



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 198** HLS 26RS 252
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 31, 2026	3:56 PM	Author: ECHOLS
Dept./Agy.: LDH/Medicaid		
Subject: Medicaid reimbursement of ambulatory surgical centers		Analyst: Cristian Nedelea

HEALTH EN +\$400,228 GF EX See Note Page 1 of 1
 Provides relative to Medicaid reimbursement of ambulatory surgical centers for certain procedures

Proposed law requires the Louisiana Department of Health (LDH) to develop and implement a plan for increased Medicaid managed care organization reimbursement rates and fee-for-service reimbursement rates for gastroenterology, ophthalmology, dental, and otolaryngology procedures conducted at ambulatory surgical centers (ASCs). The reimbursement rates shall be the lesser of the rate paid in an outpatient hospital setting for the same or similar procedures or 100% of the Medicare rate for the same or similar procedures. It also requires LDH to update the reimbursement rates annually. Proposed law requires LDH to submit the plan to the Senate Committee on Health and Welfare, Senate Committee on Finance, House Committee on Health and Welfare, and House Committee on Appropriations no later than 10/01/2026. The plan shall include procedure codes for gastroenterology, ophthalmology, dental, and otolaryngology procedures conducted at ASCs as well as the estimated cost of implementation of the plan. Proposed law requires LDH to take all necessary actions to implement the provisions of the proposed law no later than 10/01/2026. The implementation of the provisions of this Act shall be subject to the appropriation of funds by the legislature for this purpose. Proposed law shall become effective upon the signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$400,228	\$464,559	\$464,559	\$464,559	\$464,559	\$2,258,464
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$30,174	\$181,045	\$181,045	\$181,045	\$181,045	\$754,354
Federal Funds	\$1,764,080	\$2,646,120	\$2,646,120	\$2,646,120	\$2,646,120	\$12,348,560
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$2,194,482	\$3,291,724	\$3,291,724	\$3,291,724	\$3,291,724	\$15,361,378
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	\$30,174	\$181,045	\$181,045	\$181,045	\$181,045	\$754,354
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$30,174	\$181,045	\$181,045	\$181,045	\$181,045	\$754,354

EXPENDITURE EXPLANATION

The provisions of proposed law are effective when an Act of the Louisiana Legislature containing a specific appropriation of funds for implementation becomes effective.

Note: The LFO has requested an updated fiscal note worksheet from LDH accounting for Senate Floor amendments to Reengrossed bill. In the absence of a response from LDH, the LFO presents the projections provided by LDH for the revised Engrossed bill, which has requirements similar to Reengrossed bill amended on the Senate Floor.

Proposed law is anticipated to result in an expenditure increase within LDH of \$2.2 M (\$400,228 SGF, \$30,174 Statutory Dedications out of the Medical Assistance Trust Fund - MATF, and \$1.8 M Federal) in FY 27 (assuming 8 payment months) and \$3.3 M (\$464,559 SGF, \$181,045 Statutory Dedications, and \$2.6 M Federal) in FY 28 and subsequent fiscal years. Proposed law requires LDH to develop and implement a plan for increased Medicaid reimbursement for gastroenterology, ophthalmology, dental, and otolaryngology procedures provided by ASCs. The reimbursement rates shall be the lesser of the rate paid in an outpatient hospital setting for the same or similar procedures or 100% of the Medicare rate for the same or similar procedures.

The expenditure projection is based on the following data, assumptions, and approach:

- (1) Expected new cost: FY 24 and FY 25 historical utilization data for the mandated services were repriced using the proposed reimbursement rates and the average of the two years was used for the expenditure projection.
- (2) Observed cost: The average of FY 24 and FY 25 observed utilization data for the mandated services was used for the projection.
- (3) Rate differential = (1) Expected new cost - (2) Observed cost.
 $\$2,827,890 = \$4,499,507 - \$1,671,617$
- (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. All ASC services are assumed to be 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.

REVENUE EXPLANATION

Proposed law is anticipated to result in a revenue increase within the LDH of \$30,174 in Statutory Dedications - MATF revenues in FY 27 and \$181,045 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.

<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}	

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