



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 419** HLS 23RS 788
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 16, 2023	7:26 PM	Author: JOHNSON, TRAVIS
Dept./Agy.: LDH		Analyst: Shawn Hotstream
Subject: Psychiatric care		

MEDICAID RE INCREASE GF EX See Note Page 1 of 1
 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.

Proposed law provides that this Act shall become effective when an Act of the Louisiana Legislature containing a specific appropriation of monies for the implementation of the provisions of this Act becomes effective.

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 Dual Referral Rules
 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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Interim Deputy Fiscal Officer