

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 190** SLS 24RS 468

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 16, 2024	4:25 PM	Author: BOUDREAUX
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: Rate increases		

MEDICAID OR +\$86,278,342 GF EX See Note
Provides for Medicaid reimbursement rate increases. (8/1/24)

LDH shall develop a plan for increased reimbursement rates for certain providers up to 100% of Medicare rates for procedure codes utilized for evaluation and management for primary care and specialty office visits, preventive services, care management, obstetric services, and non specialty mental health services. LDH shall calculate an equivalent rate increase for services that do not have a rate established by Medicare.

The department shall prioritize the following provider types: physicians, physician assistants, nurse practitioners, certified nurse midwives, licensed midwives, doula providers, psychologists, licensed professional clinical counselors, licensed clinical social workers, and marriage and family therapists. Medicaid reimbursement for OB/GYN inpatient and outpatient services for all healthcare providers shall have an overall increase.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$86,278,342	\$89,729,476	\$93,318,655	\$97,051,401	\$100,933,457	\$467,311,331
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$18,047,668	\$18,769,575	\$19,520,358	\$20,301,172	\$21,113,219	\$97,751,992
Federal Funds	\$336,698,645	\$350,166,590	\$364,173,254	\$378,740,184	\$393,889,791	\$1,823,668,464
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$441,024,655	\$458,665,641	\$477,012,267	\$496,092,757	\$515,936,467	\$2,388,731,787

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$18,047,668	\$18,769,575	\$19,520,358	\$20,301,172	\$21,113,219	\$97,751,992
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$18,047,668	\$18,769,575	\$19,520,358	\$20,301,172	\$21,113,219	\$97,751,992

EXPENDITURE EXPLANATION

Proposed law requires LDH to increase reimbursement rates for certain primary care providers to 100% of the Medicare rate. Based on the increase in reimbursement for select procedure codes, Medicaid payments will increase by approximately \$441 M in FY 25, increasing by an estimated 4% annually in the out years.

The estimate in the expenditure table above is based on the following assumptions:

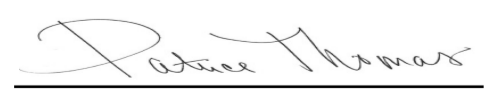
- 1.) Utilized select procedure codes currently on the Professional Services Fee schedule, and certain procedure codes not on the fee schedule (services that are not currently reimbursed by Medicaid related to care planning and complex chronic management)
- 2.) Medicaid rates for selected codes based on FY 23 actual claims payments
- 3.) Include codes for physicians, physician assistants, nurse practitioners, certified nurse midwives, licensed midwives, doula providers, psychologists, licensed professional clinical counselors, licensed clinical social workers, and marriage and family therapists.
- 4.) Re-priced to Medicare rates for the same codes
- 5.) 4% utilization increase year over year

REVENUE EXPLANATION

Statutory dedication revenues are generated from a 5.5% premium tax on managed care payments.

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}


Patrice Thomas
Deputy Fiscal Officer