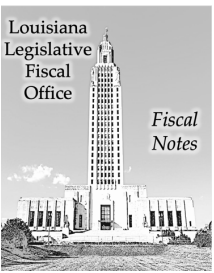


**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 595** HLS 25RS 975  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 12, 2025	9:48 AM	<b>Author:</b> PHELPS
<b>Dept./Agy.:</b> Health/Medicaid		
<b>Subject:</b> TEFRA Eligibility		<b>Analyst:</b> Anthony Shamis

MEDICAID EG SEE FISC NOTE GF EX See Note Page 1 of 1  
 Provides relative to Medicaid coverage through the TEFRA option program

Present law established the Tax Equity and Fiscal Responsibility Act (TEFRA) option in Medicaid, and provides for eligibility criteria for the TEFRA option. The TEFRA option program shall offer coverage for all Medicaid state plan services for children with disabilities who would otherwise be ineligible for such benefits because their household income exceeds the state established limits for Medicaid.

Proposed law expands criteria related to the level of care provided in a hospital, skilled nursing facility, or intermediate care facility to add that a child may meet a level of care, if within the last twelve months, he presents for emergency care in a hospital more frequently than once per month and the use of the hospital is medically necessary to stabilize a chronic disease.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to result in an indeterminable increase to SGF and Federal Medicaid expenditures in the Louisiana Department of Health (LDH) to expand eligibility requirements related to level of care for the Tax Equity and Fiscal Responsibility Act (TEFRA) Children’s Medicaid Option (CMO), also known as ACT 421 (2019). Proposed law adds that a child may meet a level of care, if within the last 12 months, he presents for emergency care in a hospital more frequently than once per month and the use of the hospital is medically necessary to stabilize a chronic disease.

LDH reports that the number of children that would be eligible under this legislation is indeterminable, as the department is unable to estimate the number of children who would visit a hospital more than once per month where the use of the hospital is medically necessary to stabilize a chronic disease. In addition, the average annual cost of TEFRA enrollees varies based on the age of the child and whether the child has other health coverage (i.e. employer-sponsored healthcare coverage with parents).

See below:

Average Annual Cost for TEFRA Enrollees by Rate Cell:

- \*LaHIPP TPL - <1 Year - \$1,130.50
- \*LaHIPP TPL - Child 1-18 Years Average - \$2,768.01
- \*Non-LaHIPP TPL - <1 Year \$21,157.40
- \*Non-LaHIPP TPL - Child 1-18 Years Average - \$5,670.06
- \*Non-TPL - <1 Year \$60,249.62
- \*Non-TPL - Child 1-18 Years Average \$10,750.92

Note:  
 LaHIPP = Louisiana Health Insurance Premium Payment Program; TPL = Third Party Liability

**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> | <u>House</u>   |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} |                            | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}         |
| <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} |

**Patrice Thomas**  
**Deputy Fiscal Officer**