

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



Fiscal Note On: **SB 176** SLS 21RS 429

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 2, 2021	6:16 PM	<b>Author:</b> MCMATH
<b>Dept./Agy.:</b> LDH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> reimbursement		

MEDICAID EG +\$3,413,770 GF EX See Note  
Provides relative to the Louisiana Medical Assistance Program. (gov sig)

Page 1 of 1

Proposed law provides the Louisiana Medicaid program to reimburse health care providers for Medicaid claims for performing clinical diagnostic lab tests for the detection of SARS-COV-2 or the diagnosis of the virus that causes COVID-19 in an amount no less than what is paid pursuant to the Medicare Part B Clinical Laboratory Fee Schedule and any applicable guidance issued by the Centers for Medicaid and Medicare Services

Proposed law requires Louisiana Medicaid to recognize and pay for the use of all codes Medicare utilizes for the use of high-throughput technologies and shall pay for all claims for clinical diagnostic laboratory tests for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19 in addition to any case rate or per diem associated with other health care services being provided in conjunction with the performance of clinical diagnostic laboratory tests for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19.

<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.	\$3,413,770	\$4,549,720	\$3,871,830	\$3,097,464	\$2,477,971	<b>\$17,410,755</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$168,419	\$1,336,555	\$837,190	\$669,752	\$535,802	<b>\$3,547,718</b>
Federal Funds	\$14,168,856	\$20,421,950	\$16,337,560	\$13,070,048	\$10,456,038	<b>\$74,454,452</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$17,751,045</b>	<b>\$26,308,225</b>	<b>\$21,046,580</b>	<b>\$16,837,264</b>	<b>\$13,469,811</b>	<b>\$95,412,925</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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Reimbursing health care providers for Covid testing up to the Medicare Part B Clinical Laboratory Fee Schedule is anticipated to result in a significant increase in Medicaid expenditures in FY 22 and future years. The reimbursement rate is anticipated to increase from \$75 to \$100 for certain providers that are currently reimbursed for Covid testing. In addition, certain providers (inpatient hospital and ambulatory surgical centers) will receive \$100 on top of any case rate payment methodology currently received.

Estimates are based on the following assumptions.

- 1) Payments to Inpatient Hospitals and Ambulatory Surgical Centers effective 1/1/22, other providers effective 9/1/21.
- 2) Assume \$100 reimbursement per test.
- 3) Reimburse inpatient hospital and ambulatory surgical center providers \$100 per test on top of case rate.
- 4) Re-price payments to independent labs, physicians, and outpatient from \$75 to \$100 (increase \$25 a test).
- 5) Estimate assumes a 20% reduction in tests year over year.
- 6) Does not contemplate payments to Federally Qualified Health Centers or Rural Health Clinics.

**REVENUE EXPLANATION**

Statutory dedication premium tax revenue will be generated to the extent any additional reimbursement is made through managed care capitated payments. The premium tax rate is 5.5% on premiums.

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*

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