

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 896** HLS 24RS 2144
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 20, 2024	1:12 PM	Author: MYERS
Dept./Agy.: LDH/Medicaid		
Subject: Patient monitoring		Analyst: Shawn Hotstream

HEALTH SERVICES RE1 INCREASE GF EX See Note Page 1 of 1
 Creates the Louisiana Remote Patient Monitoring Program Law

Proposed law requires LDH to create a remote patient monitoring program, and provide Medicaid coverage for remote patient monitoring services. Proposed law defines remote patient monitoring, and includes monitoring of clinical patient data such as weight, blood pressure, pulse, pulse oximetry, and other condition specific data (such as blood glucose and activity trackers), medication adherence monitoring, and interactive video conferencing.

Proposed law provides that remote patient monitoring provided through telehealth may be used by certain patients that meet any two of the following criteria: having a chronic disease diagnosis, have a recent history of costly service, and have a recommendation from the patient's healthcare provider. Proposed law specifies remote patient monitoring services.

Provisions of the program shall be applicable only upon either a specific appropriation or funds made available by LDH.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	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	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

Providing Medicaid coverage for remote patient monitoring services for Medicaid enrollees is anticipated to result in significant Medicaid expenditure in FY 25 and future fiscal years. Based on the number of projected eligibles and specific at home services referenced in the proposed legislation, Medicaid expenditures are anticipated to increase by a minimum of \$32.2 M annually (\$6 M SGF, \$26.2 M Federal match in FY 25). This estimate is understated based on excluding the cost of the at home monitoring technology., which will be reimbursed by LDH as required in the legislation. The estimate is based on the following assumptions.

- 1). Remote patient monitoring is the delivery of home health services using telecommunications technology.
- 2). Approximately 81,927 Medicaid members estimated to qualify for the new services (including members diagnosed with a chronic condition as defined by the Centers for Medicare and Medicaid Services (CMS) and had 2 or more chronic condition related hospitalizations.
- 3). Total annual cost calculated using a 20% initial utilization uptake (16,385) in FY 25, and 3% year over year. To the extent initial utilization is higher than estimated, the cost will increase proportionately.
- 4). Remote patient monitoring program calculated using procedure codes 99453, 99454, 99457, and 99458. Codes reimburse providers for initial technology setup, data transmit to providers, initial treatment, and add on treatment time
- 5). Based on an average cost of \$1,911 per patient. Some services are provided monthly for 12 months.
- 6). Overall cost per individual is understated, as the estimate does not consider the cost of monitoring devices, as specific types of devices would vary on a case by case basis, depending on patient need.

REVENUE EXPLANATION

Any additional payments in managed care under this measure will result in additional tax revenues based on the 5.5% managed care premium tax.

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}

Patrice Thomas
Deputy Fiscal Officer