

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 27, 2020	9:46 AM	<b>Author:</b> LYONS
<b>Dept./Agy.:</b> LDH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> Non emergency medical transportation		

MEDICAID MANAGED CARE RE +\$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. Funding for the Louisiana based call center shall not exceed the amount provided to the managed care organization for call center services in the immediately preceding contract period.

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.

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

<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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)
5. Although this measure prevents an MCO funding increase associated with new call center requirements, the fiscal note assumes costs to the plans will increase.

**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**