

HOUSE SUMMARY OF SENATE AMENDMENTS

HCR 8

2022 Regular Session

Schexnayder

HOSPITALS: Provides for a hospital stabilization formula

Synopsis of Senate Amendments

1. Adds implementation of the recommendations of the La. Department of Health (LDH) resulting from Senate Concurrent Resolution No. 27 of the 2020 First Extraordinary Session as a purpose of the assessment.
2. Directs LDH, upon approval by the Centers for Medicare and Medicaid Services (CMS) of a directed payment arrangement pursuant to present federal law, to levy and collect an assessment upon the hospitals subject to the directed payment proposal.
3. Removes cap on total assessments under proposed resolution.
4. Adds provision requiring assessment levied pursuant to proposed resolution to be collected on a quarterly basis.
5. Removes requirement that LDH publish on a quarterly basis a report on the revenue enhancement provided by proposed resolution.
6. Establishes a calculation for the hospital assessment for state Fiscal Year 2022-2023 to be calculated as the product of the rates set forth in proposed resolution 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.
7. Adds to the hospitals exempt from the assessment certain non-rural, small urban private acute hospitals with forty licensed beds or less and freestanding psychiatric Medicaid disproportionate share hospitals.
8. Authorizes the Joint Legislative Committee on the Budget to ratify any changes to the assessment required by CMS for approval.
9. Limits the levying of the assessment only to those quarters that directed payments approved by CMS pursuant to proposed resolution are made.
10. Authorizes LDH to continue the Fiscal Year 2021-2022 assessment methodology until the new assessment and directed payments are approved by CMS and implemented.
11. Adds directed payments to the allowable uses of the revenues derived from the assessment.
12. Adds reporting requirements for LDH with regard to the directed payment methodology and assessment.
13. Authorizes LDH to promulgate rules to implement the assessment. Provides that final adoption of such rules shall not be required to carry out the provisions of proposed resolution.
14. Makes technical changes.

Digest of Bill as Finally Passed by Senate

If the Centers for Medicare and Medicaid Services approve the state's proposed directed payment arrangement, proposed resolution authorizes the La. Dept. of Health (LDH) to levy and collect an assessment upon certain hospitals in accordance with the approved arrangement. Further requires any such assessment to be collected on a quarterly basis.

Requires LDH to calculate, collect, and levy an assessment from hospitals to be calculated as the product of the rates set forth below 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:

- (1) Long-term acute care, psychiatric and rehabilitation hospitals: 1.13% of inpatient net patient revenue, and 1.13% of outpatient net patient revenue.
- (2) Hospital Service Districts not included in present law (R.S. 40:1189.1 et seq.): 2.03% of inpatient net patient revenue up to \$125 M, and 2.03% of outpatient net patient revenue up to \$125 M.
- (3) All other acute care hospitals: 2.64% of inpatient net patient revenue up to \$125 M, and 2.74% of outpatient net patient revenue up to \$125 M.
- (4) Hospital Service Districts not included in present law (R.S. 40:1189.1 et seq.), and all other acute care hospitals: 1.13% of inpatient net patient revenue exceeding \$125 M, and 1.13% of outpatient net patient revenue exceeding \$125 M.

Exempts the following hospitals from the assessment:

- (1) Non-rural, small urban private acute hospitals with 40 licensed beds or less, either as reported in the Medicare cost report ending in state fiscal year 2019 or as licensed by LDH.
- (2) Freestanding psychiatric Medicaid disproportionate share hospitals.
- (3) Rural hospitals as defined in present law (R.S. 40:1189.1 et seq.).

Restricts the levy of the assessment to only the quarters in which directed payments are made to hospitals.

Authorizes LDH to continue the current assessment methodology until the new assessment and direct payments are approved by CMS and implemented, and to promulgate any rules and regulations necessary to levy the assessment.

Requires ratification by the Joint Legislative Committee on the Budget (JLCB) of any changes made by CMS in the approved directed payments pre-print that results in alterations to the assessment as established in proposed resolution prior to any levy on such assessment.

Requires LDH to submit a Medicaid assessment report to JLCB on a quarterly basis.

Provides for reimbursement enhancements as follows:

- (1) Implementation of directed payments pursuant to 42 CFR 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 CMS 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 CMS 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 LDH to submit any necessary state plan amendment that may be required in order to implement the provisions of proposed resolution within 120 days of the adoption of the resolution. Further requires LDH to promulgate any rules and regulations necessary and proper to implement the provisions of proposed resolution. Further provides that final adoption of such rules shall not be required in order to implement and carry out the provisions of proposed resolution.

Requires LDH to publish on the department's website the approved CMS directed payment arrangements within ten days of receiving approval. If CMS approves a preprint such that the content differs from proposed resolution, LDH must seek JLCB ratification of such changes prior to implementation.

Requires LDH to publish no later than 30 days after the end of each quarter a report on the reimbursement enhancements provided in proposed resolution containing data on the following:

- (1) The total Medicaid enrollment on a monthly basis.
- (2) The average monthly premium paid to managed care organizations providing benefits and services to eligible Medicaid enrollees and the portion of premium related to hospital payments included in the assessment.
- (3) The aggregate total of Medicaid claims payments by provider type.
- (4) The total amount of inpatient and outpatient Medicaid claims paid to hospitals broken out by each individual hospital Medicaid provider number.
- (5) The amount of directed payments received by each hospital.
- (6) Other supplemental payments received by each hospital.