

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



Fiscal Note On: **HB 356** HLS 21RS 727

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 26, 2021	3:35 PM	<b>Author:</b> BACALA
<b>Dept./Agy.:</b> LDH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> Medicaid		

MEDICAID OR INCREASE GF EX See Note Page 1 of 1  
Requires regular evaluation of and reporting on Medicaid administration and services

Proposed law provides that the Louisiana Department of Health (LDH) regularly evaluate the state Medicaid program to identify efficiencies in program administration and management. The department shall evaluate 1) all classes of services of the state Medicaid program delivered through fee for service model and managed care, shall determine which classes of services should continue to be delivered through each model, and which classes of services should be delivered through a different model than the one through which they are currently delivered; 2) the cost-effectiveness, quality, and value of services provided by each Medicaid management information system contractor of the department; 3) the integrity of data used in Medicaid managed care rate development; and 4) the set of covered services offered through the state Medicaid program in comparison with the sets of covered services offered through the health plans of the Office of Group Benefits, and the health plans of the two largest commercial health insurance plans for Louisiana enrolled residents. Proposed law requires LDH to compare its covered services and cost sharing functions with those offered through Medicaid programs in each state within CMS regions 4 and 6. Proposed law provides the secretary of LDH to submit to the legislature an annual report with findings under this measure.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</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**

This measure is anticipated to result in additional professional services contract costs and staffing costs to the Louisiana Department of Health associated with Medicaid program evaluations. Information provided by LDH indicates professional services contract costs of \$1.1 M in FY 22 for various Medicaid program evaluations required under this measure, and one additional contract monitor position (\$81,000) to monitor the contracts, as well as approximately \$880,000 in recurring out-year costs. The LFO can not corroborate the professional services contract estimates as the specific scope of work has not been identified that will be contracted. However, it is assumed there will be costs associated with any evaluation process that requires actuarial analysis or rate development (for example, whether the Medicaid program should offer benefits on a fee for service basis or through managed care plan). To the extent any of the evaluation functions outlined in the bill can be accomplished in-house with existing staff or the department realizes any efficiencies or savings as a result of this measure, staffing and contract cost could be partially mitigated.

**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}

*Alan M. Boxberger*  
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**Staff Director**