

2016 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 51

BY REPRESENTATIVES BARRAS AND LEGER

HOSPITALS: Provides for a hospital stabilization formula

1 A CONCURRENT RESOLUTION

2 To provide for a hospital stabilization formula pursuant to Article VII, Section 10.13 of the
3 Constitution of Louisiana; to establish the level and basis of hospital assessments;
4 to establish certain reimbursement enhancements for inpatient and outpatient hospital
5 services; to establish certain criteria for the implementation of the formula; to
6 provide for related matters.

7 WHEREAS, in accordance with the Louisiana Constitution, the Legislature of
8 Louisiana hereby adopts the first subsequent hospital stabilization formula subsequent to the
9 formula in House Concurrent Resolution 75 of the 2015 Regular Session; and

10 WHEREAS, through the adoption of this Resolution, the Legislature of Louisiana
11 hereby seeks to:

12 (1) Preserve and enhance the availability of inpatient and outpatient hospital
13 services for the citizens of Louisiana.

14 (2) Preserve and protect rural hospitals as provided in the Rural Hospital
15 Preservation Act, pursuant to R.S. 40:1300.141 et seq.

16 (3) Enhance the stability of hospital funding by utilizing a fiscally-prudent
17 healthcare driven solution that does not rely on the use of state general fund
18 and provides a reliable and recurring source of funding for healthcare
19 services.

20 (4) Minimize the effects of shifting the cost of caring for those Louisiana
21 citizens who are uninsured to those who are able to obtain health insurance.

1 (5) Create flexibility to design a plan to provide for more efficient and effective
2 ways to maximize the state's use of monies currently expended for the
3 provision of health care services to the state's low income and uninsured
4 residents.

5 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
6 enact the annual hospital stabilization formula pursuant to Article VII, Section 10.13 of the
7 Constitution of Louisiana:

8 I. Hospital Stabilization Assessment.

9 A. The Department of Health and Hospitals shall calculate, levy, and collect
10 an assessment for each assessed hospital in accordance with Subsection B of this
11 Section if all of the following occur:

12 (1) The applicable federal financial participation, as set forth in 42 U.S.C.
13 1396d(y) of Title XIX of the Social Security Act, is less than one hundred percent.

14 (2) The Department of Health and Hospitals has submitted a medicaid
15 assessment report to the Joint Legislative Committee on the Budget at least thirty
16 days prior to the department submitting any necessary documentation to the Centers
17 for Medicare and Medicaid Services for purposes of obtaining approval to implement
18 the assessment. The medicaid assessment report shall include a description of the
19 proposed assessment, the basis for the calculation of the assessment, and a listing of
20 each hospital included in the proposed assessment.

21 (3) The Joint Legislative Committee on the Budget has not rejected the
22 medicaid assessment report within thirty days after receiving the medicaid
23 assessment report from the Department of Health and Hospitals.

24 B.(1) The total assessment for the state fiscal year shall be equal to, but shall
25 not exceed, the lesser of the following:

26 (a) The state portion of the cost, excluding any federal financial
27 participation, of the reimbursement enhancements provided for in Paragraph (1) of
28 Section II of this Resolution which are directly attributable to payments to hospitals.

1 (b) One percent of the total inpatient and outpatient hospital net patient
2 revenue of all hospitals included in the assessment, as reported in the Medicare cost
3 report ending in state fiscal year 2015.

4 (2) The Department of Health and Hospitals shall allocate the assessment to
5 each assessed hospital on a pro rata basis by calculating the quotient of the total
6 assessment divided by the total inpatient and outpatient hospital net patient revenue
7 of all assessed hospitals as reported in the Medicare cost report ending in state fiscal
8 year 2015 and multiplying the quotient by each assessed hospital's total inpatient and
9 outpatient hospital net patient revenue. If a hospital was not required to file a
10 Medicare cost report or did not file a Medicare cost report ending in state fiscal year
11 2015, the hospital shall submit to the Department of Health and Hospitals its most
12 applicable calendar year total of inpatient and outpatient hospital net patient revenue
13 in a form prescribed by the department.

14 (3) The Department of Health and Hospitals shall levy and collect the
15 assessment provided for in this Section on a quarterly basis at the beginning of each
16 quarter that the assessment is due. Prior to levying or collecting the assessment for
17 the applicable quarterly period, the Department of Health and Hospitals shall publish
18 in the Louisiana Register the total amount of the quarterly assessment and the
19 corresponding applicable percentage of total inpatient and outpatient hospital net
20 patient revenue that will be applied to the assessed hospitals.

