



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1028** HLS 26RS 1402
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 1, 2026	4:12 PM	Author: LYONS
Dept./Agy.: Louisiana Department of Health / Medicaid		Analyst: Cristian Nedelea
Subject: Reimbursement rates for non-emergency transportation		

MEDICAID EG +\$2,601,174 GF EX See Note Page 1 of 2
 Requires the Louisiana Department of Health to increase the reimbursement rates for nonemergency medical transportation providers
Propose law requires the Louisiana Department of Health (LDH) to establish a Medicaid reimbursement minimum rate for non-emergency medical transportation (NEMT) services of \$14.50 per trip and \$2.10 per mile.

Proposed law requires the LDH to take all necessary actions to implement the provisions of this legislation no later than 10/01/2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$2,601,174	\$3,058,052	\$3,058,052	\$3,058,052	\$3,058,052	\$14,833,382
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$187,491	\$1,124,945	\$1,124,945	\$1,124,945	\$1,124,945	\$4,687,271
Federal Funds	\$10,847,029	\$16,270,544	\$16,270,544	\$16,270,544	\$16,270,544	\$75,929,205
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$13,635,694	\$20,453,541	\$20,453,541	\$20,453,541	\$20,453,541	\$95,449,858

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$187,491	\$1,124,945	\$1,124,945	\$1,124,945	\$1,124,945	\$4,687,271
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$187,491	\$1,124,945	\$1,124,945	\$1,124,945	\$1,124,945	\$4,687,271

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in an expenditure increase within the Louisiana Department of Health (LDH) of \$13.6 M (\$2.6 M SGF, \$187,491 Statutory Dedications out of the Medical Assistance Trust Fund - MATF, and \$10.8 M Federal) in FY 27 (8 payment months). Expenditures are projected to increase to \$20.5 M (\$3.1 M SGF, \$1.1 M Statutory Dedications - MATF, and \$16.3 M Federal) in FY 28 (full year cost) and subsequent fiscal years. Proposed law requires LDH to set the minimum Medicaid reimbursement rate for NEMT services to \$14.50 per trip and \$2.10 per mile.

The benefit (base) expenditure projection was calculated as the rate differential between the expected new cost at the proposed reimbursement rates and the observed cost at the current rates. NEMT services are provided through managed care organizations (MCOs) which are paid capitation payments, inclusive of 10% administrative cost and 5.5% premium tax.

Benefit/Base Cost

\$60,653,036 (1) Expected New Cost

\$43,081,585 (2) Observed Cost

\$17,571,451 Rate Differential: (1) - (2)

Total Capitation Cost

\$17,571,451 A. Base Cost: Rate Differential

\$1,757,145 B. Administrative Cost

\$1,124,945 C. Premium Tax Cost

\$20,453,541 (A+B+C) Total Capitation Cost

Data, assumptions, and approach:

(1) Expected new cost: FY 24 and FY 25 historical utilization data for NEMT services were repriced using the proposed reimbursement rates. The yearly average of the two years was calculated and used for the expenditure projection. For ambulatory transportation (CPT T2003), the increased reimbursement rates were applied to both the base trip and the mileage rate. For wheelchair van services (CPT A0130), the base rate did not change, but the higher proposed mileage rate was applied. Elevated Level of Care (ELOC) was reviewed but no data were found due to the recent implementation of the program. In order to account for ELOC reimbursement increase from \$31.50 to \$82.92 per leg, 40% of wheelchair trips were assumed to be eligible for ELOC services.

(2) Observed cost: FY 24 and FY 25 observed utilization data for NEMT services included both the base trip and mileage rate payments together. The milage was estimated using raw claims information and payment patterns from similar claims when it was not available in the data. The yearly average of the two years was calculated and used for the expenditure projection.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law is anticipated to result in a revenue increase within the LDH of \$187,491 in Statutory Dedications - MATF revenues in FY 27 and approximately \$1.1 M per fiscal year thereafter. With a 10/01/2026 effective date and premium tax collections based on a calendar year, the Statutory Dedications fiscal impact for FY 27 is for only two months of collections (payment months of November and December 2026). The revenue increase is a direct result of the 5.5% premium tax collections levied on MCO capitation expenditures. The increase in expenditures will be integrated into the actuarially sound premium/capitation payments made by LDH to MCOs.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

- (3) Rate differential = (1) Expected new cost - (2) Observed cost.
- (4) 5.5% premium tax and 10% administrative cost are factored into the total cost. Statutory Dedications for FY 27 reflect two months of premium taxes, which are collected on a calendar year basis (November and December 2026).
- (5) Effective date: 10/01/2026. FY 27 accounts for 8 months of usage. NEMT is provided through the Healthy Louisiana MCOs which are paid capitation payments with a one month lag (for example, November 2026 capitation payments are for October 2026 service month).
- (6) Financing: 68.06% Non-Expansion blended FMAP rate and 90% Expansion FMAP rate.

Note: The LFO is unable to corroborate the expenditure estimates projected by LDH. The LFO has requested LDH to provide detailed information on the assumptions and methodology used to estimate the anticipated increase in Medicaid expenditures. To the extent that actual utilization varies from projections, total costs would shift accordingly. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.

Senate Dual Referral Rules


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