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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay Lueckel.

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## DIGEST

### Mills (SB 474)

Present law provides for avoidance for budget deficits.

Proposed law provides that notwithstanding any of these provisions, the following deficit avoidance procedures shall apply to the Medicaid programs, non-Medicaid health care, certain elderly services, and rehabilitation programs specified herein.

Proposed law provides relative to mid-year adjustments:

- (1) (a) For Medicaid programs, in any fiscal year upon receiving notification by the Joint Legislative Committee on the Budget (JLCB) that a projected deficit exists, neither the governor nor the legislature may reduce Medicaid program rates to provider groups below the average Medicaid program rates established for FY 2013-2014, excluding any provider groups that pay fees or assessments that are deposited into a special fund that may be established in the Louisiana constitution, to eliminate a budget deficit, except the governor may reduce the appropriation for the base rate if the following occur:
  - (i) The reduction does not exceed the average reduction of those made to the appropriations and reimbursement for other providers under the Medicaid program, or its successor.
  - (ii) The reductions require written consent of two-thirds of the legislature while in session or two-thirds vote of JLCB when not in session.
- (b) For non-Medicaid programs, in any fiscal year upon receiving notification by JLCB that a projected deficit exists, neither the governor nor the legislature may reduce the budget for any health care agency or facility operated under the purview of the Department of Health and Hospitals (DHH), or its successor, or rehabilitation services operated or managed by the Louisiana Workforce Commission (LWC), or its successor, or elderly services operated or managed by the Governor's Office of Elderly Affairs, or its successor, less than the appropriation for any such agencies or facilities in FY 2013-2014 to eliminate a budget deficit, except the governor may reduce the appropriations if the following occur:
  - (i) The reductions are proportionally equivalent among all agencies and facilities provided for in proposed law.

- (ii) The reductions require written consent of two-thirds of the legislature while in session or two-thirds vote of JLCB when not in session.

Proposed law provides for ensuing year projected deficits:

- (2) (a) For Medicaid programs, the legislature shall annually appropriate the funds necessary to provide for Medicaid program rates to provider groups which are no less than the average Medicaid program rates established for FY 2013-2014, excluding those provider groups that pay fees or assessments that are deposited into a special fund that may be established in the Louisiana constitution. The Medicaid rates may be adjusted annually by establishing the rates of inflation, or rebasing, if applicable. Such inflation rate adjustments shall not be negative. If the official forecast of recurring money for the next fiscal year is at least one percent less than the official forecast of recurring money for the current fiscal year, neither the governor nor the legislature may reduce the base rate as provided for in proposed law to eliminate a budget deficit in the next fiscal year, except the governor may reduce the appropriation for the base rate if the following occur:
  - (i) The reduction does not exceed the average reduction of those made to the appropriations and reimbursement for other providers under the Medicaid program, or its successor; and
  - (ii) The reductions require written consent of two-thirds of the legislature while in session or two-thirds vote of JLCB when not in session.
- (3) (a) For non-Medicaid programs, the legislature shall annually appropriate the funds necessary to provide for Medicaid Program rates to provider groups which are no less than the average Medicaid program rates established for FY 2013-2014, excluding any provider groups that pay fees or assessments that are deposited into a special fund that may be established in the Louisiana constitution. The Medicaid rates may be adjusted annually by establishing the rates of inflation, rebasing, if applicable; as otherwise provided by law. Such inflation rate adjustments shall not be negative. If the official forecast of recurring money for the next fiscal year is at least one percent less than the official forecast of recurring money for the current fiscal year, neither the governor nor the legislature may reduce the base rates as provided for in proposed law to eliminate a budget deficit in the next fiscal year, except the governor may reduce the appropriation for the base rate if the following occur:
  - (i) The reduction does not exceed the average reduction of those made to the appropriations and reimbursement for other providers under the Medicaid Program, or its successor; and

- (ii) The reductions require written consent of two-thirds vote of the legislature while in session or two-thirds vote of JLCB when not in session.
- (b) For non-Medicaid programs, the legislature shall annually appropriate the funds necessary to provide funding for any health care agency or facility operated under the purview of DHH, or its successor, or rehabilitation services operated or managed by LWC, or its successor, or elderly services operated or managed by the Governor's Office of Elderly Affairs, that is not less than the appropriation for any such agencies or facilities in FY 2013-2014. If the official forecast of recurring money for the next fiscal year is at least one percent less than the official forecast of recurring money for the current fiscal year, neither the governor nor the legislature may reduce the budget for any health care agency under the purview of DHH or its successor, or rehabilitation services operated or managed by LWC, or its successor, or elderly services operated or managed by the Governor's Office of Elderly Affairs, to eliminate a budget deficit in the next fiscal year, except the governor may reduce the appropriations if the following occur:

The reductions require written consent of two-thirds of the legislature while in session or two-thirds vote of JLCB when not in session.

Proposed law provides that "Medicaid Program" shall refer to the Louisiana medical assistance program provided for in Title XIX of the Social Security Act, or its successor, and "health care agency or facility" shall refer to the agencies and facilities that are owned, operated or managed by DHH, or its successor, and shall exclude the Medicaid Program.

Effective July 1, 2014.

(Adds R.S. 39:75(F))