

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 144** SLS 18RS 497

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|----------|-----------------------------|
| Date: April 15, 2018 | 10:39 AM | Author: MILLS |
| Dept./Agy.: LA Dept. of Health | | Analyst: Zachary Rau |
| Subject: Hospital Prospective Reimbursement Methodology | | |

HOSPITALS RE SEE FISC NOTE GF EX See Note Page 1 of 1
Provides for the repeal of the hospital prospective reimbursement methodology. (8/1/18)

Present law provides major teaching hospitals with an opportunity for Medicaid reimbursement based upon a hospital prospective reimbursement methodology in which Medicaid payments are made if a hospital is affiliated with an accredited Louisiana medical school that participates in at least four approved residency programs, of which two are in medicine, surgery, obstetrics, pediatrics, family practice, emergency medicine, or psychiatry, or maintains an intern and resident full-time equivalency of at least 20 filled positions. Proposed law repeals present law. Proposed law shall only become effective upon implementation of a diagnosis related group hospital payment methodology pursuant to an approved state plan amendment by the Centers for Medicaid and Medicare Services.

| EXPENDITURES | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 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 | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | | | | | | |

| 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The LA Dept. of Health reports that repealing the definition of a "major teaching hospital" regarding the hospital prospective reimbursement methodology in present law is not anticipated to affect expenditures for the department, because "major teaching hospital" is currently defined in the Medicaid state plan. LDH further reports that it anticipates all hospitals meeting the criteria of "major teaching hospital" to meet the criteria in future years. However, to the extent LDH changes the definition of a "major teaching hospital" in the Medicaid state plan as a result of proposed law, expenditures may be affected in the future.

REVENUE EXPLANATION

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

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director