



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 198** HLS 24RS 116
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 27, 2024 8:56 AM	Author: ECHOLS
Dept./Agy.: Louisiana Workforce Commission & Office of Risk MGMT	
Subject: Workers' Compensation Medical Fee Reimbursement Sched.	Analyst: Noah O'Dell

WORKERS COMPENSATION OR DECREASE EX See Note Page 1 of 1
 Provides for adoption of a medical fee reimbursement schedule for workers' compensation

Current law provides the Assistant Secretary of the Office of Workers' Compensation in the LA Workforce Commission (LWC) shall establish and promulgate a reimbursement schedule including charges limited to the mean of the usual and customary charges for such care, services, treatment, drugs, and supplies that are lawfully recognized in this state and which are applicable to any person or corporation who renders these. The Assistant Secretary shall have the authority to collect the information and data necessary to calculate the reimbursement schedule. Necessary adjustments to the reimbursement schedule may be made annually.

Proposed law repeals current law and instead clarifies that the reimbursement schedule shall include charges limited to the amount that would be due under Medicare times a multiplier of one and one-half, or the actual charge made for the service, whichever is less. Effective August 1, 2024.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is likely to decrease state expenditures by an indeterminable amount. The Office of Risk Management (ORM) funds Workers' Compensation for state employees through interagency transfers derived from premiums billed to state agencies. State agencies pay these premiums using different means of finance. If premiums fall due to lower costs in the ORM, all means of finance are anticipated to decrease.

The bill replaces the current medical fee schedule published by the Office of Workers' Compensation Administration with a standard across the board reimbursement rate based on the Medicare rate times a multiplier of one and one-half or the actual charge made for the service, whichever is less. Louisiana Workforce Commission (LWC) reports implementation of this change would require a change in workers' compensation rules via the Administrative Procedure Act, which can be accomplished using existing staff in the Office of Workers' Compensation Administration.

ORM reports the bill should increase efficiency and reduce costs within the agency. ORM reports Medicare payments are less than current workers' compensation payments. Even with the 50% upcharge of the Medicare rate, the agency anticipates a cost savings.

ORM also anticipates the bill will reduce the number of provider Disputed Claim for Compensation (Form LDOL-WC-1008) submissions for improper reimbursement and coding, which in turn should reduce the amount paid in penalties and attorney fees. The Legislative Fiscal Office cannot corroborate such savings will materialize, because these fees are associated with future claims and unknown circumstances.

Local government expenditures may also decrease by indeterminable amount as a result of the proposed law.

Note: ORM has been working with a third party vendor on a more detailed analysis regarding the impact of the adjusted fee schedules. When results of this analysis become available, the LFO will analyze the results and may incorporate justifiable findings into the fiscal note.

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}

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