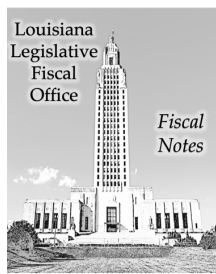


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 108** SLS 21RS 184

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 30, 2021	3:54 PM	Author: LUNEAU
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: Mental health services		

HEALTH SERVICES

OR +\$625,187 GF EX See Note

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Provides relative to mental health rehabilitation services contracts with Medicaid managed care organizations. (8/1/21)

Proposed law provides that any contract or subcontract entered into by the Louisiana Department of Health with any Medicaid managed care organization for the provision of mental health rehabilitation services shall include the following minimal requirements: 1) Employees, contractors, and subcontractors of MCO's performing work or services related to the performance or supervision of audits, prior authorization determinations, and clinical reviews of mental health rehabilitation service providers shall be domiciled in Louisiana and be knowledgeable of the relevant state laws, policies, and regulations related to the state's MHR program; 2) employees, contractors and subcontractors of MCO's shall ensure MHR services providers are registered and credentialed to provide and be reimbursed for MHR services under Medicaid no later than 7 days following the submission of completed materials by the provider; 3) employees, contractors, and subcontractors of MCO's shall conduct single audit of the same level each fiscal year for each MHR services provider to ensure compliance with Medicaid program standards; 4) employees, contractors, and subcontractors of MCO's shall initiate claim recoupment only when a provider fails to comply with a corrective action plan resulting from a previous year's audit in which the provider's compliance rating is below 80%. Proposed law authorizes LDH to impose penalties against MCO's that violate provisions of this law.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$625,187	\$643,625	\$643,625	\$643,625	\$643,625	\$3,199,687
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$143,878	\$191,837	\$191,837	\$191,837	\$191,837	\$911,226
Federal Funds	\$2,718,885	\$2,652,488	\$2,652,488	\$2,652,488	\$2,652,488	\$13,328,837
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$3,487,950	\$3,487,950	\$3,487,950	\$3,487,950	\$3,487,950	\$17,439,750

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	\$143,878	\$191,837	\$191,837	\$191,837	\$191,837	\$911,226
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$143,878	\$191,837	\$191,837	\$191,837	\$191,837	\$911,226

EXPENDITURE EXPLANATION

Proposed legislation is anticipated to increase average per member per month (PMPM) administrative costs by \$0.17, which are estimated to be paid by LDH, Medicaid to the Medicaid managed care organizations (MCO's) for the cost associated with hiring additional full-time staff for the implementation of this bill. Based on 1.7 M Medicaid enrollees, annual Medicaid expenditures will increase by approximately \$3.4 M annually. The LFO cannot corroborate this estimate as the projected cost increase due to staffing is self-reported by the health plans. LDH will be required to engage in an actuarial analysis in order to provide a more accurate estimate of the incremental increase to the administrative load of the PMPM.

Under this measure, MCO's will be required to perform or supervise audits, prior authorization determinations, and clinical reviews of mental health rehabilitation services with staff domiciled in Louisiana. LDH indicates MCO's are currently leveraging staffing from their national organizations outside of Louisiana for some of these functions, and this measure would require new resources in-state. This measure further requires provider credentialing timelines shorter than previously required.

Note: LDH shall impose monetary penalties against MCO's that violate contractual requirements under this measure. To the extent any monetary penalties are imposed, such monies are assumed to be reduced from future payments to MCO's.

REVENUE EXPLANATION

Statutory Dedication revenues reflected in the revenue table above are generated from the 5.5% premium tax on health premiums.

Senate
 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

Alan M. Boxberger
Staff Director