



1           THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
2 enact the annual hospital stabilization formula pursuant to Article VII, Section 10.13 of the  
3 Constitution of Louisiana:

4           I. Hospital Stabilization Assessment.

5           A. The Louisiana Department of Health shall calculate, levy, and collect an  
6 assessment for each assessed hospital in accordance with Subsection B of this  
7 Section if all of the following occur:

8           (1) The applicable federal financial participation, as set forth in 42 U.S.C.  
9 1396d(y) of Title XIX of the Social Security Act, is less than one hundred percent.

10           (2) The Louisiana Department of Health has submitted a Medicaid  
11 assessment report to the Joint Legislative Committee on the Budget. The Medicaid  
12 assessment report shall include a description of the proposed assessment, the basis  
13 for the calculation of the assessment, and a listing of each hospital included in the  
14 proposed assessment.

15           B.(1) The total assessment for the state fiscal year 2017-2018 shall not  
16 exceed the lesser of the following:

17           (a) The state portion of the cost of the reimbursement enhancements  
18 provided for in Subsection A of Section II of this Resolution which are directly  
19 attributable to payments to hospitals, excluding any federal financial participation  
20 and any costs associated with Full Medicaid Pricing.

21           (b) One percent of the total inpatient and outpatient hospital net patient  
22 revenue of all hospitals included in the assessment, as reported in the Medicare cost  
23 report ending in state fiscal year 2015.

24           (2) The Louisiana Department of Health shall allocate, levy, and collect the  
25 assessment in accordance with the provisions of the Louisiana Administrative Code  
26 48:I.4001(F)(2) through (4) as published in Volume 42, Number 11, of the Louisiana  
27 Register and with Subsection B of this Section. Any hospital meeting the definition  
28 of a rural hospital as defined in R.S. 40:1189.3 shall be excluded from the  
29 assessment.

1           (3) The Louisiana Department of Health shall publish on a quarterly basis,  
2 no later than thirty days after the end of each quarter, a report containing data  
3 directly related to the revenue enhancement provided for in Subsection A of Section  
4 II of this Resolution. The report shall include the following:

5           (a) Total Medicaid enrollment on a monthly basis.

6           (b) The average monthly premium paid to managed care organizations  
7 providing benefits and services to eligible Medicaid enrollees and the portion of  
8 premium related to hospital payments included in this assessment.

9           (c) The aggregate Medicaid claims payment by provider type.

10          (d) The total amount of inpatient and outpatient Medicaid claims paid to  
11 hospitals delineated by individual hospital.

12           II. Reimbursement Enhancements.

13          The Louisiana Department of Health shall provide for reimbursement  
14 enhancements as follows:

15           (A) Payment for healthcare services through the implementation of a health  
16 coverage expansion of the Louisiana medical assistance program that meets all the  
17 requirements necessary for the state to maximize federal matching funds as set forth  
18 in 42 U.S.C. 1396d(y) of Title XIX of the Social Security Act.

19           (B) Payment of hospital reimbursement rates in an amount no less than the  
20 greater of the following:

21           (1) The reimbursement rates in effect for dates of service on or after January  
22 1, 2017, as provided for in State Plan Amendments TN 17-004 and TN 17-006.

23           (2) For dates of service on or after January 1, 2018, for:

24           (a) Inpatient reimbursement rates indexed as follows to the highest non-state  
25 hospital per diem rate in effect on January 1, 2017, excluding carve-out specialty  
26 intensive care units and any graduate medical education portion of the per diem:

27           (i) Long-term acute hospitals indexed to forty-two percent.

28           (ii) Separately licensed, Medicare designated, rehabilitation hospitals indexed  
29 to thirty-six percent.

1 (iii) Distinct part psychiatric units and freestanding psychiatric hospitals  
2 indexed to thirty-one percent.

3 (iv) General acute hospitals, excluding carve-out specialty intensive care  
4 units, burn units, and nursery boarder and well baby services, indexed to fifty-six  
5 percent.

6 (b) Outpatient reimbursement rates which were in effect on June 30, 2010.

7 III. Administration

8 The Louisiana Department of Health shall submit any necessary state plan  
9 amendment that may be required in order to implement the provisions of this  
10 Resolution to the Centers for Medicare and Medicaid Services no later than one  
11 hundred and twenty days from the date this Resolution is adopted.

---

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)]

---

HCR 8 Engrossed 2017 Regular Session Barras

Provides for a hospital stabilization formula pursuant to Art. VII, §10.13 of the Constitution of La., including an assessment and reimbursement enhancements.

Requires the La. Dept. of Health (LDH) to calculate, collect, and levy an assessment from hospitals not to exceed the lesser of one of the following:

- (1) The state portion of the cost of the reimbursement enhancements from the payment for healthcare services through the implementation of Medicaid expansion which are directly attributable to payments to hospitals, excluding any federal financial participation and supplemental Medicaid payments.
- (2) 1% of the total net patient revenue of all hospitals included in the assessment, as reported in the Medicare cost report ending in state FY 2015.

Provides for the assessment if the following occur:

- (1) The applicable federal financial participation for newly eligible Medicaid recipients under Medicaid expansion is less than 100%.
- (2) LDH submits a medicaid assessment report to the Joint Legislative Committee on the Budget.

Provides for reimbursement enhancements as follows:

- (1) Payment for healthcare services through the implementation of Medicaid expansion.
- (2) Payment of hospital reimbursement rates in an amount no less than the greater of the following:

- (a) The reimbursement rates in effect for dates of service on or after Jan. 1, 2017, as provided for in State Plan Amendments TN 17-004 and TN 17-006.
- (b) For dates of service on or after Jan. 1, 2018, for inpatient reimbursement rates indexed to the highest non-state hospital per diem rate in effect on Jan. 1, 2017, excluding carve-out specialty intensive care units and any graduate medical education portion of the per diem, and outpatient reimbursement rates which were in effect on June 30, 2010.

Requires LDH to publish a report quarterly that includes total Medicaid enrollment, average monthly Medicaid managed care premium rates, aggregate claims by provider, and the total amount of hospital claims by hospital.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Clarify that rural hospitals are excluded from the assessment.
2. Provide that in determining the inpatient reimbursement rates, the highest non-state hospital per diem is used, the per diem rates used in the determination were in effect on Jan. 1, 2017, and the specialty intensive care unit portion of the per diem is excluded.
3. Specify the determination of the inpatient reimbursement rates for separately licensed rehabilitation hospitals is for hospitals that are Medicare designated.