

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 838** HLS 20RS 1301

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 18, 2020	12:55 PM	Author: LYONS
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: Non emergency medical transportation		

MEDICAID MANAGED CARE EG +\$154,188 GF EX See Note Page 1 of 1
Provides relative to non emergency, non-ambulance medical transportation services delivered through the Medicaid managed care program

Proposed law requires that beginning January 1, 2022, the Louisiana Department of Health will require any managed care organization (MCO) which utilizes a transportation broker to have a Louisiana-based call center.

Proposed law requires the department, through its contracts with MCO's, to prohibit an out of region non-emergency, non ambulance medical transportation provider from providing services to a Medicaid enrollee if there is a willing and available non emergency, non-ambulance medical transportation provider in the region where the Medicaid enrollee is domiciled. The department shall provide for the boundaries of the regions.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$154,188	\$308,376	\$308,376	\$308,376	\$1,079,316
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$317,046	\$634,092	\$634,092	\$634,092	\$2,219,322
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$471,234	\$942,468	\$942,468	\$942,468	\$3,298,638

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	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed bill is anticipated to increase Medicaid expenditures in excess of \$900,000 annually by FY 23 as a result of additional administrative call center costs of the Medicaid MCO's. Information provided by LDH indicates 4 of the 5 health plans do not currently have emergency medical transportation (NEMT) call centers based in Louisiana. Mercer (the department's Medicaid rate actuary) estimates a 10% increase in administrative expense to shift call center support to a Louisiana based option, effective January 1, 2022. The projection is based on the following assumptions by Mercer.

1. \$62.8 M health plan spending on non-emergency medical transportation (2019 reported health plan financial reports)
2. 15% of NEMT spend associated with administrative costs (administrative load)
3. Additional 10% call center administrative costs (10% of admin. load)
4. Cost annualized in FY 23 (implementation date January 1, 2022)

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}

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