

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 558** HLS 24RS 791

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 23, 2024	10:13 AM	Author: TURNER
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: Hospital Tax		

MEDICAID

EN SEE FISC NOTE SG RV

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Provides relative to the Local Healthcare Provider Participation Program

Proposed law provides for a hospital tax assessed on hospitals in certain parishes. Proposed law provides for exclusions; the tax applies to hospitals in any parish in which at least two institutional providers (as defined in the bill) are located, and a parish may include or exclude any or all governmental institutional providers (defined in the bill) from imposed payments. Proposed law provides that a hospital provider may be included in assessment payments imposed if the rural hospital and parish enter into a mutual agreement to include the rural hospital.

Proposed law provides that each parish that collects a local hospital assessment payment shall create a local provider participation fund. Monies in the fund is authorized to be used for certain purposes, including to 1) fund intergovernmental transfers from a parish to the state to provide the nonfederal share (state match) for Medicaid payments for the benefit of hospitals in the parish, and 2) to pay administrative expenses of a parish that participates (not to exceed 5%).

Proposed law provides that a parish that collects a local hospital assessment payment shall set the amount.

EXPENDITURES	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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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

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.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

EXPENDITURE EXPLANATION

Proposed law authorizes the hospital assessment revenues to be utilized for additional Medicaid payments for the benefit of hospitals in the parish. However, there is no requirement in the bill to use the new match source (non-Federal share) for Medicaid base rate increases, supplemental payments, or other payments.

REVENUE EXPLANATION

The amount of hospital assessment revenues that will be generated by the parish and transferred to LDH annually is indeterminable. Each participating parish has the discretion to participate (opt-out provision), and to determine the amount of the assessments per hospital within the parish. The amount of tax that can be assessed is limited to no more than 6% of the aggregate net patient revenue of all hospitals taxed by the state with a similar purpose (including any other hospital assessments).

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer