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## DIGEST

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HB 558 Reengrossed

2024 Regular Session

Turner

**Abstract:** Provides relative to the Local Healthcare Provider Participation Program.

Present law defines "institutional provider" as a nongovernmental hospital licensed in accordance with the present law. Proposed law redefines "institutional provider" as a governmental institutional provider, nongovernmental institutional provider, or rural hospital, as applicable, located in participating parishes.

Present law defines "rural institutional provider" as a rural hospital, other than one defined in present law, that is licensed by the La. Dept. of Health, that has no more than 60 hospital beds on a specific date, and meets certain criteria. Proposed law changes the term to a "rural hospital as defined in present law."

Proposed law defines "nongovernmental institutional provider" as a hospital licensed in accordance with present law that is not a governmental institutional provider or rural hospital.

Present law provides that the provisions of present law shall apply exclusively to parishes that meet certain criteria. Proposed law removes the criteria and provides that the provisions of present law shall apply to any parish in which at least two institutional providers are located.

Proposed law provides that a hospital provider may be included in assessment payments imposed under present law if the rural hospital and parish enter into a mutual agreement to include the rural hospital. Proposed law changes the reference to rural hospital further provides that a parish may include or exclude any or all governmental institutional providers from assessment payments imposed under present law.

Proposed law provides that, if a parish excludes providers, the definition of institutional provider as used in this present law shall be read to exclude certain providers.

Present law requires each parish that collects a local hospital assessment payment authorized by present law or in which a rural institutional provider is located to create a local provider participation fund. Proposed law removes language that requires each parish in which a rural institutional provider is located to create such a fund.

Present law provides that monies in the local provider participation fund may be used only to fund intergovernmental transfers as provided in present law in an amount not to exceed the 5% amount of the local hospital assessment payment as specified in present law. Proposed law removes

references to rural institutional providers, replaces that language with rural hospitals, and discusses the 5% amount of the local hospital assessment payment.

Proposed law provides that, except as provided in present law, a parish that collects a local hospital assessment payment authorized by present law may require an annual local hospital assessment payment to be assessed quarterly on the net patient revenue of each institutional provider located in the parish. Present law further provides that in the first year in which the local hospital assessment payment is required, the local hospital assessment payment shall be assessed on the net patient revenue of an institutional provider and requires the parish to update the amount of the local hospital assessment payment on an annual basis.

Proposed law removes language relative to the net patient revenue of an institutional provider and requires the annual local hospital assessment payment to be assessed quarterly using any basis permitted by present law.

Present law requires the amount of a local hospital assessment payments authorized by present law to be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the parish. Proposed law requires the amount of a local hospital assessment payment authorized by present law to be uniformly imposed on each paying hospital in the parish.

Present law provides that the amount of the local hospital assessment payment required of each paying hospital may not exceed an amount that, when added to the amount of the local hospital assessment payments required from all other paying hospitals in the parish, and the amount of any assessment, local hospital assessment payment, or tax imposed by the state, equals an amount of revenue that exceeds 6% of the aggregate net patient revenue of all paying hospitals in the parish.

Proposed law provides the amount of the local hospital assessment payment required of paying hospitals may not exceed an amount that, when added to the amounts of any other assessment, local hospital assessment payment, or tax imposed by the state with a similar purpose, equals an amount of revenue that exceeds 6% of the aggregate net patient revenue of all hospitals in the state.

Present law provides that the amount of revenue from local hospital assessment payments used for administrative expenses for parish activities in a year may not exceed 5% of the total revenue generated from the local hospital assessment payment or \$20,000, whichever is greater. Proposed law amends present law to whichever is lower.

Proposed law repeals present law relative to enhanced reimbursement for governmental institutional providers and rural institutional providers.

Proposed law requires local hospitals to meet all other relevant Centers for Medicare and Medicaid Services (CMS) tests.

Proposed law requires a parish to inform the department of the amount of revenue to be collected under the proposed assessment no later than the 20<sup>th</sup> day before a hearing to set a rate in accordance

with present law.

Proposed law further requires the department to inform the parish, prior to the hearing, of any necessary reductions in the proposed assessment if it determines that the amount collected will trigger certain issues with respect to the 6% percent limit.

Present law references funding the nonfederal share of a Medicaid base rate payment. Proposed law replaces that reference with "payment for the benefit of hospitals in the parish".

Proposed law provides that if the parish does not follow recommendations or requests from the department, the department may terminate, or refuse to enter into, any intergovernmental transfer agreements with the parish.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 40:1248.1(3) and (6), 1248.3, 1248.7(A) and (C)(1) and (2), and 1248.8(A)-(D); Adds R.S. 40:1248.1(7) and 1248.5(D); Repeals R.S. 40:1248.11 and 1248.12)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Change references from "rural institutional provider" to "rural hospital".
2. Insert language regarding the required amount of the local hospital assessment payment.
3. Require local hospitals to meet all relevant CMS tests.
4. Establish provisions relative to rate setting, the collection of revenues, and reductions.
5. Change the "base rate payment" reference to "payment for the benefit of hospitals in the parish".
6. Make technical corrections.

#### The House Floor Amendments to the engrossed bill:

1. Remove language that allows a parish to include or exclude any or all governmental institutional providers from assessment payments imposed. Proposed law, instead, provides that a governmental hospital may be included in assessment payments imposed in accordance with proposed law if the governmental hospital and parish enter into a mutual agreement to include the governmental hospital.
2. Provide that if the parish does not follow recommendations or requests from the

department, the department may terminate, or refuse to enter into, any intergovernmental transfer agreements with the parish.

3. Change requirement for a parish to inform the department of the amount of revenue to be collected under the proposed assessment from no later than the 10th day to no later than the 20th day before a hearing to set a rate in accordance with present law.
4. Make technical corrections.