

**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**



Fiscal Note On: **HB 687** HLS 24RS 844  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 23, 2024	11:06 AM	<b>Author:</b> BUTLER
<b>Dept./Agy.:</b> LDH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> PACE providers		

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 Provides relative to the licensing of "PACE" program providers

Proposed law requires the licensing of all PACE (Program for All-Inclusive Care for the Elderly) providers. The license issued to a PACE provider shall be valid for only the geographic location listed on the license and shall be issued only for the entity or person and premises named in the license application. The geographic service location shall be a single administrative region of LDH, and valid for 12 months beginning the month of issuance. The license shall not be transferrable. PACE providers shall only provide such services to an approved PACE enrollee. Proposed law identifies PACE services able to be provided to PACE enrollees. A PACE license will allow the provider to contract with a Louisiana licensed hospital, nursing facility, or hospice agency. LDH shall promulgate rules relative to licensure application, renewal, conversion, and forms, operational requirements, provision of services, practice standards, confidentiality of patient records, administration and staffing requirements, survey and complaint regulations, and other regulations. Proposed law provides for the information required on the licensing application. Proposed law provides for an initial non refundable application fee not to exceed \$1,500. In addition, an annual renewal fee of up to \$1,500 shall be submitted to LDH. Proposed law provides for a delinquent fee for failure to renew timely (\$200). Proposed law authorizes LDH to perform licensing surveys/inspections. Proposed law authorizes LDH to assess a PACE provider with a survey fee (up to \$1,000). Proposed law provides for fines for providers operating without a license (between \$250 to \$1,000 a day), in addition to other legal fees.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	<b>\$65,000</b>	\$0	\$0	\$0	\$0	<b>\$65,000</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$65,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,000</b>

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law creates a new PACE (Program of All Inclusive Care for the Elderly) provider license for eligible PACE providers. LDH projects a one-time professional services expense of approximately \$65,000 in FY 25 to add a new licensing module to the existing internal tracking system in the Health Standards Section of LDH.

**REVENUE EXPLANATION**

Currently, all PACE organizations have two provider licenses, which include an Adult Day Health Care (ADHC) provider license and a Home and Community Based Service (HCBS) provider license. This measure appears to eliminate duplicative licensing by creating a new single PACE healthcare license. To the extent LDH maintains the same licensing fee amount in the out years, this measure will result in a minimal reduction in revenue collected by LDH (FY 24 revenue - 3 PACE organizations x 2 licenses @ \$600 each = \$3,600; FY 25 revenue - 3 PACE organizations x 1 license @ \$600 each = \$1,800). However, this measure authorizes a licensing fee (initial and renewal) up to \$1,500 annually. LDH may increase revenues if licensing fees are raised from existing levels.

Note: LDH is further authorized to assess a PACE provider for a survey or investigation fee of up to \$1,000 for any complaint, survey, or investigation conducted. Any additional fees collected as a result of this provision are indeterminable.

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**