

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 349** SLS 14RS 701

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 22, 2014	11:32 AM	Author: MORRELL
Dept./Agy.: DHH/Medicaid		Analyst: Shawn Hotstream
Subject: Medicaid long term care managed care		

MEDICAID

OR NO IMPACT See Note

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Provides relative to Medicaid managed long term care support and services. (gov sig)

Proposed law defines a Louisiana Managed Care Organization(HMO). Proposed law provides the secretary of DHH may issue a request for proposal or any type of competitive process to identify and contract with HMO's to provide for a comprehensive managed care program for Louisiana residents eligible for Medicaid and receiving long term care (LTC) supports and services provided for in the state plan. Proposed law further provides that a Louisiana HMO submitting a competitive proposal to DHH's request for proposal (RFP) shall participate in such a program for Medicaid managed care LTC supports and services. If three or more Louisiana HMO's submit competitive proposals, DHH shall select at least three Louisiana HMO's to participate in such a program.

Proposed law authorizes DHH to prohibit any Medicaid recipient participating in a Medicare Advantage Plan (after 1/1,2014) from being forced to leave his plan if the recipient needs long term care supports/services if such plan is not selected to participate in Medicaid managed LTC. DHH shall provide payment to a recipients Medicare Advantage Plan for such services.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION


To the extent rate setting for LTC managed care is developed similar to Bayou Health managed care and Dental managed care, proposed legislation is not anticipated to result in an increase in overall state expenditures. In developing the request for proposal (RFP) for prior managed care business, the department has set the rate for both the per member per month payment in the full risk managed care plans and administrative reimbursement fee in the shared savings managed care plans. Vendors then bid on coordinating the care for the Medicaid book of business for the set price.

It is unknown if this legislation would result in litigation as a result of potentially altering the procurement process.

REVENUE EXPLANATION

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

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


John D. Carpenter
Legislative Fiscal Officer