

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 80** SLS 09RS 376
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|---|---------------------------------|
| Date: June 10, 2009 5:27 PM | Author: CHEEK |
| Dept./Agy.: Health and Hospitals | Analyst: Shawn Hotstream |
| Subject: Medicaid | |

MEDICAID EG +\$796,329 GF EX See Note Page 1 of 1
 Requires the same coverage and reimbursement for Medicaid reimbursement to unique providers of health service for catastrophically ill children being treated in facilities out of state as provided to facilities in the state. (8/15/09)
 Proposed law requires DHH to provide reimbursement to a unique health care provider for catastrophically ill children to the same extent that it would provide coverage for services for those children furnished within the boundaries of the state.

| EXPENDITURES | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 5 -YEAR TOTAL |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| State Gen. Fd. | \$796,329 | \$1,511,597 | \$1,556,945 | \$1,603,653 | \$1,651,763 | \$7,120,287 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$3,187,303 | \$2,591,543 | \$2,669,289 | \$2,749,368 | \$2,831,848 | \$14,029,351 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$3,983,632 | \$4,103,140 | \$4,226,234 | \$4,353,021 | \$4,483,611 | \$21,149,638 |

| REVENUES | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 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 | \$3,187,303 | \$2,591,543 | \$2,669,289 | \$2,749,368 | \$2,831,848 | \$14,029,351 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$3,187,303 | \$2,591,543 | \$2,669,289 | \$2,749,368 | \$2,831,848 | \$14,029,351 |

EXPENDITURE EXPLANATION

Requiring the Department of Health and Hospitals to provide coverage and to reimburse Medicaid claims to an out of state National Cancer Institute at the same reimbursement level as an in-state facility that provides similar services is estimated to significantly increase Medicaid claims expenditures in FY 10 and beyond. Information received from the Department of Health and Hospitals indicates the National Cancer Institute referred to in the bill is St. Jude's Hospital in Memphis, Tennessee, and historically claims submitted to Louisiana Medicaid from this hospital are usually denied as a result of not meeting prior authorization requirements. This legislation ensures payments to to an out of state provider even in the event services do not meet prior authorization criteria for Louisiana Medicaid eligible children. St. Jude will be treated as an in-state provider. The estimated additional cost reflected in the expenditure table above is based on the following assumptions:

- 1) Projected payments are based on FY 07/08 claims data
- 2) Inpatient and outpatient claims at Louisiana Medicaid rates - \$4,075,323
- 3) Amount actually paid to St. Jude Hospital on billed claims - (\$91,691)
- 4) Estimated additional costs (additional Medicaid claim payments) - **\$3,983,632**
- 5) For FY 09/10, federal match is based on 80.01%, and subsequent fiscal years are based on 63.16% (projected Federal Medical Assistance Percentage drop)
- 6) 3% medical inflation is added for future fiscal years

Note: Inpatient and outpatient claims reflect the projected aggregate payment amount that Louisiana Medicaid would have reimbursed St. Jude Hospital (based on Louisiana's per diem rate for an in-state children's hospital) if prior authorization criteria would have been met.

REVENUE EXPLANATION

The revenues reflected above represent federal financial participation, which was calculated using a federal match rate of 80.01% in FY 10 and 63.16% in future fiscal years.

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|---|---|--|
| Senate <input checked="" type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change | Dual Referral Rules <input checked="" type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease | House H. Gordon Monk Legislative Fiscal Officer |
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