

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



Fiscal Note On: **SB 137** SLS 21RS 158

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 3, 2021	7:54 PM	<b>Author:</b> TALBOT
<b>Dept./Agy.:</b> LDH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> long term care managed care		

MEDICAID OR GF EX See Note Page 1 of 1  
Provides relative to Medicaid managed care for individuals receiving long-term services and supports. (8/1/21)

Proposed law requires the secretary of the Louisiana Department of Health to develop and implement a Louisiana Managed long-term services and supports (MLTSS) program and submit an application, based on the most appropriate managed care authority, to CMS no later than January 1, 2022. Proposed law provides that the secretary may use existing materials, including waiver drafts and stakeholder input. Proposed law provides that the MLTSS program shall include the following populations: 1) Medicaid recipients who are elderly or who have adult on set disabilities and who are currently receiving long-term serves through a Medicaid state plan or waiver program, including nursing facilities, home and community based waivers, or state plan personal care programs; and 2) certain dual eligibles. Proposed law provides that Medicaid recipients receiving services due to an intellectual or developmental disability will not be covered in the managed care program.

<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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>						

**EXPENDITURE EXPLANATION**

This measure requires the delivery of long term care services and supports through a capitated managed care model. Currently, long term care services are provided to certain populations through legacy Medicaid using a fee for service system. The net fiscal impact resulting from the transition of long term care recipients into managed care is indeterminable, and will depend on the parameters of the program. LDH indicates there is no current program design, nor a capitated rate currently developed based on any program design. MLTSS rates based on the parameters of the program would be used for cost comparisons with existing long term care spending under a fee for service delivery system to determine additional state costs or state savings associated with the new management model.

The Centers for Medicare and Medicaid Services (CMS) authorizes broad flexibility in MLTSS program design. Specifically, various factors will be used by an actuary for capitation rate setting, such as benefits offered, populations included, and acuity of individuals required to be in the program.

**REVENUE EXPLANATION**

As a result of long term care populations being placed in full risk capitated plans, additional premium tax revenues will be generated and deposited into the Medical Assistance Trust Fund (MATF). These revenues can be used to partially offset any cost of the program. R.S. 22:842 imposes a 5.5% premium tax on insurance premiums related to health. An exact projection of tax revenues in any given year will depend on actual premium payments.

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}

**Christopher A. Keaton**  
**Legislative Fiscal Officer**