

RÉSUMÉ DIGEST

ACT 330 (HB 835)

2020 Regular Session

McMahon

New law provides that its purpose is to generate revenue by collecting from certain institutional healthcare providers a local hospital assessment payment to be used to provide the nonfederal share of a Medicaid payment program directly benefitting the residents of a parish.

New law defines "institutional provider" as a nongovernmental hospital licensed in accordance with existing law.

New law defines "rural institutional provider" as a hospital, other than one defined in the Rural Hospital Preservation Act (R.S. 40:1189.3 of existing law), that is licensed by the Louisiana Department of Health (LDH), has no more than 60 beds on November 1, 2020, and meets any of the following criteria:

- (1) Is located in a municipality with a population of between 7,000 and 7,500 according to the most recent federal decennial census and in a parish with a population of between 30,000 and 35,000 according to that census (Ville Platte in Evangeline Parish.)
- (2) Is located in a municipality with a population of between 10,000 and 10,500 according to the most recent federal decennial census and in a parish with a population of between 80,000 and 90,000 according to that census (Eunice in St. Landry Parish).
- (3) Is located in a municipality with a population of between 3,000 and 3,500 according to the most recent federal decennial census and in a parish with a population of between 30,000 and 35,000 according to that census (Mamou in Evangeline Parish and Welsh in Jefferson Davis Parish).

New law applies exclusively to the following five parishes:

- (1) Any parish with a population of not less than 40,000 persons and not more than 42,000 persons according to the most recent federal decennial census (Webster Parish).
- (2) Any parish with a population of not less than 46,000 persons and not more than 47,000 persons according to the most recent federal decennial census (Lincoln Parish).
- (3) Any parish in which a rural institutional provider, as defined by new law, is located (Evangeline, Jefferson Davis, and St. Landry parishes).

New law creates a local healthcare provider participation program through which an eligible parish may deposit in a local provider participation fund established by the parish all of the following:

- (1) Local hospital assessment payments from an institutional provider located in the parish.
- (2) Such other sums as the parish deems appropriate.

New law provides that, subject to the limitations provided therein, an eligible parish may adopt an ordinance authorizing it to participate in a local healthcare provider participation program.

New law provides that any parishes authorized therein to establish a local provider participation fund may, upon agreement of the governing authorities of each parish, establish all of the following:

- (1) A single fund for the benefit of those parishes.

- (2) A local hospital assessment applicable to the institutional providers, as defined in new law, in those parishes.

New law authorizes the governing body of an eligible parish to require a local hospital assessment payment authorized by new law from an institutional provider in the parish.

New law provides that an eligible parish may authorize the collection of a local hospital assessment payment only with an affirmative vote of a majority of the members of the governing body of the parish made at a regular or special meeting held no less than 30 days following publication of a notice in the official journal of the parish of intention to authorize the collection of the payment.

New law requires parishes that collect local hospital assessment payments to do all of the following:

- (1) Require each institutional provider to submit to the parish a copy of any financial and utilization data required by and reported to LDH.
- (2) Hold an annual public hearing on the amounts of any local hospital assessment payments that the parish intends to require during the year and how the revenue derived from those payments is to be spent. New law entitles a representative of a paying hospital to appear at the hearing to be heard regarding any matter related to the assessment payments.

New law requires each parish that collects local hospital assessment payments and each parish in which a rural institutional provider is located to create a local provider participation fund. Provides that all income received by a parish pursuant to the provisions of new law, including the revenue from local hospital assessment payments remaining after discounts and fees for assessing and collecting the payments are deducted, shall be deposited in the local provider participation fund of the parish. Provides further that each such fund shall consist of the following monies:

- (1) All revenue received by the parish attributable to local hospital assessment payments authorized by new law, including any penalties and interest attributable to delinquent payments.
- (2) Monies received from LDH in refunds of intergovernmental transfers from the parish to the state for the purpose of providing the nonfederal share of Medicaid base rate payments, provided that the intergovernmental transfer does not receive a federal matching payment.
- (3) Sums which the parish elects to deposit.
- (4) The earnings of the fund.

New law stipulates that monies in a local provider participation fund may only be used for one or more of the following purposes:

- (1) To fund intergovernmental transfers from a parish to the state to provide the nonfederal share of a program of Medicaid payments for the benefit of rural institutional providers or other hospitals in the parish authorized under the state Medicaid plan.
- (2) To pay the administrative expenses of the parish associated exclusively with activities authorized by new law in an amount not to exceed 5% of the local hospital assessment payment.
- (3) To refund a portion of a local hospital assessment payment collected in error from a paying hospital.
- (4) To refund to paying hospitals the proportionate share of money received by a parish from the department that is not used to fund the nonfederal share of Medicaid payment program payments described in paragraph (1) above.

New law provides for the basis, calculation, and maximum amounts of local hospital assessment payments.

New law prohibits hospitals that pay local assessments in accordance with new law from adding such a payment as a surcharge to a patient.

New law requires parish sheriffs to collect local hospital assessment payments authorized by new law. Provides that the sheriff shall charge a fee, in an amount determined by the parish, for collecting those payments and that the fee shall not exceed the usual and customary charges imposed by the sheriff.

New law provides that if any of its provisions cause a local hospital assessment payment to a parish to be ineligible for federal matching funds, then the parish may provide for an alternative provision or procedure that conforms to the requirements of the federal Medicaid agency.

New law establishes methodologies for enhanced reimbursement to rural institutional providers and governmental institutional providers. Provides that "governmental institutional provider" means either of the following:

- (1) A nonstate governmental hospital, other than one defined in the Rural Hospital Preservation Act (R.S. 40:1189.3 of existing law), licensed in accordance with existing law.
- (2) A hospital included in the definition of "public, nonrural community hospital" as defined in the Louisiana Medicaid State Plan.

New law requires that the methodologies for enhanced reimbursement to rural institutional providers and governmental institutional providers established by new law be implemented on January 1, 2021, or as soon as is practicable after they are authorized by federal law.

New law requires LDH, on an expedited basis, to take all steps necessary and available to obtain approval from the federal Medicaid agency for the state plan amendments relative to the methodologies for enhanced reimbursement to rural institutional providers and governmental institutional providers provided for in new law. Requires further that LDH, immediately upon notification of such approval, promulgate administrative rules to implement the state plan amendments.

Effective Aug. 1, 2020.

(Adds R.S. 40:1248.1-1248.12)