
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 170 Original

2016 Regular Session

Talbot

Abstract: Requires the Dept. of Health and Hospitals, to the extent allowed by federal regulations, to institute Medicaid cost containment measures including cost sharing and a limitation on coverage of nonemergency services delivered in hospital emergency rooms.

General provisions

Proposed law provides the following findings relative to the cost of the Medicaid program:

- (1) From state fiscal year 2007-2008 to state fiscal year 2015-2016:
 - (a) The total annual operating budget of this state decreased by 11.9%.
 - (b) Total expenditures on the Medicaid program of this state increased by 40.9%.
 - (c) State expenditures on the Medicaid program increased by 94.7%.
 - (d) Medicaid remained the largest single item in Louisiana's operating budget.
- (2) At over \$8,380,000,000, Medicaid comprises 34.2% of Louisiana's total operating budget in state fiscal year 2015-2016; whereas Medicaid comprised 21.5% of the state's operating budget in state fiscal year 2007-2008.

Proposed law finds that limiting Medicaid coverage of nonemergency services delivered in hospital emergency departments is a sensible and fiscally responsible policy as it provides a prudent means of containing Medicaid costs; and that cost containment measures in the Medicaid program are essential means for enhancing the efficiency and effectiveness of health care delivered to the population served by the program.

Proposed law declares that cost containment in the Medicaid program is an urgent fiscal and public health priority of this state.

Proposed law requires the secretary of the Department of Health and Hospitals (DHH) to promulgate all rules and regulations, submit any Medicaid state plan amendments, and take all other actions as are necessary to implement the provisions of proposed law.

Medicaid Cost Sharing

Proposed law requires DHH to develop and implement policies which apply each cost sharing function authorized pursuant to federal Medicaid regulations, 42 CFR 447.50 et seq., to Medicaid enrollees who are not specifically exempted from such cost sharing functions by federal law; except the secretary shall not be required to apply any cost sharing function which is based upon an eligibility standard, health service, or any other factor or measure which is not encompassed by the Medicaid program of this state.

Functions authorized pursuant to federal Medicaid regulations which proposed law requires DHH to impose include the following:

- (1) Cost sharing for inpatient and outpatient services (42 CFR 447.52).
- (2) Cost sharing for preferred and nonpreferred drugs (42 CFR 447.53).
- (3) Cost sharing for nonemergency services furnished in a hospital emergency department (42 CFR 447.54).
- (4) Assessment of premiums upon individuals whose income exceeds certain levels specified in federal regulations (42 CFR 447.55).

Proposed law provides that in implementing the cost sharing functions required in proposed law, DHH shall set the amount of each cost assigned to nonexempt Medicaid enrollees at a level allowed by federal regulations which maximizes the net reduction of state Medicaid program expenditures resulting from the respective cost sharing function.

Proposed law provides that whenever a Medicaid cost sharing function is added, deleted, expanded, limited, or otherwise revised pursuant to rules and regulations promulgated by the federal Medicaid agency, DHH shall revise and reinstate the pertinent policies correspondingly to provide for such cost sharing functions and their respective levels.

Limitation on Medicaid Coverage for Certain Nonemergency Services

Proposed law requires DHH to develop and implement policies which provide for a prohibition on Medicaid reimbursement for any health care service delivered in an emergency room to a Medicaid enrollee when all of the following conditions apply:

- (1) The service is to treat any health condition classified by Medicaid program policy as nonemergent.
- (2) The enrollee has been treated in an emergency room for any health condition classified by Medicaid program policy as nonemergent on three separate occasions within the past year, and the Medicaid program provided reimbursement on each occasion for such treatment.

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

(Adds R.S. 46:460.101-460.122)