

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 258** HLS 16RS 830
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 20, 2016 8:58 AM	Author: JOHNSON
Dept./Agy.: Department of Health and Hospitals (DHH)	Analyst: Willis Brewer
Subject: Denial or revocation of Medicaid provider agreements	

MEDICAID OR SEE FISC NOTE GF EX Page 1 of 1

Provides relative to grounds and procedures for denial or revocation of Medicaid provider enrollment and eligibility for health facility licensure

DHH may deny or revoke enrollment in the medical assistance program to a healthcare provider under RS 46:437.14. The proposed law adds to present law the Federal False Claims Act, the Federal Civil Monetary Penalties Act, or an other similar statutes pertaining to fraud as grounds for denial or revocation of a Medicaid provider agreement.

Proposed law requires DHH to promulgate emergency rules requiring an immediate review of all active Medicaid provider agreements. Proposed law requires any healthcare provider seeking a license to operate in a facility that is maintained, owned, or operated by its affiliate healthcare provider to disclose to DHH any violation of present or proposed law. Proposed law additional provides that if at least five years passed since violation by healthcare provider, the provider shall be eligible to apply for a license.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This bill may have significant impact to healthcare providers in the state. There is no collected and verified data on the number of healthcare providers that have entered into a settlement agreement under the current and proposed law pertaining to fraud civil statutes. In the event a healthcare provider is found to be in violation of any of the fraud provisions identified in this measure, DHH may deny or revoke enrollment to the provider. Any Medicaid payments made to any provider that would be in violation of these provisions is assumed to be eliminated to such provider.

Currently, DHH may revoke or deny enrollment to a healthcare provider enrolled in the medical assistance programs if any provider or its agents/employees convicted of a federal or state criminal offense relating to the delivery of goods, neglect/abuse of patient(s), unlawful use (manufacturing, distribution, prescription, or dispensing) of controlled substance, fraud, theft, embezzlement, breach of fiduciary duties/financial misconduct, imprisonment due to moral turpitude (acts against elderly, children, or people with infirmities), and interference/obstruction of any investigation.

This measure retains these provisions and adds that any provider found to be in violation of entering into a settlement agreement for any of these criminal offenses, or offenses under the Federal False Claims Act, Federal Civil Monetary Penalties Act, or any civil statutes pertaining to fraud.

DHH will be required to send documents to current healthcare providers enrolled in a medical assistance program and any new provider seeking a license for the provider to disclose to DHH whether the provider is in violation of any these fraud provisions. DHH has stated it will require one additional employee at \$92,190 (salary and benefits) in order to review all current and future provider agreements to ensure all healthcare providers enrolled in the medical assistance program have not entered into any such settlement agreements. The department has not verified the extent of the review process. The LFO has requested additional workload information from DHH in order to verify the need for additional position.

REVENUE EXPLANATION

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

Senate Dual Referral Rules House

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

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

Evan Brasseaux

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