

2024 Regular Session

HOUSE BILL NO. 558

BY REPRESENTATIVE TURNER

MEDICAID: Provides relative to the Local Healthcare Provider Participation Program

1 AN ACT

2 To amend and reenact R.S. 40:1248.1(3) and (6), 1248.3, 1287.7(A) and (C)(1) and (2), and
3 1248.8(A) through (D), to enact R.S. 40:1248.1(7) and 1248.5(D), and to repeal R.S.
4 40:1248.11 and 1248.12, relative to the Local Healthcare Provider Participation
5 Program; to provide for definitions; to provide for parish applicability; to identify
6 providers subject to the local hospital assessment payments; to provide a basis by
7 which hospital payments shall be assessed; to provide for an effective date; and to
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 40:1248.1(3) and (6), 1248.3, 1287.7(A) and (C)(1) and (2), and
11 1248.8(A) through (D) are hereby amended and reenacted and R.S. 40:1248.1(7) and
12 1248.5(D) are hereby enacted to read as follows:

13 §1248.1. Definitions

14 As used in this Subpart, the following terms have the meaning ascribed to
15 them in this Section:

16 * * *

17 (3) "Institutional provider" means ~~a nongovernmental hospital licensed in~~
18 ~~accordance with the Hospital Licensing Law, R.S. 40:2100 et seq.~~ a governmental
19 institutional provider, nongovernmental institutional provider, or rural hospital, as
20 applicable, located in participating parishes.

21 * * *

1 (6) "~~Rural institutional provider~~ Rural hospital" means a rural hospital, other
2 than one as defined in R.S. 40:1189.3, that is licensed by the department, has no
3 more than sixty hospital beds on November 1, 2020, and meets any of the following
4 criteria:

5 (a) ~~Is located in a municipality with a population of not less than seven~~
6 ~~thousand persons and not more than seven thousand five hundred persons according~~
7 ~~to the most recent federal decennial census and in a parish with a population of not~~
8 ~~less than thirty thousand persons and not more than thirty-five thousand persons~~
9 ~~according to the most recent federal decennial census.~~

10 (b) ~~Is located in a municipality with a population of not less than ten~~
11 ~~thousand persons and not more than ten thousand five hundred persons according to~~
12 ~~the most recent federal decennial census and in a parish with a population of not less~~
13 ~~than eighty thousand persons and not more than ninety thousand persons according~~
14 ~~to the most recent federal decennial census.~~

15 (c) ~~Is located in a municipality with a population of not less than three~~
16 ~~thousand persons and not more than three thousand five hundred persons according~~
17 ~~to the most recent federal decennial census and in a parish with a population of not~~
18 ~~less than thirty thousand persons and not more than thirty-five thousand persons~~
19 ~~according to the most recent federal decennial census.~~

20 (7) "Nongovernmental institutional provider" means a hospital licensed in
21 accordance with the Hospital Licensing Law, R.S. 40:2100 et seq., that is not a
22 governmental institutional provider or rural hospital.

23 * * *

24 §1248.3. Applicability

25 The provisions of this Subpart shall apply ~~exclusively to the following~~
26 ~~parishes:~~ any parish in which at least two institutional providers are located.

27 (1) ~~Any parish with a population of not less than forty thousand persons and~~
28 ~~not more than forty-two thousand persons according to the most recent federal~~
29 ~~decennial census.~~

1 (2) ~~Any parish with a population of not less than forty-six thousand persons~~
 2 ~~and not more than forty-seven thousand persons according to the most recent federal~~
 3 ~~decennial census.~~

4 (3) ~~Any parish in which a rural institutional provider is located.~~

5 * * *

6 §1248.5. Powers and duties of parishes; limitations; inspection of provider records

7 * * *

8 D.(1) A rural hospital may be included in assessment payments imposed
 9 pursuant to this Subpart if the rural hospital and parish enter into a mutual agreement
 10 to include the rural hospital.

11 (2) A parish may include or exclude any or all governmental institutional
 12 providers from assessment payments imposed in accordance with this Subpart.

13 (3) If a parish excludes providers, the definition of institutional provider as
 14 used in this Section and in R.S. 40:1248.8 shall be read to exclude such excluded
 15 providers.

16 * * *

17 §1248.7. Local provider participation fund; authorized uses

18 A. Each parish that collects a local hospital assessment payment authorized
 19 by this Subpart ~~or in which a rural institutional provider is located~~ shall create a local
 20 provider participation fund. All income received by a parish pursuant to the
 21 provisions of this Subpart, including the revenue from local hospital assessment
 22 payments remaining after discounts and fees for assessing and collecting the
 23 payments are deducted, shall be deposited in the local provider participation fund of
 24 the parish. Monies in the fund may be withdrawn only in accordance with and for
 25 purposes specified in the provisions of this Section.

