
DIGEST

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Nevers

SB No. 44

Proposed law authorizes the governing authority of the city of Bogalusa, subject to voter approval, to levy and collect a provider fee on the operation of all hospitals within the city. Provides that the provider fee shall be imposed by ordinance of the governing authority. Requires that the fee be imposed and collected uniformly within the city. Requires that the procedure established by the Uniform Local Sales Tax Code be followed in the imposition, collection, and enforcement of the provider fee, except where inapplicable, and procedural details necessary to be established to supplement the provisions of the code and to make such provisions applicable to the provider fee are to be fixed in the ordinance adopted by the city.

Proposed law specifically authorizes the city to:

- (1) Enter into a cooperative endeavor agreement with the Dept. of Health and Hospitals (DHH) in which the department agrees to undertake or continue programs or incur expenses for the performance of services under the federal Medicaid program within the city in an amount satisfactory to the governing authority of the city, limited to those programs and expenses for which a federal match under Title XIX of the Social Security Act is available.
- (2) Levy and collect within the city a provider fee on the operation of all hospitals within the city. "Hospital" is defined as any hospital licensed by the state under R.S. 40:2100 et seq., which is owned or operated by any entity except the state or a department of state government.

Proposed law requires that the provider fee be equal to the gross receipts from the operation of the hospital multiplied by a rate that cannot exceed 6%, or at such maximum provider fee rate that the city determines is authorized by federal law or regulations governing provider fee proceeds which may be used as a match for federal Medicaid program assistance.

Proposed law requires that the fee be paid in equal quarterly installments due on the 20th day of the 3rd month of each calendar quarter. Provides that the provider fee must be considered an allowable cost for purposes of Medicare and Medicaid cost reporting and reimbursement.

Proposed law provides that after the necessary and reasonable expenses of collecting and administering the provider fee are paid, the remainder of the provider fee may be used by DHH as provided for in proposed law or for the purposes set forth in the ordinance adopted by the governing authority of the city or for both.

Proposed law authorizes the governing authority of the city to provide that the city or the collector of the fee may forward all or a portion of the provider fee, and interest, penalty, or other charges related to such fee, to the treasurer of the state to be used solely as provided for in proposed law.

Proposed law requires that monies be used first to pay all obligations owed from the Bond Security and Redemption Fund and remaining monies be paid into the Bogalusa Health Services Fund, a special fund created by proposed law in the state treasury. Requires the state treasurer to invest the monies in the fund in the same manner as monies in the state general fund and interest earned on the investment of the money shall be credited to the fund. Provides that all unexpended and unencumbered money in the fund at the end of the year must remain in the fund.

Proposed law requires that money in the fund be appropriated by the legislature only to DHH to be used solely for state expenses for the Medicaid program within the city as provided for

in the cooperative endeavor agreement between the department and the city, limited to those programs and expenses for which a federal match under Title XIX of the Social Security Act is available.

Proposed law prohibits a hospital subject to the provider fee from passing on the cost of the provider fee or including it as an itemized and separately listed amount on any statement sent to any patient, responsible party, insurer, or self-insured employer program. Provides that if such a violation occurs, it must be considered a violation of hospital minimum standards by DHH. Further provides that if any such party has reason to believe that the provider fee has been passed on to him, or an attempt was made to do so, he may submit in writing to the collector a request for an investigation along with evidence. Provides that the collector has an "affirmative duty" to protect the parties against any such violation.

Proposed law provides that upon receipt of a written request for an investigation, the collector must conduct a full investigation in a timely manner and conduct a hearing in the same manner as such hearings are provided for in the provisions of the APA if the collector believes sufficient cause has been shown to warrant such hearing. Provides that if the collector declines to conduct a hearing, he must explain in writing to the requesting party his reasons for not further acting upon the complaint.

Proposed law provides that upon any finding by the collector of a violation, the collector must order full restitution to the affected party, including judicial interest computed from the time that the violation occurred until payment of the restitution. Additionally provides that the collector must forward his findings to DHH, which is required to conduct a hearing to determine the sanctions applicable thereto, which may include suspension or revocation of the violating hospital's license.

Proposed law requires that any bill or statement sent after the effective date of proposed law contain a statement that, "This bill does not contain any cost of the provider fee levied by the city of Bogalusa".

Proposed law provides that in the event of a judgment by a court of competent jurisdiction that the imposition of the provider fee in proposed law is invalid or illegal because it lacks any statutory or constitutional requirement for its lawful levy and collection, the court must provide in its judgment that such provider fee may be levied and collected by the city of Bogalusa after the city fulfills such statutory or constitutional requirement.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 33:2740.18)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the reengrossed bill.

1. Adds provisions that prohibit the city from imposing the provider fee unless the question of its imposition has been approved by the majority of the qualified electors in the city of Bogalusa who vote on a proposition authorizing the fee at an election held for that purpose in accordance with the Louisiana Election Code.