

SENATE BILL NO. 44

BY SENATOR NEVERS

1 AN ACT

2 To enact R.S. 33:2740.18, relative to the city of Bogalusa; to authorize the city to levy a
3 provider fee upon hospitals in the city, subject to voter approval; to provide for the
4 use and distribution of fee proceeds; and to provide for related matters.

5 Notice of intention to introduce this Act has been published.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 33:2740.18 is hereby enacted to read as follows:

8 **§2740.18. City of Bogalusa provider fee; fund**

9 **A. As used in this Section the following words and terms have the**
10 **meaning ascribed to them in this Subsection, unless the context clearly indicates**
11 **a different meaning:**

12 **(1) "City" means the city of Bogalusa.**

13 **(2) "Collector" means the agency of the city designated in the ordinance**
14 **levying the provider fee provided for in this Section as the collector of the**
15 **provider fee or another entity of state or local government which contractually**
16 **agrees to collect such fee.**

17 **(3) "Department" means the Department of Health and Hospitals.**

18 **(4) "Fund" means the Bogalusa Health Services Fund.**

19 **(5) "Hospital" means any hospital licensed by the state under R.S.**
20 **40:2100 et seq., which is owned or operated by any entity except the state or a**
21 **department of state government.**

22 **(6) "Medicaid program" means the medical assistance program as**
23 **established in Title XIX of the Social Security Act and as administered in the**

1 state of Louisiana by the Department of Health and Hospitals.

2 (7) "Provider fee" or "fee" means the provider fee imposed by the city
3 as provided for in this Section and all interest, penalties, or other charges
4 related to such fee.

5 (8) "Secretary" means the secretary of the Department of Health and
6 Hospitals.

7 (9) "State" means the state of Louisiana.

8 B. Pursuant to the authority provided to the legislature by Article VI,
9 Section 30(A) of the Constitution of Louisiana, in addition to all other taxes and
10 fees, the governing authority of the city of Bogalusa may levy and collect a
11 provider fee on the operation of all hospitals within the city as provided for in
12 this Section. The fee so levied shall be imposed by an ordinance of the governing
13 authority of the city of Bogalusa; however, the fee shall be imposed only after
14 the question of its imposition has been approved by a majority of the qualified
15 electors in the city of Bogalusa who vote on a proposition authorizing the fee at
16 an election held for that purpose in accordance with the Louisiana Election
17 Code.

18 C. In addition to any other powers and authority, the city may:

19 (1) Enter into a cooperative endeavor agreement with the Department
20 of Health and Hospitals in which the department agrees to undertake or
21 continue programs or incur expenses for the performance of services under the
22 federal Medicaid program within the city in an amount satisfactory to the
23 governing authority of the city, limited to those programs and expenses for
24 which federal financial participation under Title XIX of the Social Security Act
25 is available.

26 (2) Levy and collect within the city a provider fee on the operation of all
27 hospitals within the city as provided for in this Section.

28 D.(1)(a) The amount of the provider fee to be collected for the operation
29 of a hospital within the city shall be equal to the gross receipts from the
30 operation of the hospital multiplied by a rate that shall not exceed six percent,

1 or at such maximum rate that the city determines is authorized by federal law
2 or regulations governing provider fee or other tax proceeds that may be used
3 as a match for federal Medicaid program assistance. The fee shall be paid in
4 equal quarterly installments due on the twentieth day of the third month of each
5 calendar quarter.

6 (b) The provider fee shall be imposed and collected uniformly
7 throughout the city.

8 (c) Any such provider fee collected shall be considered an allowable cost
9 for purposes of Medicare and Medicaid cost reporting and reimbursement.

10 (2) Except where inapplicable, the procedure established by the Uniform
11 Local Sales Tax Code shall be followed in the imposition, collection, and
12 enforcement of the provider fee, and procedural details necessary to be
13 established to supplement the provisions of those Sections and to make such
14 provisions applicable to the provider fee authorized in this Section shall be fixed
15 in the ordinance adopted by the governing authority of the city.

