

GREEN SHEET REDIGEST

HB 835

2020 Regular Session

McMahan

**MEDICAID: Authorizes local hospital assessments in certain parishes to fund the nonfederal share of Medicaid costs of health care provided in those parishes**

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DIGEST

Proposed law provides that its purpose is to generate revenue by collecting from certain institutional health care providers and governmental institutional providers a local hospital assessment payment to be used to provide the nonfederal share of a Medicaid payment program directly benefitting the residents of a parish.

Proposed law defines "institutional provider" as a nongovernmental hospital licensed in accordance with present law.

Proposed law defines "governmental institutional provider" as a governmental hospital located in a parish with a population between 80,000 and 90,000 in the most recent federal decennial census.

Proposed law defines "rural institutional provider" as a hospital, other than one defined in the Rural Hospital Preservation Act (R.S. 40:1189.3 of present law), that is licensed by the Louisiana Department of Health (LDH), has no more than 60 beds on November 1, 2020, and meets any of the following criteria:

- (1) Is located in a municipality with a population of between 7,000 and 7,500 according to the 2010 census and in a parish with a population of between 30,000 and 35,000 according to the 2010 census (Ville Platte in Evangeline Parish).
- (2) Is located in a municipality with a population of between 10,000 and 10,500 according to the 2010 census and in a parish with a population of between 80,000 and 90,000 according to the 2010 census (Eunice in St. Landry Parish).
- (3) Is located in a municipality with a population of between 3,000 and 3,500 according to the 2010 census and in a parish with a population of between 30,000 and 35,000 according to the 2010 census (Mamou in Evangeline Parish and Welsh in Jefferson Davis Parish).

Proposed law provides that "rural institutional provider" shall also include a hospital, other than one defined in the Rural Hospital Preservation Act, that is licensed by the department and is a nonstate-government-owned hospital located in both of the following:

- (1) A municipality with a population of not less than 30,500 and not more than 31,000 persons according to the most recent federal decennial census (New Iberia).
- (2) A parish with a population of not less than 70,000 persons and not more than 75,000 persons according to the most recent federal decennial census (Iberia Parish).

Proposed law applies exclusively to the following parishes:

- (1) Any parish with a population of not less than 40,000 persons and not more than 42,000 persons according to the most recent federal decennial census (Webster Parish).
- (2) Any parish with a population of not less than 46,000 persons and not more than 47,000 persons according to the most recent federal decennial census (Lincoln Parish).
- (3) Any parish in which a rural institutional provider, as defined by proposed law, is located (Evangeline, Iberia, Jefferson Davis, and St. Landry parishes).

Proposed law creates a local health care provider participation program through which an eligible parish may deposit in a local provider participation fund established by the parish all of the following:

- (1) Any local hospital assessment payment from an institutional provider located in the parish.
- (2) Any local hospital assessment payment from a governmental institutional provided located in the parish.
- (3) Such other sums as the parish deems appropriate.

Proposed law provides that an eligible parish may adopt an ordinance authorizing it to participate in the program, subject to the limitations provided in proposed law.

Proposed law provides that any parish authorized therein to establish a local provider participation fund may, upon agreement of the governing authorities of each parish, establish the following:

- (1) A single fund for the benefit of those parishes.
- (2) A local hospital assessment applicable to the institutional providers, as defined in proposed law, in those parishes.

Proposed law authorizes the governing body of an eligible parish to require a local hospital assessment payment authorized by proposed law from an institutional provider in the parish.

Proposed law provides that an eligible parish may authorize the collection of a local hospital assessment payment only with an affirmative vote of a majority of the members of the governing body of the parish made at a regular or special meeting held no less than 30 days following publication of a notice in the official journal of the parish of intention to authorize the collection of such payment.

Proposed law provides that a parish that collects a local hospital assessment payment shall do all of the following:

- (1) Require each institutional provider to submit to the parish a copy of any financial and utilization data required by and reported to LDH.
- (2) Hold an annual public hearing on the amounts of any local hospital assessment payments that the parish intends to require during the year and how the revenue derived from those payments is to be spent. Entitles a representative of a paying hospital to appear at the hearing to be heard regarding any matter related to the assessment payments.

