

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 790** HLS 16RS 1167

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2016	1:40 PM	Author: LEGER
Dept./Agy.: DHH/Medicaid		Analyst: Shawn Hotstream
Subject: Medicaid managed care		

MEDICAID OR GF EX See Note Page 1 of 1
Provides for implementation of a Medicaid managed long term services and supports system

Proposed law requires the secretary to establish a Medicaid Managed Long Term Services and Supports system (MLTSS) within the Medicaid managed care program through a waiver.

Proposed law further provides that the secretary shall select one or more capitated managed care plans as the MLTSS contractor or contractors through a competitive request for proposal (RFP) process. The secretary shall complete the RFP before July 1, 2016, and ensure that the initial phase of implementation of the MLTSS system begins on or before October 1, 2016, and that full implementation of the system is completed on or before October 1, 2017.

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>	<u>\$0</u>
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

This measure provides for the delivery of long term care services and supports through capitated Medicaid managed care plans. Currently, long term services are provided to certain populations through legacy Medicaid using a fee for service delivery system. The fiscal impact resulting from the transition of long term care recipients into managed care is indeterminable, and will depend on the parameters of the program. Information provided by the Department of Health and Hospitals indicates program design has not been developed.

CMS authorizes broad flexibility in MLTSS program design (operated under various federal authorities at the discretion of the state, or through a state plan amendment). Specifically, the impact will depend on benefit design (type of benefits offered and whether all benefits offered should be fully integrated under managed care or some benefits carved out), populations included, and mandatory vs optional enrollment requirements. These decisions will be utilized for capitation rate setting (cost of the eligible individual). Rate setting would ultimately be used to determine cost comparisons to determine additional state costs or state general fund savings associated with the new program.

REVENUE EXPLANATION

To the extent long term care populations will be placed in full risk capitated plans, additional premium tax revenues are anticipated to be generated and deposited into the Medical Assistance Trust Fund (MATF). R.S. 22:842 imposes a 2.25% premium tax on insurance premiums related to health.

Senate Dual Referral Rules House

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| <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"/> 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} |

John D. Carpenter
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