

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



Fiscal Note On: **SB 382** SLS 14RS 652  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 7, 2014 6:33 AM	<b>Author:</b> LAFLEUR
<b>Dept./Agy.:</b> Health and Hospitals	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Priveleges for health care providers	

PRIVILEGES/LIENS RE SEE FISC NOTE GF EX See Note Page 1 of 1  
 Provides with respect to privileges for health care providers. (8/1/14)

Present law provides that a health care provider, hospital or ambulance service that furnishes services or supplies to any injured person shall have a privilege for the reasonable charges or fees of such provider, hospital or ambulance service (not to exceed the median rate negotiated with health care providers) on the net amount payable to the injured person, his heirs, or legal representatives, out of the total amount of any recovery or sum had, collected, or to be collected, whether by judgment or by settlement or by compromise, from another person on account of such injuries, and on the net amount payable by any insurance company under any contract providing for indemnity or compensation to the injured person. The privilege of an attorney has precedence over the privilege created in present law. Proposed law retains present law and adds that the health care provider's privilege shall attach to the net amount payable to the injured person out of the total amount and on the net amount payable by any insurance company in accordance with proposed law. The privilege, when timely filed, shall interrupt prescription and shall remain effective until released or paid in accordance with proposed law.

EXPENDITURES	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>5 -YEAR TOTAL</u>
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	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>	<u><b>\$0</b></u>
<b>Annual Total</b>						

REVENUES	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>5 -YEAR TOTAL</u>
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	\$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>	<u><b>\$0</b></u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law may potentially result in an indeterminable decrease in Medicaid claims payments.

Proposed law provides that a health care provider, hospital or ambulance service may file for privilege for reasonable charges or fees (not to exceed the median rate negotiated with health care providers) against the net amount payable to an injured person whether by judgment, settlement or compromise. The privilege, when timely filed, shall interrupt prescription and shall remain effective until the provider's charge is released or paid. DHH reports the current prescriptive period to be three years in which an entity may seek reimbursement of charges from a third party. Proposed law will essentially eliminate the prescriptive period for any service provider that files for privilege and allow that provider to recover charges beyond the prescriptive period without filing lawsuit assuming the existence of a judgment, settlement or compromise.

To the degree that service providers elect to seek cost reimbursements outside of the existing precriptive period by exercising privilege against recoverable awards to Medicaid eligible injured persons, there would be a corresponding decrease in charges submitted to Medicaid. The number of providers that may choose to seek recoverable charges through proposed law cannot be quantified and therefore any potential savings to Medicaid expenditures are unknown. Any projected savings would be determined by aggregate business decisions of individual eligible providers.

**REVENUE EXPLANATION**

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

- |   |  |   |
|---|--|---|
| Senate  | <u>Dual Referral Rules</u>   | House   |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    | <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} |   |

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**