

LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 96** SLS 25RS 148
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 12, 2025	10:08 AM	Author: MCMATH
Dept./Agy.: Health/Medicaid		
Subject: Hospital/Intensive Outpatient program Reimb. Rates		Analyst: Anthony Shamis

MEDICAID EG +\$10,228,723 GF EX See Note Page 1 of 2
Establishes Medicaid reimbursement rates for certain behavioral health services. (7/1/25)

Proposed law provides that the Medicaid reimbursement rate for services provided as part of a hospital or intensive outpatient program shall be reimbursed at 100% of Medicare rates, subject to approval by the Centers for Medicare and Medicaid Services

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$10,228,723	\$9,552,359	\$9,838,930	\$10,134,098	\$10,438,121	\$50,192,231
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$958,072	\$1,973,628	\$2,032,837	\$2,093,822	\$2,156,636	\$9,214,995
Federal Funds	\$23,652,180	\$24,358,157	\$25,088,901	\$25,841,568	\$26,616,816	\$125,557,622
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$34,838,975	\$35,884,144	\$36,960,668	\$38,069,488	\$39,211,573	\$184,964,848

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$958,072	\$1,973,628	\$2,032,837	\$2,093,822	\$2,156,636	\$9,214,995
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$958,072	\$1,973,628	\$2,032,837	\$2,093,822	\$2,156,636	\$9,214,995

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in a \$34.8 M (\$10.2 M SGF; \$958,072 Stat. Ded.; and \$23.6 M Federal) in additional Medicaid expenditures in the Louisiana Department of Health (LDH) to reimburse hospital or intensive outpatient services for behavioral health at 100% of the Medicare Rate in FY 26. LDH reports that the following Medicaid rates will need to be adjusted as a result of this proposed legislation: (1) Substance Use Disorder Intensive Outpatient/Partial Hospitalization Program (SUD IOP/PHP) clinic rate; (2) Mental Health Intensive Outpatient/Partial Hospitalization Program (MHIOP/PHP) clinic rate; and (3) Mental Health Intensive Outpatient Program (MHIOP/PHP) hospital rate.

See below:

Service	Units	Curr. Rate	Medicare Rate	Change	Annual Amount
(1) SUD IOP/PHP	180,159	\$144.00	\$168.32	\$ 24.32	\$ 4,381,466.88
(2) MHIOP/PHP Clinic	11,960	\$0.00	\$139.78	\$139.78	\$ 1,671,768.80
(3) MHIOP/PHP Hospital	76,462	\$0.00	\$338.87	\$338.87	\$25,910,677.94
TOTAL					<u>\$31,963,913.62</u>

Notes:

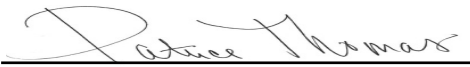
- (1) The SUD rate is the difference between the Medicare clinic rate of \$168.32 and the Medicaid rate of \$144.
(2) MHIOP clinic is based on the number of units in encounter data for MHIOP on a professional claim at an average of the two clinic rates of \$111.24 and \$168.32.
(3) MHIOP Hospital is based on the number of units in encounter data for MHIOP on an outpatient claim at an average of the two hospital rates of \$269.19 and \$408.55.

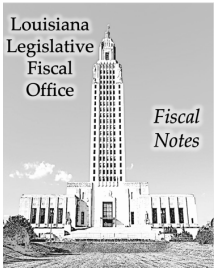
SEE EXPENDITURE INFORMATION ON PAGE 2

REVENUE EXPLANATION

Proposed law will result in an increase in Statutory Dedicated Medical Assistance Trust Fund (MATF) revenues within LDH, Medicaid program as a result of premium tax collections of 5.5% of Healthy LA Managed Care expenditures, as these reimbursements are anticipated to be paid through managed care premiums paid to the Healthy LA Managed Care Organizations. Premium tax collections are based on a calendar year, so FY 26 revenues are based on six months of collections (July through December 2025).

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input checked="" type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	


Patrice Thomas
Deputy Fiscal Officer



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 96** SLS 25RS 148
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 12, 2025	10:08 AM	Author: MCMATH
Dept./Agy.: Health/Medicaid		
Subject: Hospital/Intensive Outpatient program Reimb. Rates		Analyst: Anthony Shamis

CONTINUED EXPLANATION from page one: Page 2 of 2

<u>Fiscal Year</u>	<u>SGF</u>	<u>Premium Tax</u> ¹	<u>Federal</u>	<u>Total</u> ²	<u>FMAP</u> ³
FY 26	\$10,228,722.95	\$ 958,071.80	\$23,652,179.88	\$34,838,974.63	67.89%
FY 27	\$ 9,552,359.10	\$1,973,627.91	\$24,358,156.86	\$35,884,143.87	67.88%
FY 28	\$ 9,838,929.87	\$2,032,836.75	\$25,088,901.57	\$36,960,668.19	67.88%
FY 29	\$10,134,097.77	\$2,093,821.85	\$25,841,568.61	\$38,069,488.23	67.88%
FY 30	<u>\$10,438,120.70</u>	<u>\$2,156,636.51</u>	<u>\$26,616,815.67</u>	<u>\$39,211,572.88</u>	<u>67.88%</u>
TOTAL	<u>\$50,192,230.39</u>	<u>\$9,214,994.82</u>	<u>\$125,557,622.59</u>	<u>\$184,964,847.80</u>	

Notes:
(1) Premium Tax is Statutory Dedicated Medical Assistance Trust Fund. FY 26 reflects six months of premium tax, which is collected on a calendar year basis.
(2) Assumes a standard inflationary increase of 3% annually and 5.5% of total cost for Premium Tax Expenditures.
(3) Assumes all services will be provided through the Healthy LA Managed Care program at the Blended Federal Medical Assistance Percentage (FMAP) rate for FY 26 and subsequent fiscal years.