

RÉSUMÉ DIGEST

ACT 432 (HB 558)

2024 Regular Session

Turner

Prior law defined "institutional provider" as a nongovernmental hospital licensed in accordance with the existing law.

New law redefines "institutional provider" as a governmental institutional provider, nongovernmental institutional provider, or rural hospital, as applicable, located in participating parishes.

Prior law defined "rural institutional provider" as a rural hospital, other than one defined in existing 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.

New law changes the term to "rural hospital" as defined in existing law.

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

Prior law provided that the provisions of prior law shall apply exclusively to parishes that meet certain criteria.

New law removes the criteria and provides that such provisions shall apply to any parish in which at least two institutional providers are located.

New law provides that a rural hospital or governmental hospital may be included in assessment payments imposed under existing law if the rural hospital and parish enter into a mutual agreement to include the rural hospital or governmental hospital.

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

Existing law requires each parish that collected a local hospital assessment payment or in which a rural institutional provider is located to create a local provider participation fund. New law removes language that requires each parish in which a rural institutional provider is located to create such a fund and otherwise retains existing law.

Prior law provided that monies in the local provider participation fund may be used only to fund intergovernmental transfers as provided in existing law in an amount not to exceed the 5% amount of the local hospital assessment payment specified.

New law removes references to rural institutional providers, replaces that language with rural hospitals, and discusses the 5% amount of the local hospital assessment payment.

New law provides that, except as provided in existing law, a parish that collects a local hospital assessment payment authorized by existing 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. Existing 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.

New 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 existing law.

Prior law required the amount of a local hospital assessment payments authorized by existing law to be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the parish.

New law requires the amount of a local hospital assessment payment authorized by existing law to be uniformly imposed on each paying hospital in the parish.

Existing 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.

New 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.

Existing 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.

New law amends existing law to whichever is lower.

New law repeals prior law provisions relative to enhanced reimbursement for governmental institutional providers and rural institutional providers.

New law requires the local hospital assessment to meet all other relevant Centers for Medicare and Medicaid Services tests.

New law requires a parish to inform the department of the amount of revenue to be collected under the proposed assessment no later than the 20th day before a hearing to set a rate in accordance with existing law.

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

New law changes prior law reference from "the nonfederal share of a Medicaid base rate payment" to "the nonfederal share of a Medicaid payment for the benefit of hospitals in the parish".

New law provides that if the parish does not follow recommendations or requests from the department, the department may terminate, or refuse to enter into, any intergovernmental transfer agreements with the parish.

Effective upon signature of governor (June 3, 2024).

(Amends R.S. 40:1248.1(3) and (6), 1248.3, 1248.7(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)