LEGISLATIVE FISCAL OFFICE Fiscal Note



Fiscal Note On: **SB 190** SLS 24RS

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: Proposed Amd.:

Sub. Bill For .:

Date: May 1, 2024

3:11 PM

A 11 -

Dept./Agy.:LDH/Medicaid

Subject: Rate increase plan

incrementally through Fiscal Year 2027-2028.

Author: BOUDREAUX

Analyst: Shawn Hotstream

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RE NO IMPACT See Note

Provides for Medicaid reimbursement rate increases. (8/1/24)

LDH shall develop a plan for increased Medicaid reimbursement rates for physicians up to 100% of Medicare rates. The department shall prioritize physicians providing primary care, obstetric care, non-specialty mental health, substance use disorder, family planning, and women's health services. The plan shall include reimbursement for procedure codes utilized for evaluation and management for primary care and specialty office visits, preventive services, care management, obstetric services, and shall include an estimated cost of implementation of the plan during Fiscal Year 2025-2026 and increasing

The department shall submit the plan to the Senate Committee on Health and Welfare, the Senate Committee on Finance, the House Committee on Health and Welfare, and the House Committee on Appropriations no later than November 1, 2024.

| EXPENDITURES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| REVENUES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on expenditures of Medicaid, LDH as a result of this measure. Proposed law only requires LDH to present a plan to increase Medicaid reimbursement rates for physicians to 100% of the Medicare rates. The plan will reflect an estimate of the cost of partial implementation beginning in FY 25-26, increasing reimbursement up to 100% of Medicare rates for certain procedure codes by FY 27-28. The plan is required to be presented to both the House and Senate Health and Welfare Committees, in addition to the House Appropriations Committee and Senate Finance Committee no later than November 1, 2024.

REVENUE EXPLANATION

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

| <u>Senate</u> | <u>Dual Referral Rules</u> | House | Johns Mamor |
|---------------|--------------------------------------|---|---------------------------------------|
| 13.5.1 >= | \$100,000 Annual Fiscal Cost {S & H} | \bigcirc 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | (0 40 1 |
| 13.5.2 >= | \$500,000 Annual Tax or Fee | 6.8(G) >= \$500,000 Tax or Fee Increase | Patrice Thomas Deputy Fiscal Officer |