

2025 Regular Session

HOUSE BILL NO. 658

BY REPRESENTATIVE TURNER

MEDICAID: Establishes the Medicaid Trust Fund for Addiction Recovery

1 AN ACT

2 To enact Chapter 54-A of Title 46 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 46:2693, relative to intergovernmental relations; to impose fees
4 on addiction recovery providers; to establish the Medicaid Trust Fund for Addiction
5 Recovery; to provide for the transfer, deposit, and use of monies in the Medicaid
6 Trust Fund for Addiction Recovery; to provide for an effective date; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 54-A of Title 46 of the Louisiana Revised Statutes of 1950,
10 comprised of R.S. 46:2693, is hereby enacted to read as follows:

11 CHAPTER 54-A MEDICAID TRUST FUND FOR ADDICTION RECOVERY

12 §2693. Medicaid Trust Fund for Addiction Recovery

13 A.(1) There is hereby established a permanent trust fund in the state treasury
14 designated the "Medicaid Trust Fund for Addiction Recovery", hereinafter referred
15 to in this Chapter as the "fund". After allocation of money to the Bond Security and
16 Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of
17 Louisiana, the treasurer shall deposit in and credit to the fund all money that is
18 received from any source, including but not limited to an intergovernmental transfer
19 program provided for in this Chapter and all income on investment of monies in the
20 fund.

1 (2) Monies in the fund shall be invested by the treasurer in the same manner
2 as monies in the state general fund, and interest earned on the investment of these
3 monies shall be credited to the fund. All unencumbered and unexpended monies in
4 the fund at the end of the fiscal year shall remain in the fund.

5 (3) Monies in the fund may be used as the source of state matching funds for
6 Medicaid funds to make enhanced payments to local government-owned health care
7 facilities.

8 B.(1) After July 1, 2025, the principal in the fund from proceeds received by
9 the state associated with the Opioid Abatement Settlement Fund, self-assessed fees,
10 federal grant allocations, or any other source shall not be subject to appropriation
11 unless authorized by a joint resolution approved by two-thirds of the elected
12 members of each house of the legislature and except to provide for:

13 (a) The re-basing of reimbursement rates for addiction providers in
14 accordance with the approved state Medicaid plan.

15 (b) The development and funding of a reimbursement system for the
16 Medicaid addiction provider program.

17 (c) The payment of all costs of local governments related to their
18 participation in the intergovernmental transfer program.

19 (d) The enhanced payment to any local government-owned health care
20 facilities or health care programs in amounts as required by written agreements
21 between the secretary and the local governments which are recommended by the
22 Intergovernmental Transfer Subcommittee created and established in R.S. 46:2692
23 and approved by the governor and the Joint Legislative Committee on the Budget.

24 (e) The reimbursement of the Louisiana Department of Health for costs
25 incurred in preparing the application for and implementing the intergovernmental
26 transfer program established in this Chapter.

27 (f) The reimbursement of any monies deposited into the fund as a result of
28 over payments of federal funds.

1 (2) Upon completion of the initial intergovernmental transfer, addiction
2 providers will be re-based in accordance with the approved state Medicaid plan. In
3 ensuing years, re-basing in accordance with the approved state Medicaid plan may
4 come from the principal in the trust, but shall be limited to earnings on investment
5 from the fund.

6 (3) Only earnings on investment from the fund may be appropriated each
7 fiscal year for services of the state Medicaid program in the following order of
8 priority:

9 (a) For providing for a wage enhancement for direct care personnel working
10 in Medicaid certified addiction provider settings in accordance with a plan
11 established by the Louisiana Department of Health and representatives of the
12 addiction provider industry. The plan shall provide for a direct pass-through of the
13 costs of such wage enhancement in a manner to ensure that the addiction provider
14 rate is adjusted to reflect the full costs of such wage enhancement.

15 (b) For appropriations solely and exclusively for services of the state
16 Medicaid program that are subject to federal financial participation in matching
17 funds.

