
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Kleckley

HB No. 532

Abstract: Provides for the legislature to establish a formula for funding hospitals by establishing rate increases for hospitals; by establishing an assessment on hospitals; by creating the Hospital Stabilization Fund to deposit assessments, and using the monies in the fund for rate enhancements.

Proposed constitutional amendment provides for an annual Hospital Stabilization Formula by concurrent resolution by a favorable vote of 2/3 of the elected members of each house in the first resolution. The resolution requires a favorable vote of a majority of the elected members of each house in subsequent years. Further, the resolution shall be referred to the standing committees of the legislature that receive the general appropriation bill. The formula provided for in the resolution includes:

- (1) A base rate that is the payment levels under the Medicaid Program to hospitals for inpatient and outpatient services in FY 2012-2013 in the first year and each subsequent formula applies a rate of inflation to the base rate from the previous fiscal year.
- (2) Assessments to be paid by La. hospitals, provided the amount of the assessment does not exceed the nonfederal share of the rate enhancement.
- (3) Reimbursement rate enhancements for those hospitals subject to an assessment provided for in the formula.
- (4) Any additional provisions necessary to the implementation of the formula.

Proposed constitutional amendment provides that the base rate shall not be paid from the Hospital Stabilization Fund.

Proposed constitutional amendment provides that no assessments shall be collected from any hospital in a fiscal year in which any of the following occur:

- (1) The legislature fails to adopt a formula.
- (2) The Department of Health and Hospitals reduces or does not pay rate enhancements established in the current formula.
- (3) The appropriations provided for in proposed constitutional amendment are reduced.

Proposed constitutional amendment provides for annual appropriation of an amount necessary to fund the base rate for hospitals and appropriate the balance of the Hospital Stabilization Fund created in the proposed constitutional amendment for rate enhancements.

Proposed constitutional amendment provides for reductions to the appropriations if the reduction is consented to in writing by 2/3 of the elected members of each house in a manner provided by law and does not exceed the average reduction of those made to the appropriations for other providers under the Medicaid Program.

Proposed constitutional amendment creates the Hospital Stabilization Fund and provides appropriations only for funding the rate enhancement established in the Hospital Stabilization Formula for the fiscal year in which the assessment is collected. Any amounts remaining in the fund at the end of a fiscal year shall be refunded to the participating hospitals in proportion to the assessments paid.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Adds Const. Art. VII, §10.13)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Changed the vote necessary for approval of the resolution establishing the formula from two-thirds of elected members to a majority, except the resolution for the first formula which shall require a favorable vote of 2/3 of the elected members of each house.
2. Required the resolution providing for the formula be referred to the standing committees of the legislature that receive the general appropriation bill.
3. Added that the formula provide for the preservation and protection of rural hospitals as provided for by law.
4. Clarified that rate enhancements established in the formula will be distributed among hospitals for hospital services and deletes the provision that the rate enhancements will be distributed in proportion to the Medicaid services delivered.