

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 187** SLS 24RS 474

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 28, 2024	9:37 AM	<b>Author:</b> BOUDREAUX
<b>Dept./Agy.:</b> LDH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> Pilot program		

MEDICAID

REF INCREASE GF EX See Note

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Creates a pilot program for Medicaid recipients to utilize portable oxygen concentrators. (8/1/24)

Proposed law requires the Louisiana Department of Health (LDH) to establish a pilot program to provide Medicaid coverage for portable oxygen concentrators in the same manner as stationary oxygen systems if a portable oxygen concentrator is prescribed by a licensed physician and the enrollee is mobile within the home or community. LDH may limit the number of portable concentrators covered each fiscal year in a manner determined through administrative rules. Proposed law provides for reporting requirements of the department relative to portable oxygen concentrator utilization.

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

**EXPENDITURE EXPLANATION**

Providing coverage for portable oxygen concentrators for certain Medicaid enrollees is anticipated to result in an indeterminable increase in Medicaid expenditures in FY 25 and future fiscal years. The number of portable concentrators that will be provided annually will be determined through administrative rules implemented by the department upon passage of this bill. To the extent LDH keeps the current eligibility criteria in place (thus limiting additional coverage), there will be no fiscal impact. However, expanding coverage will result in additional Medicaid expenditures. As an illustrative example, to the extent all the projected number of individuals eligible utilize the portable concentrators, Medicaid expenditures will increase by approximately \$2.7 M, increasing by 3% annually in future years. This estimate is based on the following assumptions:

- 1). 5,417 estimated of eligible beneficiaries (from 2023)
- 2). Monthly rental costs of \$40.35 for a portable oxygen concentrator, \$484.20 annual cost
- 3). Costs assume 100% of qualifying beneficiaries will utilize, excludes bedridden recipients
- 4). Utilization will remain constant
- 5). 3% medical inflation rate annually
- 6). Assumes stationary tank remains with individual

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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**