



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 565** HLS 25RS 1004

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 18, 2025	5:01 PM	<b>Author:</b> SPELL, ANNIE
<b>Dept./Agy.:</b> Health/Medicaid		
<b>Subject:</b> Third Party Liability		<b>Analyst:</b> Anthony Shamis

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Provides relative to third-party liability, claim adjudication, and timeliness of such within the state medical assistance program

Proposed law provides relative to third-party liability to the state medical assistance program. To provide for Managed Care Organization (MCO) claim payment information; to provide information relative to third-party liability; to require notification regarding insurance information; and to provide penalties for violations.

Proposed law provides that LDH shall withhold payment to the MCO in an amount determined by the department, not less than \$25,000 or greater for each violation by an MCO. If an MCO has committed multiple violations, the minimum amount shall be at least \$100,000.

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

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.	\$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

**EXPENDITURE EXPLANATION**

Proposed measure prohibits MCOs from amending, modifying, or changing a claim submitted by a healthcare provider or adjusting, down coding, or paying a claim at a lower level than what was submitted by the healthcare provider. To the extent MCOs violate these provisions, LDH shall withhold payment to the MCO an amount to be determined by LDH not less than twenty-five thousand dollars or greater for each violation.

**REVENUE EXPLANATION**

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