



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 362** HLS 18RS 957  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

|  |         |                                 |
|--|---------|---------------------------------|
| <b>Date:</b> April 11, 2018                    | 9:36 AM | <b>Author:</b> HOFFMANN         |
| <b>Dept./Agy.:</b> LDH/Medicaid                |         |                                 |
| <b>Subject:</b> Medicaid funded long term care |         | <b>Analyst:</b> Shawn Hotstream |

MEDICAID OR +\$28,255,109 GF EX See Note Page 1 of 1  
Provides relative to the state's system of Medicaid-funded long-term care

Proposed law reforms the methodologies and processes governing Medicaid reimbursement for certain long term care services, which include home and community based services, intermediate care facilities for persons with developmental disabilities, and case management to assist individuals with disabilities. Proposed law implements a rate methodology for Medicaid personal care attendant services that includes the cost of services as determined by cost reports, regulatory mandates, and incentives, subject to appropriation. The department shall reimburse support coordination agencies on a monthly basis or services delivered through the Residential Options Waiver (ROW) program and for early and periodic screening, diagnostic, and treatment services. Proposed law provides that LDH shall implement a system of electronic visit verification (EVV), for Medicaid personal care attendant services. The department shall identify savings from EVV and use savings to reimburse home and community based providers for the costs incurred by those providers for EVV implementation. Proposed law provides a rate floor for long term care services not lower than rates in effect on July 1, 2018. Proposed law requires utilization of electronic plans of care within each Medicaid waiver program providing long term care services. Proposed law prohibits LDH from adopting regulations that would increase cost for providers of long term care services except in certain circumstances. Proposed law requires LDH to repeal regulatory requirements for long term care that would result in duplication of effort. Proposed law provides authorizes , to the extent allowed by law, develop regulations that facilitate employment in the LTC services field of qualified persons who have prior convictions for certain criminal offenses.

| EXPENDITURES   | 2018-19      | 2019-20      | 2020-21      | 2021-22      | 2022-23      | 5 -YEAR TOTAL |
|----------------|--------------|--------------|--------------|--------------|--------------|---------------|
| State Gen. Fd. | \$28,255,109 | \$28,255,109 | \$28,255,109 | \$28,255,109 | \$28,255,109 | \$141,275,545 |
| Agy. Self-Gen. | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           |
| Ded./Other     | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           |
| Federal Funds  | \$51,545,329 | \$51,545,329 | \$51,545,329 | \$51,545,329 | \$51,545,329 | \$257,726,645 |
| Local Funds    | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           |
| Annual Total   | \$79,800,438 | \$79,800,438 | \$79,800,438 | \$79,800,438 | \$79,800,438 | \$399,002,190 |

| REVENUES       | 2018-19  | 2019-20  | 2020-21  | 2021-22  | 2022-23  | 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  | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE |               |
| Local Funds    | \$0      | \$0      | \$0      | \$0      | \$0      | \$0           |
| Annual Total   |          |          |          |          |          |               |

EXPENDITURE EXPLANATION

Modifying the payment methodology for certain long term care providers, and developing and implementing electronic plans of care for certain Medicaid recipients is anticipated to increase expenditures of LDH by approximately \$79 M in FY 19, and future fiscal years. Additionally, this measure establishes a payment rate floor that incorporates the new payment methodology.

Cost estimates from LDH reflect the new payment methodology will increase payments to various providers by \$79.3 M in FY 19, based on an increase in the incremental rates paid to Long Term Personal Care Services (LT PCS) providers, personal care attendant services in the Community Choices waiver and NOW waiver. Additionally, LDH anticipates \$420,000 in IT annual costs related to implementation of electronic plans of care. A comprehensive plan of care (CPOC) is the planning document that details the provision of Medicaid home and community based services to approved waiver recipients. The proposed electronic CPOC would provide a web-based alternative to the current paper document process, resulting in up front and ongoing IT costs. Implementation of this measure is subject to appropriation.

REVENUE EXPLANATION

Additional payments to providers will increase collections of Title 19 federal matching funds.

|  |                     |  |                                  |
|--|---------------------|--|----------------------------------|
| Senate   | Dual Referral Rules | House  |                                  |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} |                     | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}         | <i>Evan Brasseaux</i>            |
| <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} | Evan Brasseaux<br>Staff Director |