26 * * *

27 C. Monies in the local provider participation fund may be used only for one
 28 or more of the following purposes:

1 (1) To fund intergovernmental transfers from a parish to the state to provide
 2 the nonfederal share of a program of Medicaid payments for the benefit of ~~rural~~
 3 ~~institutional providers or other hospitals in the parish authorized under the Medicaid,~~
 4 ~~state plan.~~

5 (2) To pay the administrative expenses of a parish associated exclusively
 6 with activities authorized by this Subpart in an amount not to exceed the amount
 7 specified in R.S. 40:1248.8 ~~five percent of the local hospital assessment payment.~~

8 * * *

9 §1248.8. Local hospital assessment payments; basis; calculation

10 A. Except as provided in Subsection E of this Section, a parish that collects
 11 a local hospital assessment payment authorized by this Subpart may require an
 12 annual local hospital assessment payment to be assessed quarterly using any basis
 13 permitted by 42 U.S.C. 1396b(w)(3) ~~on the net patient revenue of each institutional~~
 14 ~~provider located in the parish. In the first year in which the local hospital assessment~~
 15 ~~payment is required, the local hospital assessment payment shall be assessed on the~~
 16 ~~net patient revenue of an institutional provider as determined by the most recently~~
 17 ~~filed Medicaid cost report. The parish shall update the amount of the local hospital~~
 18 ~~assessment payment on an annual basis.~~

19 B. ~~The amount of a local hospital assessment payment~~ authorized by this
 20 Subpart shall be uniformly imposed on ~~proportionate with the amount of net patient~~
 21 ~~revenue generated by each paying hospital in the parish. In accordance with 42~~
 22 ~~U.S.C. 1396b(w), a local hospital assessment payment authorized by this Subpart~~
 23 ~~shall not hold harmless any institutional provider.~~

24 C. A parish that collects a local hospital assessment payment authorized by
 25 this Subpart shall set the amount of the local hospital assessment payment. The
 26 amount of the local hospital assessment payment required of paying hospitals may
 27 not exceed an amount that, when added to the amounts ~~amount of the local hospital~~
 28 ~~assessment payment required of each paying hospital may not exceed an amount~~
 29 ~~that, when added to the amount of the local hospital assessment payments required~~

1 ~~from all other paying hospitals in the parish, and the amount~~ of any other assessment,
 2 local hospital assessment payment, or tax imposed by the state with a similar
 3 purpose, equals an amount of revenue that exceeds six percent of the aggregate net
 4 patient revenue of all ~~paying~~ hospitals in the ~~parish~~ state. The local hospital
 5 assessment shall also meet all other relevant Centers for Medicare and Medicaid
 6 Services tests. No later than the tenth day before a hearing to set a rate pursuant to
 7 R.S. 40:1248.6, a parish shall inform the department of the amount of revenue to be
 8 collected under the proposed assessment. If the department determines that the
 9 amount collected will trigger issues with respect to the six percent limit, the
 10 department shall inform the parish, prior to the hearing, of any necessary reductions
 11 in the amount to be collected.

12 D. Subject to the maximum payment amount prescribed in Subsection C of
 13 this Section, a parish that collects a local hospital assessment payment authorized by
 14 this Subpart shall set local hospital assessment payments in amounts that in the
 15 aggregate will generate sufficient revenue to cover the administrative expenses of the
 16 parish for activities provided for in this Subpart and to fund the nonfederal share of
 17 a Medicaid ~~base rate payment~~ payment for the benefit of hospitals in the parish;
 18 except that the amount of revenue from local hospital assessment payments used for
 19 administrative expenses of the parish for activities provided for in this Subpart in a
 20 year may not exceed five percent of the total revenue generated from the local
 21 hospital assessment payment or twenty thousand dollars, whichever is lower ~~greater~~.

* * *

23 Section 2. R.S. 40:1248.11 and 1248.12 are repealed in their entirety.

24 Section 3. This Act shall become effective upon signature by the governor or, if not
 25 signed by the governor, upon expiration of the time for bills to become law without signature
 26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 28 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 558 Engrossed

2024 Regular Session

Turner

Abstract: Provides relative to the Local Healthcare Provider Participation Program.

Present law defines "institutional provider" as a nongovernmental hospital licensed in accordance with the present law. Proposed law redefines "institutional provider" as a governmental institutional provider, nongovernmental institutional provider, or rural hospital, as applicable, located in participating parishes.