18 (4) Monies in the fund shall not be used to displace, replace, or supplant
19 appropriations from the state general fund for the Medicaid program below the
20 amount of state general fund appropriations for the Medicaid program for the 2025-
21 2026 Fiscal Year unless the official forecast of recurring monies available for
22 appropriation which is utilized by the legislature in its adoption of the state budget
23 for the ensuing fiscal year as provided in R.S. 39:26 indicates that revenues for such
24 year will be insufficient to fund the state budget at the same level as the previous
25 year.

26 (5) The state treasurer shall report the status of the fund at least quarterly to
27 the secretary of the Louisiana Department of Health and the Intergovernmental
28 Transfer Subcommittee.

1 C.(1) The Louisiana Department of Health is hereby authorized to adopt and
2 impose fees for healthcare services provided by the Medicaid program on addiction
3 recovery providers. The amount of any fee shall not exceed the total cost to the state
4 of providing the healthcare service subject to such fee. In addition, the amount of
5 the fees imposed under the rules and regulations adopted shall not exceed the
6 percentage of net patient service revenues permitted by federal regulation pursuant
7 to 42 CFR 433.68 as determined by the department on a per occupied bed per day
8 basis.

9 (2) Any fee authorized by and imposed pursuant to this Section shall be
10 considered an allowable cost for purposes of insurance or other third party
11 reimbursements and shall be included in the establishment of reimbursement rates.

12 (3) Subject to the exceptions contained in Article VII, Section 9(A) of the
13 Constitution of Louisiana, all fees collected pursuant to the authority granted in this
14 Section shall be paid into the state treasury and shall be credited to the Bond Security
15 and Redemption Fund. Out of the funds remaining in the Bond Security and
16 Redemption Fund after a sufficient amount is allocated from that fund to pay all
17 obligations secured by the full faith and credit of the state which become due and
18 payable within any fiscal year, the treasurer shall, deposit the fees into the Medicaid
19 Trust Fund for Addiction Recovery an amount equal to the total amount of such fees
20 collected.

21 D. The department shall promulgate rules and regulations in accordance with
22 the Administrative Procedure Act necessary to administer the fees imposed herein,
23 including but not limited to rules and regulations regarding the collection and
24 payment of the fees and the records necessary to be maintained and made available
25 by the providers on whom the fees are imposed. Any such information, other than
26 the amount of fees collected from each provider and the total amount of revenues
27 generated by the fees authorized herein, which is received by any department or
28 agency of the state pursuant to this Chapter shall be held confidential.

1 E. The governor, by executive order, may designate any agency, department,
2 or division of state government to collect the fees authorized herein.

3 Section 2. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 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 658 Original

2025 Regular Session

Turner

Abstract: Establishes the Medicaid Trust Fund for Addiction Recovery and imposes a fee for addiction recovery services.

Proposed law establishes the Medicaid Trust Fund for Addiction Recovery. Monies in the fund shall be invested in the same manner as the state general fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund. Directs the treasurer to deposit money into the fund from any source, including but not limited to intergovernmental transfers. Permits the use of the monies in the fund as a source of state matching funds for Medicaid funds.

Proposed law authorizes the La. Dept. of Health (LDH) to adopt rules and regulations to impose fees on healthcare services provided by the Medicaid program on addiction recovery providers, and for collection and payment of the fees. Proposed law sets a limit on the fee.

Proposed law authorizes the principal in the fund from proceeds from an opioid settlement, self-assessed fees, federal grant allocations, or other sources to be subject to appropriation authorized by a joint resolution requiring a 2/3 vote. Proposed law requires the use of the principal for the re-basing of reimbursement rates of addiction providers, development and funding of a reimbursement for addiction providers, enhanced payment to any local government-owned health care facilities or programs, reimbursement of LDH for costs, and reimbursement of monies deposited into the fund as a result of over payments of federal funds.

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

(Adds R.S. 46:2693)