

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 327** HLS 20RS 372

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 5, 2020	3:07 PM	Author: ECHOLS
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: health plan		

MEDICAID OR GF EX See Note Page 1 of 1
Provides relative to Dual Eligible Special Needs Plans for persons dually eligible for Medicare and Medicaid

Proposed law provides requires the Louisiana Department of Health to enroll individuals eligible for both Medicaid and Medicare (dually eligible) into a federally regulated health plan known as a Dual Eligible Special Needs Plan in accordance with federal regulations.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	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	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

EXPENDITURE EXPLANATION

This measure requires the LDH to enroll all Dual Eligible beneficiaries (enrolled in both Medicaid and Medicare) into a type of Medicare Advantage managed care plan (Dual Eligible Special Needs Program - DSNP). There are currently 200,000 dual eligible individuals that are anticipated to participate in the managed care model. Although certain departmental administrative costs are anticipated to implement and run such a program, LDH reports the net fiscal impact of implementing such a managed care model is indeterminable, and will depend on the parameters and design of the program. Specifically, the department will need to know if benefits managed will be comprehensive or limited, and require analysis from its actuary for rate setting (cost of eligibles in the program), which would be required to determine a net fiscal impact. The department assumes one time and ongoing administrative costs associated with professional services (waiver development and rate setting), personnel services (additional staffing), and operating expenses. The department projects initial administrative costs of \$7 M in FY 21, and out-year administrative expenses of approximately \$3.9 M. The level of administrative expenses would ultimately depend on the scope of the program.

REVENUE EXPLANATION

To the extent premiums paid under this program are subject to the current managed care premium tax, additional revenues would be generated and could be used to offset the cost of the program. The managed care premium tax rate is 5.5% of the premiums.

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}

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