

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 419** HLS 23RS 788

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 24, 2023	3:05 PM	Author: JOHNSON, TRAVIS
Dept./Agy.: LDH		Analyst: Shawn Hotstream
Subject: Psychiatric care		

MEDICAID OR INCREASE GF EX See Note
Provides relative to Medicaid coverage for the Psychiatric Collaborative Care Model

Proposed law requires LDH to provide Medicaid coverage for mental health and substance abuse services that are delivered through a Psychiatric Collaborative Care Model (PCCM).

Proposed law defines a PCCM delivery method.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Providing Medicaid coverage for mental health services through a Psychiatric Collaborative Care Model (PCCM) delivery model is anticipated to increase Medicaid expenditures by a significant but indeterminable amount annually. Presently, LDH does not reimburse claims to providers delivered through such a model of care.

As an illustrative example, LDH anticipates an increase in Medicaid expenditures of approximately \$1.9 M in FY 24, increasing by 15% annually based on the following assumptions and calculations:

- 1). claims review from July 2022 - March 2023 related to 2 CPT codes (initial psychiatric visit and follow up visit)
- 2). 1% take up rate of those eligible receive an average of 4 months of services in year 1 (approximately 5,412 individuals)
- take up rate based on a collaborative care model study under Medicare
- 3). Medicaid base rate of \$490.61 for age 0 to 15 and \$408.85 for ages 16 and over (sum of 1 initial visit, 3 follow ups)
- 4). 15% utilization increase year over year
- 5). Additional Medicaid expenditures (\$1.9 M in FY 24, \$2.7 M in FY 25, \$3 M in FY 26, \$3.5 M in FY 27, and \$4.1 M in FY 28)

REVENUE EXPLANATION

Any services provided through managed care will result in additional premium tax revenues (5.5% premium tax) generated to LDH.

Senate
 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}

Evan Brasseaux
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