



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 198** HLS 26RS 252
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 17, 2026 6:03 PM	Author: ECHOLS
Dept./Agy.: LDH/Medicaid	
Subject: Medicaid reimbursement of ambulatory surgical centers	Analyst: Cristian Nedelea

HEALTH OR INCREASE GF EX See Note Page 1 of 2
 Provides relative to Medicaid reimbursement of ambulatory surgical centers for certain procedures

Proposed law requires the secretary of the Louisiana Department of Health (LDH) to take all necessary actions by 10/01/26 to reimburse ambulatory surgical centers that perform gastroenterology procedures at a rate no less than 100% of the Medicare rate for the same procedures. It also requires LDH to update these reimbursement rates annually to reflect Medicare rate adjustments.

Proposed law shall become effective upon the signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	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

Proposed law is anticipated to result in an indeterminable yet potentially significant increase in SGF, Statutory Dedications out of Medical Assistance Trust Fund, and Federal expenditures within the Louisiana Department of Health (LDH) in FY 27 and subsequent fiscal years. The proposed legislation mandates Medicaid reimbursement for gastroenterology services provided in an ambulatory surgical center (ASC) at 100% of the applicable Medicare rate.

The fiscal impact is contingent upon three primary variables:

- (1) Baseline utilization, representing current Medicaid volume and expenditures for specific gastroenterology services performed in ASC settings.
- (2) Rate differential, or the delta between the current ASC Medicaid fee schedule and the 100% Medicare ASC rate for the same services.
- (3) The degree to which enhanced reimbursement would incentivize ASC facilities to expand the number of gastroenterology services provided to Medicaid recipients.

Illustrative Scenario: Diagnostic Colonoscopy

For illustrative purposes, the following projection estimates the fiscal impact of a single service (Diagnostic Colonoscopy) based on the following assumptions:

- (a) Rate Differential: Per data from the Endoscopy Center of Monroe, the current Louisiana Medicaid ASC facility fee for a colonoscopy is \$182 while the corresponding Medicare ASC facility fee for the same procedure is \$543 (a differential of \$361 per procedure).
- (b) Population: All services are assumed to be provided through the Healthy LA Managed Care Organizations (MCOs) to the Medicaid Expansion (Adult Group) which accounts for 440,516 enrollees as of February 2026.
- (c) Utilization: A conservative utilization rate of 0.5% of Expansion population is assumed to receive a colonoscopy in an ASC setting, totaling 2,203 procedures (440,516 enrollees x 0.5% utilization rate).
- (d) FMAP: A 90% Federal Medical Assistance Percentage (FMAP) is applied for the Medicaid Expansion population.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law is anticipated to result in an indeterminable increase in Statutory Dedicated Medical Assistance Trust Fund (MATF) revenues within LDH. The revenue increase is a direct result of the 5.5% premium tax collections levied on MCO per member per month (PMPM) expenditures. The increased reimbursement rates will be integrated into the actuarially sound premium payments made by LDH to MCOs. Because premium tax collections are based on a calendar year, the fiscal impact for FY 27 is based only on six months of collections (July through December 2026).

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}

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Scenario A (New Service Volume):

If the 2,203 procedures are assumed to be new services provided by an ASC at the higher Medicare rate that were previously not provided due to cost-prohibitive reimbursement, total expenditures would increase by \$1,196,229 (2,203 procedures X \$543 Medicare rate) (\$119,623 SGF; \$1,076,606 Federal).

Scenario B (Rate Adjustment Only):

If the 2,203 procedures currently performed at the Medicaid rate are shifted to the higher Medicare rate, total expenditures would increase by \$795,283 (2,203 procedures X \$361 rate differential) (\$79,528 SGF; \$715,755 Federal).

Note: LFO has requested utilization data and information from LDH to refine these estimates. This fiscal note will be updated upon receipt and analysis of that data.

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