2017 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 8

BY REPRESENTATIVE BARRAS

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; and 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. 40:1189.1 et seq.

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

(4)   Minimize the effects of shifting the cost of caring for those Louisiana
residents 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 healthcare services to the state's low income and uninsured
residents.

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

I. Hospital Stabilization Assessment.

A. The Louisiana Department of Health 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) 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.

(2) The Louisiana Department of Health has submitted a Medicaid assessment report to the Joint Legislative Committee on the Budget. The Medicaid assessment report shall include a description of the proposed assessment, the basis for the calculation of the assessment, and a listing of each hospital included in the proposed assessment.

B.(1) The total assessment for the state fiscal year 2017-2018 shall not exceed the lesser of the following:

(a) The state portion of the cost of the reimbursement enhancements provided for in Subsection A of Section II of this Resolution which are directly attributable to payments to hospitals, excluding any federal financial participation and any costs associated with Full Medicaid Pricing.

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

(2) The Louisiana Department of Health shall allocate, levy, and collect the assessment in accordance with the provisions of the Louisiana Administrative Code 48:I.4001(F)(2) through (4) as published in Volume 42, Number 11, of the Louisiana Register and with Subsection B of this Section. Any hospital meeting the definition of a rural hospital as defined in R.S. 40:1189.3 shall be excluded from the assessment.

(3) The Louisiana Department of Health shall publish on a quarterly basis, no later than thirty days after the end of each quarter, a report containing data directly related to the revenue enhancement provided for in Subsection A of Section II of this Resolution. The report shall include the following:

(a) Total Medicaid enrollment on a monthly basis.

(b) The average monthly premium paid to managed care organizations providing benefits and services to eligible Medicaid enrollees and the portion of premium related to hospital payments included in this assessment.

(c) The aggregate Medicaid claims payment by provider type.

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

II. Reimbursement Enhancements.

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

(A) Payment for healthcare 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.

(B) Payment of hospital reimbursement rates in an amount no less than the greater of the following:

(1) The reimbursement rates in effect for dates of service on or after January 1, 2017, as provided for in State Plan Amendments TN 17-004 and TN 17-006.

(2) For dates of service on or after January 1, 2018, for:

(a) Inpatient reimbursement rates indexed as follows to the highest non-state hospital per diem rate in effect on January 1, 2017, excluding carve-out specialty intensive care units and any graduate medical education portion of the per diem:

(i) Long-term acute hospitals indexed to forty-two percent.

(ii) Separately licensed, Medicare designated, rehabilitation hospitals indexed to thirty-six percent.

(iii) Distinct part psychiatric units and freestanding psychiatric hospitals indexed to thirty-one percent.

(iv) General acute hospitals, excluding carve-out specialty intensive care units, burn units, and nursery boarder and well baby services, indexed to fifty-six percent.

(b) Outpatient reimbursement rates which were in effect on June 30, 2010.

III. Administration

The Louisiana Department of Health shall submit any necessary state plan amendment that may be required in order to implement the provisions of this Resolution to the Centers for Medicare and Medicaid Services no later than one hundred and twenty days from the date this Resolution is adopted.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE