



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 485** HLS 21RS 299
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 20, 2021	3:37 PM	Author: ZERINGUE
Dept./Agy.: LDH/Medicaid		
Subject: Medicaid Managed Care		Analyst: Shawn Hotstream

MEDICAID MANAGED CARE OR INCREASE GF EX See Note Page 1 of 1

Establishes the Medicaid Managed Care Authority as a policymaking and oversight body for the Medicaid managed care program

Proposed law creates the Medicaid Managed Care Authority (authority) within the Louisiana Department of Health (LDH). Proposed law provides for members/staff of the authority. Proposed law provides for duties and responsibilities of the authority, including the following: 1) the authority shall establish rules for the administration of the authority; 2) the authority shall appoint an executive director that shall be unclassified; 3) the authority may employ other personnel as necessary that will report to the executive director; 4) to oversee the managed care program and to determine the number of managed care organizations that may contract with the state, and to consult with and make recommendations to LDH concerning Medicaid reimbursement rates that the department pays to healthcare providers through the MCO's; 5) to approve any Request for Proposals (RFP's) issued by the department for MCO's, and types and amounts of all compensation to be paid to MCO's (exclusive of provider claims); 6) the authority shall approve any MCO contract amendment proposed by LDH; and 7) grants the authority the power to amend, enact, or repeal any administrative rule. No member of the authority shall receive a salary for their service, however members are eligible for travel reimbursement and other expenses related to conducting business.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						
REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	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

At a minimum, this measure will result in increased personnel costs associated with hiring an Executive Director, and reimbursement for per diem and travel expenses for up to 20 members (at least 4 meetings annually). The Louisiana Department of Health assumes \$150,000 in salary and \$75,000 (50%) related benefits for annual personnel costs associated with an Executive Director (unclassified position). In addition, the authority may employ additional staff to assist the Executive Director if deemed necessary to fulfill duties outlined in this bill. Additional staffing costs will depend on the specific duties and functions of staff and the number of individuals hired. LDH assumes 2 additional support staff, including a data analyst and an administrative assistant will be required at a minimum. To the extent some of these duties may be absorbable by existing staff and resources, extra costs may be mitigated accordingly. The staffing needs will likely not become known until the authority has formed and the scope of work established.

In addition to oversight of the Medicaid managed care program, the authority serves as both a recommendation and approval function for certain aspects of managed care program spending. Specifically, the authority approves 1) any MCO RFP issued by LDH, 2) types and amounts of all compensation to be paid to MCO's (excluding provider claims), 3) MCO contract amendments, and 4) may amend, enact, or repeal any administrative rule. In addition, the authority will determine the number of MCO's that may contract with the state. The decisions of the authority may generate additional expenditure impacts, but actions the authority may take are unknown and the impact is indeterminable.

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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