

2016 Regular Session

HOUSE BILL NO. 566

BY REPRESENTATIVE RICHARD

MEDICAID: Requires the Department of Health and Hospitals to institute certain Medicaid cost containment measures

1 AN ACT

2 To enact Part XIV of Chapter 3 of Title 46 of the Louisiana Revised Statutes of 1950, to be  
3 comprised of R.S. 46:460.101 through 460.122, relative to the Medicaid cost  
4 containment; to provide for legislative findings; to provide for definitions; to require  
5 implementation of certain federally authorized cost sharing functions; to limit  
6 coverage for certain health services delivered in hospital emergency departments; to  
7 provide for rulemaking authority; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Part XIV of Chapter 3 of Title 46 of the Louisiana Revised Statutes of  
10 1950, comprised of R.S. 46:460.101 through 460.122, is hereby enacted to read as follows:

11 PART XIV. MEDICAID COST CONTAINMENT

12 SUBPART A. GENERAL PROVISIONS

13 §460.101. Definitions

14 As used in this Part, the following terms have the meaning ascribed in this

15 Section:

16 (1) "Centers for Medicare and Medicaid Services" means the division of the  
17 United States Department of Health and Human Services which regulates the  
18 Medicaid program.

1           (2) "Cost sharing" means a contribution that a Medicaid enrollee makes  
2           toward the cost of a Medicaid-covered health service which he utilizes, through  
3           mechanisms including but not limited to deductibles, copayments, and coinsurance.

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

5           (4) "Emergency room" means an emergency department operated within a  
6           hospital facility licensed pursuant to the Hospital Licensing Law, R.S. 40:2100 et  
7           seq.

8           (5) "Medicaid" and "medical assistance program" mean the medical  
9           assistance program provided for in Title XIX of the Social Security Act.

10           (6) "Secretary" means the secretary of the Department of Health and  
11           Hospitals.

12           §460.102. Legislative findings; declaration

13           A. The Legislature of Louisiana does hereby find and declare the following:

14           (1) Medicaid constitutes the largest single programmatic item in the budget  
15           of this state.

16           (2) The system of funding for the Medicaid program as currently structured  
17           is unsustainable, and cost containment in this major assistance program is an urgent  
18           priority of this state.

19           (3) It is the intent of the legislature by enactment of this Part to contain  
20           Medicaid program costs while protecting the health of the persons who utilize the  
21           program.

22           (4) Limiting Medicaid coverage of nonemergency services delivered in  
23           hospital emergency departments is a sensible and fiscally responsible policy as it  
24           provides a prudent means of containing Medicaid costs.

25           B. Cost containment measures in the Medicaid program are essential means  
26           for enhancing the efficiency and effectiveness of health care delivered to the  
27           population served by the program. Therefore the legislature declares that it shall be  
28           the policy of this state to pursue all available Medicaid cost containment  
29           opportunities authorized by federal law, regulation, and policy.



1        §460.112. Rules and regulations

2                The secretary shall promulgate all rules and regulations in accordance with  
3        the Administrative Procedure Act, submit any Medicaid state plan amendments, and  
4        take all other actions as are necessary to institute the Medicaid cost sharing functions  
5        provided for in this Subpart.

6        SUBPART C. COVERAGE LIMITATION FOR NONEMERGENCY SERVICES7        §460.121. Limitation on coverage for nonemergent conditions

8                The secretary of the department shall develop and implement medical  
9        assistance program policies which provide for a prohibition on Medicaid  
10       reimbursement for any healthcare service delivered in an emergency room to a  
11       Medicaid enrollee when all of the following conditions apply:

12                (1) The service is to treat any health condition classified by Medicaid  
13       program policy as nonemergent.

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

18       §460.122. Rules and regulations

19                The secretary shall promulgate all rules and regulations in accordance with  
20       the Administrative Procedure Act, submit any Medicaid state plan amendments, and  
21       take all other actions as are necessary to institute the limitation on coverage for  
22       nonemergent conditions provided for in this Subpart.

23        Section 2. This Act shall become effective upon signature by the governor or, if not  
24 signed by the governor, upon expiration of the time for bills to become law without signature  
25 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
26 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
27 effective on the day following such approval.

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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)]

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HB 566 Original

2016 Regular Session

Richard

**Abstract:** Requires DHH, 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.

Proposed law defines key terms used in proposed law including "cost sharing", "emergency room", "Medicaid", and "medical assistance program".

Proposed law requires DHH to develop and implement each cost sharing function applicable to the Medicaid program of this state as authorized by federal regulations to Medicaid enrollees who are not specifically exempted from such cost sharing functions, such as children, pregnant women, and institutionalized individuals.

Proposed law requires DHH to set the amount of each cost assigned to nonexempt Medicaid enrollees at a level allowed by federal Medicaid regulations which maximizes the net savings to the state resulting from the respective cost sharing function. Proposed law prohibits DHH from instituting a cost sharing function for which the administrative costs of implementing the function would exceed the savings estimated to result from the function.

Proposed law requires DHH, whenever a cost sharing function is added, deleted, expanded, limited, or otherwise revised by the Centers for Medicare and Medicaid Services, to revise and reinstate pertinent Medicaid policies correspondingly to provide for the cost sharing functions and their respective levels.

Proposed law establishes a limit for coverage for nonemergency use of a hospital emergency room for any healthcare 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.

Proposed law requires DHH to promulgate all rules and regulations, submit any Medicaid state plan amendments, and take all other actions as are necessary to institute the Medicaid cost sharing functions required by proposed law.

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

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