Proposed law requires each parish that collects a local hospital assessment payment or in which a rural institutional provider is located to create a local provider participation fund. Provides that all income received by a parish pursuant to the provisions of proposed law, including the revenue from local hospital assessment payments remaining after discounts and fees for assessing and collecting the payments are deducted, shall be deposited in the local provider participation fund of the parish. Provides further that each such fund shall consist of the following monies:

- (1) All revenue received by the parish attributable to local hospital assessment payments authorized by proposed law, including any penalties and interest attributable to delinquent payments.
- (2) Monies received from LDH as a refund of an intergovernmental transfer from the parish to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment.

- (3) Sums which the parish elects to deposit.
- (4) The earnings of the fund.

Proposed law stipulates that monies in a local provider participation fund may only be used for one or more of the following purposes:

- (1) Fund intergovernmental transfers from a parish to the state to provide the nonfederal share of a program of Medicaid payments for the benefit of rural institutional providers or other hospitals in the parish authorized under the state Medicaid plan.
- (2) Pay the administrative expenses of the parish associated exclusively with activities authorized by proposed law in an amount not to exceed 5% of the local hospital assessment payment.
- (3) Refund a portion of a local hospital assessment payment collected in error from a paying hospital.
- (4) Refund to paying hospitals the proportionate share of money received by a parish from the department that is not used to fund the nonfederal share of Medicaid payment program payments described in paragraph (1) above.

Proposed law provides for the basis, calculation, and maximum amounts of local hospital assessment payments.

Proposed law prohibits hospitals that pay local assessments in accordance with proposed law from adding such a payment as a surcharge to a patient.

Proposed law requires parish sheriffs to collect local hospital assessment payments authorized by proposed law. Provides that the sheriff shall charge a fee, in an amount determined by the parish, for collecting those payments and that the fee shall not exceed the usual and customary charges imposed by the sheriff.

Proposed law provides that if any of its provisions cause a local hospital assessment payment to a parish to be ineligible for federal matching funds, then the parish may provide for an alternative provision or procedure that conforms to the requirements of the federal Medicaid agency.

Proposed law provides a methodology for enhanced reimbursement to rural institutional providers and governmental institutional providers as defined in proposed law. Requires that the methodology be implemented as soon as is practicable after it is authorized by federal law.

Proposed law provides that upon request from a parish in which a governmental institutional provider is located, the department shall attempt in good faith to execute a cooperative endeavor agreement.

Proposed law provides that by September 1, 2020, or as soon thereafter that the cooperative endeavor agreement is effective, LDH shall file a Medicaid state plan amendment with the federal Medicaid agency relative to the methodology for enhanced reimbursement to governmental institutional providers provided for in proposed law.

Proposed law requires LDH, on an expedited basis, to take all steps necessary and available to obtain approval from the federal Medicaid agency for the state plan amendment relative to the methodology for enhanced reimbursement to rural institutional providers provided for in proposed law. Requires further that LDH, immediately upon notification of such approval, promulgate administrative rules to implement the state plan amendment.

(Adds R.S. 40:1248.1-1248.11)

## Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Add any parish with a population of not less than 46,000 persons and not more than 47,000 persons according to the most recent federal decennial census (Lincoln Parish) as a parish in which local hospital assessments may be instituted in accordance with proposed law.
2. Provide that any parishes authorized by proposed law to establish a local provider participation fund may, upon agreement of the governing authorities of each parish, establish all of the following:
  - a. A single fund for the benefit of those parishes.
  - b. A local hospital assessment applicable to the institutional providers, as defined in proposed law, in those parishes.
3. Make technical changes.

## Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Health and Welfare to the reengrossed bill

1. Expands the definition of "rural institutional provider" to include a nonstate-government-owned hospital licensed by LDH which is located in both a municipality with a population between 30,500 and 31,000 persons according to the most recent federal decennial census and a parish with a population between 70,000 persons and 75,000 persons according to the most recent federal decennial census.

## Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the reengrossed bill

1. Adds the definition of a "governmental institutional provider" as a governmental hospital located in a parish with a population between 80,000 and 90,000 in the most recent federal decennial census.
2. Allows the parish housing the governmental institutional provider to implement a local hospital assessment.
3. Provides for an enhanced reimbursement to the governmental institutional provider.
4. Makes technical changes.