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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

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## DIGEST

Proposed law authorizes the governing authority of the city of Bogalusa to levy a provider fee on the operation of all hospitals within the city.

Proposed law specifically authorizes the city to:

- (1) Enter into a cooperative endeavor agreement with the Department of Health and Hospitals (DHH) in which the department agrees to undertake or continue programs or incur expenses for the performance of services under the federal Medicaid program within the city in an amount satisfactory to the governing authority of the city, limited to those programs and expenses for which a federal match under Title XIX of the Social Security Act is available.
- (2) Levy and collect within the city a provider fee on the operation of all hospitals within the city. "Hospital" is defined as any hospital licensed by the state under R.S. 40:2100 et seq., which is owned or operated by any entity except the state or a department of state government.

Proposed law requires the provider fee to be equal to the gross receipts from the operation of the hospital multiplied by a rate that cannot exceed 6%, or at such maximum provider fee rate that the city determines is authorized by federal law or regulations governing provider fee proceeds which may be used as a match for federal Medicaid program assistance.

Proposed law, after the necessary and reasonable expenses of collecting and administering the provider fee are paid, authorizes the remainder of the provider fee to be used by DHH as provided below, to be used for the purposes set forth in the ordinance adopted by the governing authority of the city, or to be used for both.

Authorizes the governing authority of the city to provide that the city or the collector of the fee may forward all or a portion of the provider fee, and interest, penalty, or other charges related to such fee, to the treasurer of the state to be used solely as follows provided for in proposed law.

The treasurer is required to deposit the proceeds forwarded in the Bogalusa Health Services Fund, a special fund created by the proposed law in the state treasury. The money in the fund must be appropriated by the legislature only to DHH to be used solely for state expenses for the Medicaid program within the city as provided for in the cooperative endeavor agreement between the department and the city, limited to those programs and expenses for which a federal match under Title XIX of the Social Security Act is available.

The money in the fund must be invested by the treasurer in the same manner as money in the

state general fund and interest earned on the investment of the money is credited to the fund. All unexpended and unencumbered money in the fund at the end of the year must remain in the fund.

Proposed law provides that the fee is to be paid in equal quarterly installments due on the 20<sup>th</sup> day of the 3<sup>rd</sup> month of each calendar quarter. The provider fee must be considered an allowable cost for purposes of Medicare and Medicaid cost reporting and reimbursement.

Requires the procedure established by the Uniform Local Sales Tax Code to be followed in the imposition, collection, and enforcement of the provider fee, except where inapplicable, and procedural details necessary to be established to supplement the provisions of the code and to make such provisions applicable to the provider are to be fixed in the ordinance adopted by the city.

The ordinance may also provide for a contract with the designated sales tax collector of Washington Parish for administration and collection of the provider fee, or with such other agency of the city or state as the governing authority of the city deems appropriate and necessary, with a reasonable amount to be paid to the collector.

Proposed law prohibits a hospital subject to the provider fee from passing on the cost of the provider fee or including it as an itemized and separately listed amount on any statement sent to any patient, responsible party, insurer, or self-insured employer program. If such a violation occurs, it must be considered a violation of hospital minimum standards by DHH. If any such party has reason to believe that the provider fee has been passed on to him, or an attempt was made to do so, he may submit in writing to the collector a request for an investigation along with evidence. The collector has an "affirmative duty" to protect the parties against any such violation.

Upon receipt of a written request for an investigation, the collector must conduct a full investigation in a timely manner and conduct a hearing in the same manner as such hearings are provided for in the provisions of the APA if the collector believes sufficient cause has been shown to warrant such hearing. If the collector declines to conduct a hearing, it must explain in writing to the requesting party its reasons for not further acting upon the complaint.

Upon any finding by the collector of a violation, the collector must order full restitution to the affected party, including judicial interest computed from the time that the violation occurred until payment of the restitution. Furthermore, the collector must forward his findings to DHH, which is required to conduct a hearing to determine the sanctions applicable thereto, which may include suspension or revocation of the violating hospital's license.

Requires any bill or statement sent to contain a statement that, "This bill does not contain any cost of the provider fee levied by the city of Bogalusa".

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

(Adds R.S. 33:2740.18)