

**GREEN SHEET REDIGEST**

**HCR 8**

**2022 Regular Session**

**Schexnayder**

**HOSPITALS: Provides for a hospital stabilization formula.**

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DIGEST

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 to be calculated as the product of the rates set forth as follows and the respective hospitals inpatient net patient revenue and outpatient net patient revenue as reported in the Medicare cost report ending in state fiscal year 2019:

- a. Long-term acute care, psychiatric and rehabilitation hospitals: 1.13% of inpatient net patient revenue, and 1.13% of outpatient net patient revenue.
- b. Hospital Service Districts not included in R.S. 40:1189.1 et seq: 2.03% of inpatient net patient revenue up to one hundred twenty-five million dollars, and 2.03% of outpatient net patient revenue up to one hundred twenty-five million dollars.
- c. All other acute care hospitals: 2.64% of inpatient net patient revenue up to one hundred twenty-five million dollars, and 2.74% of outpatient net patient revenue up to one hundred twenty-five million dollars.
- d. Hospital Service Districts not included in R.S. 40:1189.1 et seq, and all other acute care hospitals: 1.13% of inpatient net patient revenue exceeding one hundred twenty-five million dollars, and 1.13% of outpatient net patient revenue exceeding one hundred twenty-five million dollars.

Authorizes LDH to continue the current assessment methodology until the new assessment and direct payments are implemented.

Requires LDH to submit a Medicaid assessment report to the Joint Legislative Committee on the Budget.

Provides for reimbursement enhancements as follows:

- (1) Implementation of directed payments pursuant to 42 C.F.R. 438.6 utilizing a uniform percentage increase methodology for both acute and post-acute hospitals.
  - (a) For acute care hospitals, the methodology shall be implemented in the manner set forth in the directed payment arrangement submitted to the Centers for Medicaid and Medicare Services on March 31, 2022.
  - (b) For post-acute care hospitals, the methodology shall be implemented in the manner set forth in the directed payment arrangement submitted to the Centers for Medicaid and Medicare Services on May 13, 2022.
- (2) Payment for healthcare services through the implementation of Medicaid expansion.
- (3) Payment of hospital reimbursement rates in an amount no less than the reimbursement rates in effect for dates of service on or after Jan. 1, 2022, with the exception of certain exclusions.

Requires ratification by the Joint Legislative Committee on the Budget of any changes in the approved directed payments pre-print that results in alterations to the assessment as established in this Resolution.

Requires LDH to publish on the department's website the approved Centers for Medicare and Medicaid Services directed payment arrangements within ten days of receiving approval.

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

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Adds implementation of the recommendations of the Louisiana Department of Health (LDH) resulting from Senate Concurrent Resolution No. 27 of the 2020 First Extraordinary Session of the Louisiana Legislature as a purpose of the resolution.
2. Directs LDH, upon approval by the Centers for Medicare and Medicaid Services (CMS) of a directed payment arrangement pursuant to 42 C.F.R. 438.6, to levy and collect an assessment upon those hospitals subject to the approved directed payment arrangement.
3. Amends the hospital assessment for state Fiscal Year 2022-2023 to be calculated as the product of the rates in proposed law and the respective hospitals inpatient net patient revenue and outpatient net patient revenue as reported in the Medicare cost report ending in state fiscal year 2019.
4. Amends the hospitals exempt from the assessment to be non-rural, small urban private acute hospitals with forty licensed beds or less, either as reported in the Medicare cost report ending in state fiscal year 2019 or as licensed by LDH; freestanding psychiatric Medicaid disproportionate share hospitals; and rural hospitals as defined in R.S. 40:1189.1, et seq.
5. Authorizes the Joint Legislative Committee on the Budget to ratify any changes to the assessment approved by CMS.
6. Limits the levying of the assessment only to those quarters that directed payments are paid.
7. Authorizes LDH to continue the current assessment methodology until the new assessment and direct payments are implemented.
8. Adds directed payments to the allowable uses of the revenues derived from the assessment.
9. Amends the reporting requirements for LDH with regard to the directed payment methodology and assessment.
10. Authorizes LDH to promulgate rules to implement the assessment.