mile.

The benefit (base) expenditure projection was calculated as the rate differential between the expected new cost at the proposed reimbursement rates and the observed cost at the current rates. NEMT services are provided through managed care organizations (MCOs) which are paid capitation payments, inclusive of 10% administrative cost and 5.5% premium tax.

**Benefit/Base Cost**

\$60,653,036 (1) Expected New Cost  
 \$43,081,585 (2) Observed Cost  
**\$17,571,451 Rate Differential: (1) - (2)**

**Total Capitation Cost**

\$17,571,451 A. Base Cost: Rate Differential  
 \$1,757,145 B. Administrative Cost  
 \$1,124,945 C. Premium Tax Cost  
**\$20,453,541 (A+B+C) Total Capitation Cost**

Data, assumptions, and approach:

(1) Expected new cost: FY 24 and FY 25 historical utilization data for NEMT services were repriced using the proposed reimbursement rates. The yearly average of the two years was calculated and used for the expenditure projection. For ambulatory transportation (CPT T2003), the increased reimbursement rates were applied to both the base trip and the mileage rate. For wheelchair van services (CPT A0130), the base rate did not change, but the higher proposed mileage rate was applied. Elevated Level of Care (ELOC) was reviewed but no data were found due to the recent implementation of the program. In order to account for ELOC reimbursement increase from \$31.50 to \$82.92 per leg, 40% of wheelchair trips were assumed to be eligible for ELOC services.

**EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

Proposed law is anticipated to result in a revenue increase within the LDH of \$187,491 in Statutory Dedications - MATF revenues in FY 27 and approximately \$1.1 M per fiscal year thereafter. With a 10/01/2026 effective date and premium tax collections based on a calendar year, the Statutory Dedications fiscal impact for FY 27 is for only two months of collections (payment months of November and December 2026). The revenue increase is a direct result of the 5.5% premium tax collections levied on MCO capitation expenditures. The increase in expenditures will be integrated into the actuarially sound premium/capitation payments made by LDH to MCOs.

Senate

Dual Referral Rules

House

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

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}

*Alan M. Boxberger*

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**CONTINUED EXPLANATION from page one:**

**EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE**

- (2) Observed cost: FY 24 and FY 25 observed utilization data for NEMT services included both the base trip and mileage rate payments together. The milage was estimated using raw claims information and payment patterns from similar claims when it was not available in the data. The yearly average of the two years was calculated and used for the expenditure projection.
- (3) Rate differential = (1) Expected new cost - (2) Observed cost.
- (4) 5.5% premium tax and 10% administrative cost are factored into the total cost. Statutory Dedications for FY 27 reflect two months of premium taxes, which are collected on a calendar year basis (November and December 2026).
- (5) Effective date: 10/01/2026. FY 27 accounts for 8 months of usage. NEMT is provided through the Healthy Louisiana MCOs which are paid capitation payments with a one month lag (for example, November 2026 capitation payments are for October 2026 service month).
- (6) Financing: 68.06% Non-Expansion blended FMAP rate and 90% Expansion FMAP rate.

*Note: The LFO is unable to corroborate the expenditure estimates projected by LDH. The LFO has requested LDH to provide detailed information on the assumptions and methodology used to estimate the anticipated increase in Medicaid expenditures. To the extent that actual utilization varies from projections, total costs would shift accordingly. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.*

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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