



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 688** HLS 14RS 995
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 29, 2014	9:05 AM	Author: BISHOP, STUART
Dept./Agy.: DHH/Medicaid		
Subject: Medicaid Managed Care		Analyst: Shawn Hotstream

MEDICAID OR See Note Page 1 of 1
Provides requirements relative to primary care case management within the Medicaid managed care program

Proposed law requires the Department of Health and Hospitals to maintain a primary care case management program for so long as it operates a Medicaid managed care program that provides services to Medicaid enrollees through managed care organizations. The department shall offer all primary care case management options to a Medicaid enrollee at any time when he is allowed to enroll

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

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

EXPENDITURE EXPLANATION

The FY 15 Executive Budget does not contemplate eliminating the PCCM option for Medicaid managed care recipients, therefore there is no anticipated direct material effect on governmental expenditures as a result of this measure for FY 15. Currently, the Bayou Health Program (Louisiana Medicaid’s Managed Care Program) manages the care for approximately 900,000 Medicaid recipients through two managed care models. The models include a Prepaid, full risk bearing Managed Care Organization model and a a primary care case management (PCCM) Shared Savings model. However, this measure would limit the departments flexibility in future fiscal years to alter the current Medicaid managed care program. To the extent the department would choose to eliminate the shared savings plan option in future fiscal years, this measure may result in a indeterminable savings in future fiscal years.

Information provided by the Department of Health and Hospitals indicates a lower average cost associated with Prepaid managed care versus Shared Savings managed care. Based on a cost comparison of Prepaid Managed Care versus Shared Savings Plan managed care over 8 months of historical spending (from January to August 2013), the average Prepaid PMPM reflected is \$265.42, and the average Shared Plan PMPM is \$287.40, or a difference of \$21.98 per member per month). The analysis accounts for the mix of enrollment by category of assistance and the health status of plan members. The various categories of assistance include the SSI category (disabled), Breast and Cervical Cancer category, Foster Children category, and the non disabled Family and Children category. DHH indicates Prepaid plans have a larger share of higher cost SSI members, while shared have a larger share of lower costs Family and Children members. The mix adjustment creates a weighted average that provides for a comparability across plan types.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

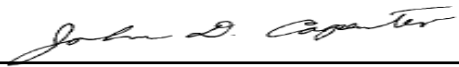
☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

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

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

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

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



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