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

21 E. After paying the necessary and reasonable expenses of collecting and
22 administering the provider fee, the remainder of the provider fee may be used
23 as provided for in Subsection F of this Section or may be used for the purposes
24 set forth in the ordinance adopted by the governing authority of the city or may
25 be used for both.

26 F.(1)(a) The governing authority of the city of Bogalusa may provide that
27 the city or the collector of the fee as provided for in this Section may forward
28 all or a portion of the provider fee and interest, penalties, or other charges
29 related to such fee to the treasurer of the state to be used solely as provided for
30 in this Subsection.

1 **(b) After compliance with the requirements of Article VII, Section 9(B)**
2 **of the Constitution of Louisiana relative to the Bond Security and Redemption**
3 **Fund and prior to any money being placed into the general fund or any other**
4 **fund, the amount received by the treasurer shall be deposited immediately upon**
5 **receipt in the state treasury and shall be credited by the treasurer to a special**
6 **fund hereby created in the state treasury to be known as the "Bogalusa Health**
7 **Services Fund". The money in the fund shall be appropriated by the legislature**
8 **to be used solely as provided for in this Subsection.**

9 **(c)(i) The money in the fund shall be invested by the treasurer in the**
10 **same manner as money in the state general fund and interest earned on the**
11 **investment of the money shall be credited to the fund after compliance with the**
12 **requirements of Article VII, Section 9(B) relative to the Bond Security and**
13 **Redemption Fund.**

14 **(ii) All unexpended and unencumbered money in the fund at the end of**
15 **the year shall remain in the fund.**

16 **(d) The money in the Bogalusa Health Services Fund shall be**
17 **appropriated by the legislature only to the Department of Health and Hospitals**
18 **to be used solely for state expenses for the Medicaid program within the city of**
19 **Bogalusa as provided for in the cooperative endeavor agreement between the**
20 **department and the city, limited to those programs and expenses for which**
21 **federal financial participation under Title XIX of the Social Security Act is**
22 **available.**

23 **G.(1)(a) No hospital subject to the provider fee provided for in this**
24 **Section shall pass on the cost of the provider fee or include the provider fee as**
25 **an itemized and separately listed amount on any statement sent to any patient,**
26 **responsible party, insurer, or self-insured employer program. If such a violation**
27 **occurs, it shall be considered a violation of hospital minimum standards by the**
28 **Department of Health and Hospitals. If any such party has reason to believe**
29 **that the provider fee has been passed on to him or an attempt was made to do**
30 **so, he may submit in writing to the collector a request for an investigation along**

1 with evidence that the fee has been passed on or that an attempt was made to
2 pass on the fee. The collector shall have an affirmative duty to protect such
3 parties from any violation of this Subsection.

4 (b) Upon receipt of a written request for an investigation by an affected
5 party, the collector shall conduct a full investigation in a timely manner. Upon
6 completion of the investigation, the collector shall conduct a hearing in the same
7 manner as such hearings are provided for in the provisions of the
8 Administrative Procedure Act if the collector believes sufficient cause has been
9 shown to warrant such hearing. If the collector declines to conduct a hearing,
10 the collector shall explain in writing to the requesting party the reasons for not
11 further acting upon the complaint.

12 (c) Upon any finding by the collector of a violation of this Subsection, the
13 collector shall order full restitution to the affected party, including judicial
14 interest computed from the time that the violation occurred until payment of
15 the restitution. Furthermore, the collector shall forward the collector's findings
16 to the Department of Health and Hospitals, which shall conduct a hearing in the
17 matter to determine the sanctions applicable thereto, which may include
18 suspension or revocation of the violating hospital's license.

19 (2) Any bill or statement sent to a patient, responsible party, insurer, or
20 self-insured employer program after the initial effective date of this Subsection
21 shall contain a statement that, "This bill does not contain any cost of the
22 provider fee levied by the city of Bogalusa".

23 Section 2. In the event of a judgment by a court of competent jurisdiction that the
24 imposition of the provider fee in this Act is invalid or illegal because it lacks any statutory
25 or constitutional requirement for its lawful levy and collection, the court shall provide in its
26 judgment that such provider fee may be levied and collected by the city of Bogalusa after
27 the city fulfills such statutory or constitutional requirement.

28 Section 3. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature
30 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____