

2016 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 51

BY REPRESENTATIVE BARRAS

1    A CONCURRENT RESOLUTION

2                To provide for a hospital stabilization formula pursuant to Article VII, Section 10.13 of the  
3                                  Constitution of Louisiana; to establish the level and basis of hospital assessments;  
4                                  to establish certain reimbursement enhancements for inpatient and outpatient hospital  
5                                  services; to establish certain criteria for the implementation of the formula; to  
6                                  provide for effectiveness; and to provide for related matters.

7                WHEREAS, in accordance with the Louisiana Constitution, the Legislature of  
8                Louisiana hereby adopts the first subsequent hospital stabilization formula subsequent to the  
9                formula in House Concurrent Resolution 75 of the 2015 Regular Session; and

10                WHEREAS, through the adoption of this Resolution, the Legislature of Louisiana  
11                hereby seeks to:

12                (1)        Preserve and enhance the availability of inpatient and outpatient hospital  
13                                  services for the citizens of Louisiana.

14                (2)        Preserve and protect rural hospitals as provided in the Rural Hospital  
15                                  Preservation Act, pursuant to R.S. 40:1189.1 et seq.

16                (3)        Enhance the stability of hospital funding by utilizing a fiscally-prudent  
17                                  healthcare driven solution that does not rely on the use of state general fund  
18                                  and provides a reliable and recurring source of funding for healthcare  
19                                  services.

1 (4) Minimize the effects of shifting the cost of caring for those Louisiana  
2 citizens who are uninsured to those who are able to obtain health insurance.

3 (5) Create flexibility to design a plan to provide for more efficient and effective  
4 ways to maximize the state's use of monies currently expended for the  
5 provision of health care services to the state's low income and uninsured  
6 residents.

7 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
8 enact the annual hospital stabilization formula pursuant to Article VII, Section 10.13 of the  
9 Constitution of Louisiana:

10 I. Hospital Stabilization Assessment.

11 A. The Department of Health and Hospitals shall calculate, levy, and collect  
12 an assessment for each assessed hospital in accordance with Subsection B of this  
13 Section if all of the following occur:

14 (1) The applicable federal financial participation, as set forth in 42 U.S.C.  
15 1396d(y) of Title XIX of the Social Security Act, is less than one hundred percent.

16 (2) The Department of Health and Hospitals has submitted a Medicaid  
17 assessment report to the Joint Legislative Committee on the Budget at least thirty  
18 days prior to the department submitting any necessary documentation to the Centers  
19 for Medicare and Medicaid Services for purposes of obtaining approval to implement  
20 the assessment. The Medicaid assessment report shall include a description of the  
21 proposed assessment, the basis for the calculation of the assessment, and a listing of  
22 each hospital included in the proposed assessment.

23 (3) The Joint Legislative Committee on the Budget has not rejected the  
24 Medicaid assessment report within thirty days after receiving the Medicaid  
25 assessment report from the Department of Health and Hospitals.

26 B.(1) The total assessment for the state fiscal year shall be equal to, but shall  
27 not exceed, the lesser of the following:

28 (a) The state portion of the cost, excluding any federal financial  
29 participation, of the reimbursement enhancements provided for in Paragraph (1) of  
30 Section II of this Resolution which are directly attributable to payments to hospitals.

1 (b) One percent of the total inpatient and outpatient hospital net patient  
2 revenue of all hospitals included in the assessment, as reported in the Medicare cost  
3 report ending in state fiscal year 2015.

4 (2) The Department of Health and Hospitals shall allocate the assessment to  
5 each assessed hospital on a pro rata basis by calculating the quotient of the total  
6 assessment divided by the total inpatient and outpatient hospital net patient revenue  
7 of all assessed hospitals as reported in the Medicare cost report ending in state fiscal  
8 year 2015 and multiplying the quotient by each assessed hospital's total inpatient and  
9 outpatient hospital net patient revenue. If a hospital was not required to file a  
10 Medicare cost report or did not file a Medicare cost report ending in state fiscal year  
11 2015, the hospital shall submit to the Department of Health and Hospitals its most  
12 applicable calendar year total of inpatient and outpatient hospital net patient revenue  
13 in a form prescribed by the department.

