



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 456** HLS 25RS 787

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 5, 2025	11:02 AM	Author: TURNER
Dept./Agy.: Health/Medicaid		
Subject: Local Hospital Assessment		Analyst: Anthony Shamis

MEDICAID

RE SEE FISC NOTE SG RV

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Provides relative to the Local Healthcare Provider Participation Program

Present law provides for a hospital tax assessed on hospitals in any parish with at least two institutional providers. Proposed law revises present law to allow for parishes with fewer than two hospitals to join with one or more contiguous parishes with fewer than two hospitals to create a multi-parish funding district, which shall be a new governmental entity. One representative is appointed to serve on the multi-parish funding district’s governing body. Proposed law provides that the local assessment payments, including collection services shall be \$150,000. Proposed law removes the language requiring the Sheriff to collect the local assessment, and adds language allowing the parish to use an appropriate collection entity. Sheriff may serve as collection entity and charge a reasonable/customary fee. Proposed law provides that the local hospital assessment shall be imposed on each paying hospital in the parish in accordance with 42 U.S.C 1396b(w) including but not limited to U.S.C. 1396(w)(3)(E). In accordance with 42 U.S.C 1396b (w), a local hospital assessment payment shall not hold harmless any institutional provider.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

The proposed law is not anticipated to impact expenditures in the Louisiana Department of Health (LDH), Medicaid program. This measure modifies the Local Healthcare Provider Participation program established through ACT 432 of the 2024 RS by also authorizing multi-parish funding districts. In addition, proposed law requires an appropriate collection entity, including Sheriffs to collect the local assessment; adds that, if a Sheriff serves as the collection entity, the Sheriff may charge and deduct a reasonable and customary fee for collecting payments from the local hospital assessment; and modifies the methodology for the local assessment used for administrative costs. Present law authorizes the hospital assessment revenues to be utilized for additional Medicaid payments for the benefit of hospitals in the parish. However, there is no requirement in the bill to use the new match source (non-Federal share) for Medicaid base rate increases, supplemental payments, or other payments.

As of April 2025, this program has not been implemented and there is no available information to use for expenditure projections at this time.

REVENUE EXPLANATION


The amount of hospital assessment revenues that will be generated by the parish and transferred to LDH annually is indeterminable. Each participating parish has the discretion to participate (opt-out provision), and to determine the amount of the assessments per hospital within the parish. The amount of tax that can be assessed is limited to no more than 6% of the aggregate net patient revenue of all hospitals taxed by the state with a similar purpose (including any other hospital assessments).

Proposed law modifies the basis for the local hospital assessment used for administrative expenses:

From: An amount not to exceed 5% of total revenue generated from the local hospital assessment payment or \$20,000, whichever is greater.

To: \$150,000 including collection services.

As of April 2025, this program has not been implemented and there is no available information to use for revenue projections at this time.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	Patrice Thomas
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Deputy Fiscal Officer