Present law defines "rural institutional provider" as a rural hospital, other than one defined in present law, that is licensed by the La. Dept. of Health, that has no more than 60 hospital beds on a specific date, and meets certain criteria. Proposed law changes the term to a "rural hospital as defined in present law."

Proposed law defines "nongovernmental institutional provider" as a hospital licensed in accordance with present law that is not a governmental institutional provider or rural hospital.

Present law provides that the provisions of present law shall apply exclusively to parishes that meet certain criteria. Proposed law removes the criteria and provides that the provisions of present law shall apply to any parish in which at least two institutional providers are located.

Proposed law provides that a hospital provider may be included in assessment payments imposed under present law if the rural hospital and parish enter into a mutual agreement to include the rural hospital. Proposed law changes the reference to rural hospital further provides that a parish may include or exclude any or all governmental institutional providers from assessment payments imposed under present law.

Proposed law provides that, if a parish excludes providers, the definition of institutional provider as used in this present law shall be read to exclude certain providers.

Present law requires each parish that collects a local hospital assessment payment authorized by present law or in which a rural institutional provider is located to create a local provider participation fund. Proposed law removes language that requires each parish in which a rural institutional provider is located to create such a fund.

Present law provides that monies in the local provider participation fund may be used only to fund intergovernmental transfers as provided in present law in an amount not to exceed the 5% amount of the local hospital assessment payment as specified in present law. Proposed law removes references to rural institutional providers, replaces that language with rural hospitals, and discusses the 5% amount of the local hospital assessment payment.

Proposed law provides that, except as provided in present law, a parish that collects a local hospital assessment payment authorized by present law may require an annual local hospital assessment payment to be assessed quarterly on the net patient revenue of each institutional provider located in the parish. Present law further provides that in the first year in which the local hospital assessment payment is required, the local hospital assessment payment shall be assessed on the net patient revenue of an institutional provider and requires the parish to update the amount of the local hospital assessment payment on an annual basis.

Proposed law removes language relative to the net patient revenue of an institutional provider and requires the annual local hospital assessment payment to be assessed quarterly using any basis permitted by present law.

Present law requires the amount of a local hospital assessment payments authorized by present law to be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the parish. Proposed law requires the amount of a local hospital assessment payment authorized by present law to be uniformly imposed on each paying hospital in the parish.

Present law provides that the amount of the local hospital assessment payment required of each paying hospital may not exceed an amount that, when added to the amount of the local hospital assessment payments required from all other paying hospitals in the parish, and the amount of any assessment, local hospital assessment payment, or tax imposed by the state, equals an amount of revenue that exceeds 6% of the aggregate net patient revenue of all paying hospitals in the parish.

Proposed law provides the amount of the local hospital assessment payment required of paying hospitals may not exceed an amount that, when added to the amounts of any other assessment, local hospital assessment payment, or tax imposed by the state with a similar purpose, equals an amount of revenue that exceeds 6% of the aggregate net patient revenue of all hospitals in the state.

Present law provides that the amount of revenue from local hospital assessment payments used for administrative expenses for parish activities in a year may not exceed 5% of the total revenue generated from the local hospital assessment payment or \$20,000, whichever is greater. Proposed law amends present law to whichever is lower.

Proposed law repeals present law relative to enhanced reimbursement for governmental institutional providers and rural institutional providers.

Proposed law requires local hospitals to meet all other relevant Centers for Medicare and Medicaid Services (CMS) tests.

Proposed law requires a parish to inform the department of the amount of revenue to be collected under the proposed assessment no later than the 10th day before a hearing to set a rate in accordance with present law.

Proposed law further requires the department to inform the parish, prior to the hearing, of any necessary reductions in the amount to be collected if it determines that the amount collected will trigger certain issues with respect to the 6% percent limit.

Present law references funding the nonfederal share of a Medicaid base rate payment. Proposed law replaces that reference with "payment for the benefit of hospitals in the parish".

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 40:1248.1(3) and (6), 1248.3, 1287.7(A) and (C)(1) and (2), and 1248.8(A)-(D); Adds R.S. 40:1248.1(7) and 1248.5(D); Repeals R.S. 40:1248.11 and 1248.12)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Change references from "rural institutional provider" to "rural hospital".

2. Insert language regarding the required amount of the local hospital assessment payment.
3. Require local hospitals to meet all relevant CMS tests.
4. Establish provisions relative to rate setting, the collection of revenues, and reductions.
5. Change the "base rate payment" reference to "payment for the benefit of hospitals in the parish".
6. Make technical corrections.