

2015 Regular Session

SENATE BILL NO. 275

BY SENATOR MARTINY

FUNDS/FUNDING. Provides for the dedication of certain monies to the Hospital Revenue Equalization Fund which is created in the state treasury for the purpose of providing uncompensated care to public, nonstate, nonrural hospitals. (gov sig)

1 AN ACT

2 To enact Chapter 68 of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised

3 of R.S. 46:2922 through 2924, and to repeal R.S. 46:2901, relative to the financing

4 of the state Medicaid program; to authorize and provide for certification of certain

5 public expenditures by public, nonstate, nonrural community hospitals for purposes

6 of the program; to authorize the use of federal monies related to such certifications;

7 to provide for an increase in Medicaid rates and uncompensated care payments for

8 public, nonstate, nonrural community hospitals; to authorize the submission of a state

9 Medicaid plan amendment; to provide for an effective date; and to provide for

10 related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Chapter 68 of Title 46 of the Louisiana Revised Statutes of 1950,
13 comprised of R.S. 46:2922 through 2924, is hereby enacted to read as follows:

14 **CHAPTER 68. CERTAIN PAYMENTS FOR PUBLIC, NONSTATE,**
15 **NONRURAL COMMUNITY HOSPITALS**

16 **§2922. Definitions**

17 **As used in this Chapter, the following words and phrases shall have the**

1 following meanings:

2 (1) "Certified public expenditures" means the allowable expenditures on
3 the provision of health care services which have been submitted by a public,
4 nonstate, nonrural community hospital to the department for submission to
5 CMS for the purpose of acquiring additional federal financial participation in
6 the Medicaid program.

7 (2) "CMS" means the Centers for Medicare and Medicaid Services of the
8 United States Department of Health and Human Services.

9 (3) "Department" means the Department of Health and Hospitals or its
10 successor.

11 §2923. Hospital Revenue Equalization Fund; certification of certain public
12 expenditures by public, nonstate, nonrural community hospitals

13 A.(1) There is hereby established in the state treasury as a special fund,
14 the Hospital Revenue Equalization Fund, hereinafter referred to as the "fund".

15 (2) Monthly, the secretary of the Department shall transmit to the state
16 treasurer a report which details the amount of certified public expenditures
17 which have been generated by public, nonstate, nonrural community hospitals.
18 Upon notification of approval by CMS of an amendment to the state Medicaid
19 plan as provided by R.S. 46:2924 and after receipt of each report, the state
20 treasurer shall, after compliance with the provisions of Article VII, Section 9(B)
21 of the Louisiana Constitution relative to the Bond Security and Redemption
22 Fund, deposit an amount equal to the amount of certified public expenditures
23 stated in the report into the Hospital Revenue Equalization Fund. Subject to
24 an annual appropriation by the legislature, the monies in the fund shall be used
25 exclusively as provided in Subsection B of this Section.

26 (3) All unexpended and unencumbered monies in the fund at the end of
27 the fiscal year shall remain in the fund. The monies in the fund shall be invested
28 by the state treasurer in the same manner as monies in the state general fund,
29 and interest earned on the investment of such monies shall be credited to the

1 fund. The state treasurer shall report the status of the fund at least quarterly
2 to the secretary of the Department.

3 B.(1) The department shall use the monies in the fund for public,
4 nonstate, nonrural community hospitals as state match to draw down, to the
5 maximum extent allowed by law, additional federal financial participation in
6 the Medicaid program.

7 (2) Any federal financial participation obtained through the certification
8 of public expenditures by a public, nonstate, nonrural community hospital shall
9 be used first to increase inpatient and outpatient reimbursement rates paid to
10 public, nonstate, nonrural community hospitals by the Medicaid program and
11 maximize allowable uncompensated care cost payments to public, nonstate,
12 nonrural community hospitals. The increases in Medicaid claims and
13 uncompensated care cost payments to public, nonstate, nonrural community
14 hospitals, to the extent allowed by law, shall total, at a minimum, the aggregate
15 amount of expenditures certified by the public, nonstate, nonrural community
16 hospitals. Then, the remaining funding associated with the certification of
17 public expenditures by the public, nonstate, nonrural community hospitals shall
18 be utilized to finance the Medicaid program.

19 (3) Any increase in reimbursement rates resulting from implementation
20 of this Chapter shall be based on the rates established for Fiscal Year 2014-
21 2015.

22 §2924. Approval of CMS required for implementation

23 A. The department shall, within sixty days of the effective date of this
24 Act:

25 (1) Promulgate such regulations as are necessary to implement the
26 provisions of this Chapter, which regulations shall require approval by the
27 House Committee on Health and Welfare and the Senate Committee on Health
28 and Welfare pursuant to the Administrative Procedure Act.

29 (2) Submit to CMS for approval such amendment to the state Medicaid

1 plan as is necessary to implement the provisions of this Chapter.

2 (3) Upon notification of CMS approval to the Louisiana Department of
3 Health and Hospitals, the secretary shall notify the state treasurer.

4 B. In the event that the state plan amendment proposed by the
5 department for the implementation of the provisions of this Chapter is denied
6 by CMS, the provisions of this Chapter shall be null, void and of no effect.

7 Section 2. R.S. 46:2901 is hereby repealed, but only in the event that the Centers for
8 Medicare and Medicaid Services of the United States Department of Health and Human
9 Services approves the plan as provided in Section 1 of this Act.

10 Section 3. This Act shall become effective upon signature by the governor or, if not
11 signed by the governor, upon expiration of the time for bills to become law without signature
12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
14 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

SB 275 Original

2015 Regular Session

Martiny

Proposed law provides for the following definitions: "certified public expenditures", "CMS",
and "Department".

Proposed law creates in the state treasury as a special fund, the Hospital Revenue
Equalization Fund, hereinafter referred to as the "fund".

Proposed law provides that monthly, the secretary of the Department of Health and Hospitals
shall transmit to the state treasurer a report which details the amount of certified public
expenditures which have been generated by public, nonstate, nonrural community hospitals.
Upon notification of approval by CMS as provided in the Chapter and after receipt of each
report, the state treasurer shall, after compliance with the provisions of Article VII, Section
9(B) of the Louisiana Constitution relative to the Bond Security and Redemption Fund,
deposit an amount equal to the amount of certified public expenditures stated in the report
into the Hospital Revenue Equalization Fund.

Proposed law provides that, subject to an annual appropriation by the legislature, the monies
in the fund shall be used exclusively as state match to draw down, to the maximum extent
allowed by law, additional federal financial participation in the Medicaid program. Any
federal financial participation obtained through the certification of public expenditures by
a public, nonstate, nonrural community hospital shall be used first to increase inpatient and
outpatient reimbursement rates paid to public, nonstate, nonrural community hospitals by
the Medicaid program and maximize allowable uncompensated care cost payments to public,
nonstate, nonrural community hospitals.

Proposed law provides that the increases in Medicaid claims and uncompensated care cost payments to public, nonstate, nonrural community hospitals, to the extent allowed by law, shall total, at a minimum, the aggregate amount of expenditures certified by the public, nonstate, nonrural community hospitals. Then, the remaining funding associated with the certification of public expenditures by the public, nonstate, nonrural community hospitals shall be utilized to finance the Medicaid program.

Proposed law provides that any increase in reimbursement rates resulting from implementation of this Chapter shall be based on the rates established for Fiscal Year 2014-2015.

Proposed law provides that DHH shall, within 60 days of the effective date of proposed law:

- (1) Promulgate such regulations as are necessary to implement the provisions of this Chapter, which regulations shall require approval by the House Committee on Health and Welfare and the Senate Committee on Health and Welfare pursuant to the APA.
- (2) Submit to CMS for approval such amendment to the state Medicaid plan as is necessary to implement this Chapter.
- (3) Upon notification of CMS approval to the Louisiana Department of Health and Hospitals, the secretary shall notify the state treasurer.

Proposed law provides that in the event that the state plan amendment proposed by the department for the implementation of the provisions of proposed law is denied by CMS, the provisions of proposed law shall be null, void and of no effect.

Present law establishes the Community Hospital Stabilization Fund in the state treasury. Provides that each year, the secretary of the DHH shall transmit to the treasurer a report which details the amount of certified public expenditures which have been generated in excess of the amount appropriated for certified public expenditures in the General Appropriation Act for Fiscal Year 2010-2011. Upon receipt of such report the treasurer is to deposit such amount stated in the report into the fund.

Present law provides that monies in the Community Hospital Stabilization Fund are to be used for supplemental Medicaid payments, enhanced Medicaid payments, and certain other reimbursements of monies to nonstate, nonrural community hospitals.

Proposed law repeals the Community Hospital Stabilization Fund, but only in the event that the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services approves the plan amendment as provided in Section 1 of this Act.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 46:2922 through 2924; repeals R.S. 46:2901)