21 (4) The Department of Health and Hospitals shall publish on a quarterly
22 basis a report containing data directly related to the revenue enhancement provided
23 for in Paragraph (1) of Section II of this Resolution. The report shall include the
24 following:

25 (a) Total medicaid enrollment on a monthly basis.

26 (b) The average monthly premium paid to managed care organizations
27 providing benefits and services to eligible medicaid enrollees and the portion of
28 premium related to hospital payments.

29 (c) The aggregate medicaid claims payment by provider type.

1 (d) The total amount of inpatient and outpatient medicaid claims paid to
2 hospitals delineated by individual hospital.

3 C.(1) The Department of Health and Hospitals shall exclude a hospital from
4 the assessment if any of the following are applicable:

5 (a) The hospital is certified by Medicare as a separately licensed long-term
6 acute care, rehabilitation, or psychiatric hospital.

7 (b) The hospital has sixty or less beds, either as reported in the Medicare cost
8 report ending in state fiscal year 2015 or as licensed by the Department of Health and
9 Hospitals on December 31, 2015.

10 (c) The hospital meets the definition of a rural hospital as defined in R.S.
11 40:1300.143.

12 (d) Hospitals separately licensed and specifically organized to provide
13 services to women or children.

14 (2) In the event the Centers for Medicare and Medicaid Services disapproves
15 any documentation submitted to the Centers for Medicare and Medicaid Services
16 that is necessary to obtain approval to implement the assessment, the Department of
17 Health and Hospitals may, notwithstanding the provisions of Paragraph (1) of this
18 Subsection, modify the submission as necessary to achieve approval of the
19 assessment from the Centers for Medicare and Medicaid Services. In addition, the
20 Department of Health and Hospitals shall submit a subsequent medicaid assessment
21 report to the Joint Legislative Committee on the Budget in the same manner as
22 required in Paragraphs (2) and (3) of Subsection A of this Section.

23 II. Reimbursement Enhancements.

24 The Department of Health and Hospitals shall provide for reimbursement
25 enhancements as follows:

26 (1) Payment for health care services through the implementation of a health
27 coverage expansion of the Louisiana medical assistance program that meets all the
28 requirements necessary for the state to maximize federal matching funds as set forth
29 in 42 U.S.C. 1396d(y) of Title XIX of the Social Security Act.

1 (2) Effective January 1, 2017, provided that the Department of Health and
 2 Hospitals implements a hospital stabilization assessment in accordance with the
 3 provisions of this Resolution, for hospitals subject to any rate reduction after
 4 December 31, 2010, payment of either the hospital inpatient and outpatient
 5 reimbursement rates which were in effect on December 31, 2010, or such rates which
 6 were in effect on June 30, 2013, whichever is greater, for hospital services provided
 7 pursuant to the Louisiana medical assistance program.

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)]

HCR 51 Original

2016 Regular Session

Barras

Provides for a hospital stabilization formula pursuant to Art. VII, Sec. 10.13 of the Constitution of La., including an assessment and reimbursement enhancements.

Requires the Dept. of Health and Hospitals (DHH) to calculate, collect, and levy an assessment from hospitals equal to the lesser of one of the following:

- (1) The state portion of the cost, excluding any federal financial participation, of the reimbursement enhancements from the payment for health care services through the implementation of Medicaid expansion which are directly attributable to payments to hospitals.
- (2) 1% of the total net patient revenue of all hospitals included in the assessment, as reported in the Medicare cost report ending in state FY 2015.

Further provides for the allocation of the assessment to each assessed hospital based on a pro rata calculation. Authorizes the DHH to exclude certain hospitals from the assessment.

Provides for the assessment if the following occur:

- (1) The applicable federal financial participation for newly eligible Medicaid recipients under Medicaid expansion is less than 100%.
- (2) DHH submits a medicaid assessment report to the Joint Legislative Committee on the Budget (JLCB) at least 30 days before seeking approval of the assessment from the Centers for Medicare and Medicaid Services (CMS).
- (3) The JLCB does not reject the report within 30 days of receiving the report.

Provides for reimbursement enhancements as follows:

- (1) Payment for health care services through the implementation of Medicaid expansion.
- (2) Effective Jan. 1, 2107, provided that the DHH implements a hospital stabilization assessment, for hospitals subject to a rate reduction after Dec. 31, 2010, payment of hospital inpatient and outpatient reimbursement rates which were in effect on Dec. 31, 2010, or rates that were in effect on June 30, 2013, whichever is greater.

Requires DHH to quarterly publish a report that includes total medicaid enrollment, average monthly medicaid managed care premium rates, aggregate claims by provider, and the total amount of hospital claims by hospital.