

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 424** HLS 19RS 719

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 15, 2019	8:39 AM	Author: STAGNI
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: provider claims/prior authorizations		

MEDICAID RE NO IMPACT See Note Page 1 of 1
Provides relative to denials of provider claims and prior authorization requests by Medicaid managed care organizations

Proposed law provides that if a claim is denied by a managed care organization (MCO) based upon an opinion or interpretation by the managed care organization of a law, regulation, policy, procedure, or medical criteria/guideline, then the MCO shall provide with the remittance advice either instructions for accessing the applicable law, regulation, policy, procedure, or medical criteria/guideline in the public domain or an actual copy of the aforementioned. Proposed law provides that prior authorization requirements LDH and MCO's shall either be furnished to the healthcare provider within 24 hours of a request for the requirements or posted in an easily searchable format on the website of the respective mco or department. If the department or mco denies a prior authorization request, the department or mco shall provide written notice of hte denial to the provider requesting the pa within 3 business days of making the decision. If the denial is based on an interpretation of the law, regulation, policy, procedure, or guideline then the notice shall contain instructions for accessing such law, in the public domain or an actual copy of that law.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
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Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This measure requires Medicaid Managed Care Organizations (MCO's) and LDH to include certain information on both Prior Authorization (PA) denial notices and Medicaid claims denial notices that are sent to providers. There is no anticipated expenditure impact to LDH or the managed care organizations. If a prior authorization request is denied, the bill allows the prior authorization medical criteria to be directly sent from the managed care organization to the provider, with no anticipated fiscal impact to the plans.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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