

2015 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 75

BY REPRESENTATIVES KLECKLEY, ADAMS, ARMES, ARNOLD, BADON, BARROW, BILLIOT, WESLEY BISHOP, BOUIE, BROWN, BURRELL, EDWARDS, GAINES, GISCLAIR, GUILLORY, HALL, HILL, HOWARD, HUNTER, JACKSON, JAMES, JEFFERSON, JONES, TERRY LANDRY, LEBAS, LEGER, MONTOUCET, NORTON, PIERRE, PRICE, REYNOLDS, SCHRODER, SHADOIN, SMITH, ST. GERMAIN, ALFRED WILLIAMS, PATRICK WILLIAMS, WILLMOTT, AND WOODRUFF

A CONCURRENT RESOLUTION

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

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

- (1) Preserve and enhance the availability of inpatient and outpatient hospital services for the citizens of Louisiana.
- (2) Preserve and protect rural hospitals as provided in the Rural Hospital Preservation Act, pursuant to R.S. 40:1300.141 et seq.
- (3) Enhance the stability of hospital funding by utilizing a healthcare driven solution which provides a reliable and recurring source of funding for healthcare services.
- (4) Minimize the effects of shifting the cost of caring for those Louisiana citizens who are uninsured to those who are able to obtain health insurance.
- (5) Create flexibility to design a plan to provide for more efficient and effective ways to maximize the state's use of monies currently expended for the provision of health care services to the state's low income and uninsured residents.

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

I. Hospital Stabilization Assessment.

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

(1) Implementation of the reimbursement enhancements as provided for in Paragraph (1) of Section II of this Resolution on or before April 1, 2016.

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

(3) Approval from the Joint Legislative Committee on the Budget of the proposed assessment, including a list of each hospital that will be assessed.

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

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

(b) One percent of the total net patient revenue of all hospitals included in the assessment, as reported in the Medicare cost report ending in federal fiscal year 2013.

(2) The Department of Health and Hospitals shall allocate the assessment to each assessed hospital on a pro rata basis by calculating the quotient of the total assessment divided by the total net patient revenue of all assessed hospitals as reported in the Medicare cost report ending in federal fiscal year 2013 and multiplying the quotient by each assessed hospital's total net patient revenue. If a hospital was not required to file a Medicare cost report or did not file a Medicare cost report ending in federal fiscal year 2013, the hospital shall submit to the Department of Health and Hospitals its most applicable fiscal year total of net patient revenue in a form prescribed by the department.

(3) The Department of Health and Hospitals shall levy and collect the assessment provided for in this Section on a quarterly basis. Prior to levying or collecting the assessment for the applicable quarterly period, the Department of Health and Hospitals shall publish in the Louisiana Register the total amount of the quarterly assessment and the corresponding applicable percentage of total net patient revenue that will be applied to the assessed hospitals.

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

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

(b) The hospital has sixty or less beds, either as reported in the Medicare cost report ending in federal fiscal year 2013 or as licensed by the Department of Health and Hospitals on December 31, 2013.

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

(2) The Department of Health and Hospitals may also exclude a hospital or class of hospitals which is necessary to achieve approval of the assessment from the Centers for Medicare and Medicaid Services.

## II. Reimbursement Enhancements.

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

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

(2) Payment of either the hospital inpatient and outpatient reimbursement rates which were in effect on December 31, 2010, or such rates which were in effect on June 30, 2013, whichever is greater, for hospital services provided pursuant to the Louisiana medical assistance program provided that there are adequate savings generated from the implementation of a health coverage expansion as provided for in this Section and funds are appropriated in the budget.

## III. Hospital Base Reimbursement Level.

The hospital base reimbursement level is hereby defined and established as all inpatient and outpatient hospital reimbursement rates and methodologies under the state plan for the Louisiana medical assistance program, including, but not limited to inpatient peer group per diem rates, outpatient fee schedules, outpatient cost reimbursed services and cost report settlements, supplemental, outlier, and other special payments, including Medicaid Disproportionate Share Hospital payments, and all other policies and methodologies related to claims administration, reimbursement, and adjudications adopted by the Department of Health and Hospitals in effect on June 30, 2013, except for the following amendments to the state plan for the Louisiana medical assistance program:

- (1) Any amendment approved by the Centers for Medicare and Medicaid Services after June 30, 2013, regardless of the effective date of the amendment.
- (2) Amendments identified by the following transmittal numbers:
  - (a) TN 09-55.
  - (b) TN 09-56.
  - (c) TN 10-26.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE