

2018 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 6

BY REPRESENTATIVE BARRAS

HOSPITALS: Provides for a hospital stabilization formula

1    A CONCURRENT RESOLUTION

2        To provide for a hospital stabilization formula pursuant to Article VII, Section 10.13 of the

3                        Constitution of Louisiana; to establish the level and basis of hospital assessments;

4                        to establish certain reimbursement enhancements for inpatient and outpatient hospital

5                        services; to establish certain criteria for the implementation of the formula; and to

6                        provide for related matters.

7                        WHEREAS, through the adoption of this Resolution, the Legislature of Louisiana

8        hereby seeks to:

- 9                (1)     Preserve and enhance the availability of inpatient and outpatient hospital  
10    services for the citizens of Louisiana.
- 11                (2)     Preserve and protect rural hospitals as provided in the Rural Hospital  
12    Preservation Act, pursuant to R.S. 40:1189.1 et seq.
- 13                (3)     Enhance the stability of hospital funding by utilizing a fiscally-prudent  
14    healthcare driven solution that does not rely on the use of state general fund  
15    and provides a reliable and recurring source of funding for healthcare  
16    services.
- 17                (4)     Minimize the effects of shifting the cost of caring for those Louisiana  
18    residents who are uninsured to those who are able to obtain health insurance.
- 19                (5)     Create flexibility to design a plan to provide for more efficient and effective  
20    ways to maximize the state's use of monies currently expended for the  
21    provision of healthcare services to the state's low income and uninsured  
22    residents.

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 2018-2019 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)(a) The Louisiana Department of Health shall allocate, levy, and collect  
25 the assessment in accordance with the provisions of the Louisiana Administrative  
26 Code 48:I.4001(F)(2) through (4) as published in Volume 42, Number 11, of the  
27 Louisiana Register and with Subsection B of this Section. Any hospital meeting the  
28 definition of a rural hospital as defined in R.S. 40:1189.3 shall be excluded from the  
29 assessment.

1 (b) No licensed facility which is prohibited from participating in the  
2 Medicare Program set forth in 42 U.S.C. 1396, shall be assessed or levied any fee for  
3 the hospital stabilization authorized in Article VII, Section 10.13 of the Constitution  
4 of Louisiana. This provision is specifically subject to the approval of any waiver  
5 required by the Centers for Medicare and Medicaid Services and approval by the  
6 Louisiana Department of Health.

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

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

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

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

16 (d) The total amount of inpatient and outpatient Medicaid claims paid to  
17 hospitals delineated by each individual hospital Medicaid provider number.

18 II. Reimbursement Enhancements.

19 The Louisiana Department of Health shall provide for reimbursement  
20 enhancements as follows:

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

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

27 (1) The reimbursement rates in effect for dates of service on or after January  
28 1, 2018.

29 (2) For dates of service on or after January 1, 2019, outpatient reimbursement  
30 rates which were in effect on June 30, 2009 or September 30, 2009.

## 1 III. Administration

2 The Louisiana Department of Health shall submit any necessary state plan  
 3 amendment that may be required in order to implement the provisions of this  
 4 Resolution to the Centers for Medicare and Medicaid Services no later than one  
 5 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 6 Reengrossed

2018 Regular Session

Barras

Provides for a hospital stabilization formula pursuant to Art. VII, §10.13 of the Constitution of La., including assessments 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.

Exempts rural hospitals from the assessment. Also exempts facilities prohibited from participating in the Medicare Program from the assessment, subject to the approval of the Centers for Medicare and Medicaid Services (CMS) and LDH.

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, 2018.
  - (b) For dates of service on or after Jan. 1, 2019, outpatient reimbursement rates which were in effect on June 30, 2009, or Sept. 30, 2009.

Requires LDH to quarterly publish a report 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. Relative to hospital reimbursement rates payable by the Dept. of Health and Hospitals, for dates of service on or after Jan. 1, 2019, change the payable rate from the outpatient reimbursement rates which were in effect on June 30, 2009 to those rates in effect on June 30, or Sept. 30, 2009.

The House Floor Amendments to the engrossed bill:

1. Exempt certain facilities from the assessment, subject to the approval of the Centers for Medicare and Medicaid Services (CMS) and LDH.