

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 1090** HLS 14RS 1537

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 16, 2014	2:09 PM	<b>Author:</b> HOLLIS
<b>Dept./Agy.:</b> DHH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> Health Care Compact		

HEALTH CARE

EG FF RV See Note

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Provides relative to the Interstate Health Care Compact

Proposed law enacts a Interstate Health Care Compact with Louisiana and other states for the purposes of regulating health care within respective states.

Proposed law provides that member states shall take joint and separate action to secure congressional consent to this compact in order to return the authority to regulate health care to the member states. Proposed law provides that compact states shall have a healthcare policy at the discretion of each state. Proposed law defines and provides for a funding level for each state funded by congress as mandatory spending. Funding from the federal government shall be based on 2010 health care spending in the state of Louisiana, and future funding will be based on population adjustments and inflation. Future funding will be reconciled by congress and audited by the U.S. Government Accountability Office.

Proposed law establishes an Interstate Advisory Health Care Commission with members of each compact state for the purposes of healthcare research and recommendations to each member state. See page 2

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

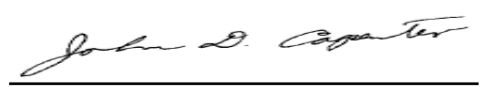
**EXPENDITURE EXPLANATION**

Proposed law seeks to take state action and action in conjunction with other states (through a compact) to secure congressional consent in order to establish broad health care programs in the member states that operate outside of current healthcare federal laws. The bill further includes Louisiana as a party to the Interstate Health Care Commission which is funded by member states. The states costs associated with commission activities is unknown, and will be determined by the member states. Information provided by the National Conference of State Legislatures (NCSL) reflects that seven states have enacted laws intended to create Interstate Health Care Compact legislation. These include Georgia, Indiana, Missouri, Oklahoma, South Carolina, Utah, and Texas.

**REVENUE EXPLANATION**

The revenue impact to DHH and the state is indeterminable. To the extent congressional action authorizes such compacts and authority, this measure would provide the state a health care block grant. The initial amount of the block grant established for Louisiana is equal to all federal healthcare funding in the state using 2010 as a base year. Federal monies spent on healthcare are projected to include, but are not limited to, Medicaid federal financial participation, Medicare federal funding, and federal grant funds. The LFO can not project the initial total block funding as the amount also is assumed to include local healthcare funding. Future block grant funding would be adjusted for population change and inflation. Each state of the compact will be required to determine the base funding level, which will be reconciled by the U.S. Accountability Office.

- |   |                            |              |  |
|---|----------------------------|--------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            |              | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}                  |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            |              | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

  
**John D. Carpenter**  
**Legislative Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**

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The commission shall be funded by member states. The commission may collect information and data to assist the member states in their regulation of healthcare, including assessing the performance of various state healthcare programs and compiling information on the prices of healthcare. The commission shall make this information available to member states. Proposed law provides for withdrawal procedures for a state.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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