14 (3) The Department of Health and Hospitals shall levy and collect the  
15 assessment provided for in this Section on a quarterly basis at the beginning of each  
16 quarter that the assessment is due. Prior to levying or collecting the assessment for  
17 the applicable quarterly period, the Department of Health and Hospitals shall publish  
18 in the Louisiana Register the total amount of the quarterly assessment and the  
19 corresponding applicable percentage of total inpatient and outpatient hospital net  
20 patient revenue that will be applied to the assessed hospitals.

21 (4) The Department of Health and Hospitals shall publish on a quarterly  
22 basis a report containing data directly related to the revenue enhancement provided  
23 for in Paragraph (1) of Section II of this Resolution. The report shall include the  
24 following:

25 (a) Total Medicaid enrollment on a monthly basis.

26 (b) The average monthly premium paid to managed care organizations  
27 providing benefits and services to eligible Medicaid enrollees and the portion of  
28 premium related to hospital payments.

29 (c) The aggregate Medicaid claims payment by provider type.

30 (d) The total amount of inpatient and outpatient Medicaid claims paid to  
31 hospitals delineated by individual hospital.

1                   C.(1) The Department of Health and Hospitals shall exclude a hospital from  
2                   the assessment if the hospital meets the definition of a rural hospital as defined in  
3                   R.S. 40:1189.3.

4                   (2) In the event the Centers for Medicare and Medicaid Services disapproves  
5                   any documentation submitted to the Centers for Medicare and Medicaid Services  
6                   that is necessary to obtain approval to implement the assessment, the Department of  
7                   Health and Hospitals may, notwithstanding the provisions of Paragraph (1) of this  
8                   Subsection, modify the submission to exclude the minimum number of hospitals  
9                   necessary to achieve approval of the assessment from the Centers for Medicare and  
10                  Medicaid Services. In addition, the Department of Health and Hospitals shall submit  
11                  a subsequent Medicaid assessment report to the Joint Legislative Committee on the  
12                  Budget in the same manner as required in Paragraphs (A)(2) and (3) of this Section.

13                   II. Reimbursement Enhancements.

14                  The Department of Health and Hospitals shall provide for reimbursement  
15                  enhancements as follows:

16                  (1) Payment for health care services through the implementation of a health  
17                  coverage expansion of the Louisiana medical assistance program that meets all the  
18                  requirements necessary for the state to maximize federal matching funds as set forth  
19                  in 42 U.S.C. 1396d(y) of Title XIX of the Social Security Act.

20                  (2) Effective January 1, 2017, provided that the Department of Health and  
21                  Hospitals implements a hospital stabilization assessment in accordance with the  
22                  provisions of this Resolution, for hospitals subject to any rate reduction after  
23                  December 31, 2010, payment of either the hospital inpatient and outpatient  
24                  reimbursement rates which were in effect on December 31, 2010, or such rates which  
25                  were in effect on June 30, 2013, whichever is greater, for hospital services provided  
26                  pursuant to the Louisiana medical assistance program.

27                   III. Severability of Provisions

28                  In accordance with R.S. 24:175, if any of the provisions of the Concurrent  
29                  Resolution which originated as House Concurrent Resolution No. 51 of the 2016  
30                  Regular Session of the Legislature or the application thereof is held invalid, such

1           invalidity shall not affect other provisions or applications and to this end the  
2           provisions of House Concurrent Resolution No. 51 are hereby declared severable.

3                     IV. Effective Date

4                     The hospital stabilization assessment and reimbursement enhancements  
5           provided for in this Resolution shall be effective until July 1, 2019.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_