

Regular Session, 2014

SENATE BILL NO. 474

BY SENATOR MILLS

FISCAL CONTROLS. Provides for deficit avoidance procedures for certain Medicaid, other non-Medicaid health care, and rehabilitation programs. (7/1/14)

AN ACT

To enact R.S. 39:75(F), relative to the avoidance of deficits; to provide for deficit avoidance procedures for certain Medicaid, other non-Medicaid health care, certain elderly services, and rehabilitation programs; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:75(F) is hereby enacted to read as follows:

§75. Avoidance of budget deficits

* * *

F. Notwithstanding any other provision of this Section to the contrary, the following deficit avoidance procedures shall apply to the Medicaid programs, non-Medicaid health care, certain elderly services, and rehabilitation programs specified herein, as follows:

(1)(a) In any fiscal year upon receiving notification by the Joint Legislative Committee on the Budget that a projected deficit exists, neither the governor nor the legislature may reduce Medicaid program rates to provider groups below the average Medicaid program rates established for Fiscal Year

1 2013-2014, excluding any provider groups that pay fees or assessments that are
2 deposited into a special fund that may be established in the Louisiana
3 Constitution, to eliminate a budget deficit, except the governor may reduce the
4 appropriation for the base rate if the following occur:

5 (i) The reduction does not exceed the average reduction of those made
6 to the appropriations and reimbursements for other providers under the
7 Medicaid program, or its successor; and

8 (ii)(aa) If the legislature is in session, the reduction shall receive written
9 consent of two-thirds of the elected members of each house in the manner
10 provided by law; or

11 (bb) If the legislature is not in session, the reduction is approved by a
12 favorable vote of two-thirds of the members of the Joint Legislative Committee
13 on the Budget, or its successor.

14 (b) In any fiscal year upon receiving notification by the Joint Legislative
15 Committee on the Budget that a projected deficit exists, neither the governor
16 nor the legislature may reduce the budget for any health care agency or facility
17 operated under the purview of the Department of Health and Hospitals, or its
18 successor, or rehabilitation services operated or managed by the Louisiana
19 Workforce Commission, or its successor, or elderly services operated or
20 managed by the Governor's Office of Elderly Affairs, or its successor, less than
21 the appropriation for any such agencies or facilities in Fiscal Year 2013-2014 to
22 eliminate a budget deficit, except the governor may reduce the appropriations
23 if the following occur:

24 (i) The reductions are proportionally equivalent among all agencies and
25 facilities provided for in this Subsection; and

26 (ii)(aa) If the legislature is in session, the reduction shall receive written
27 consent of two-thirds of the elected members of each house in the manner
28 provided by law; or

29 (bb) If the legislature is not in session, the reduction is approved by a

1 favorable vote of two-thirds of the members of the Joint Legislative Committee
2 on the Budget, or its successor.

3 (2)(a) The legislature shall annually appropriate the funds necessary to
4 provide for Medicaid program rates to provider groups which are no less than
5 the average Medicaid program rates established for Fiscal Year 2013-2014,
6 excluding those provider groups that pay fees or assessments that are deposited
7 into a special fund that may be established in the Louisiana Constitution. The
8 Medicaid rates may be adjusted annually by establishing the rates of inflation,
9 or rebasing, if applicable. Such inflation rate adjustments shall not be negative.
10 If the official forecast of recurring money for the next fiscal year is at least one
11 percent less than the official forecast of recurring money for the current fiscal
12 year, neither the governor nor the legislature may reduce the base rate as
13 provided for in this Subsection to eliminate a budget deficit in the next fiscal
14 year, except the governor may reduce the appropriation for the base rate if the
15 following occur:

16 (i) The reduction does not exceed the average reduction of those made
17 to the appropriations and reimbursement for other providers under the
18 Medicaid program, or its successor; and

19 (ii)(aa) If the legislature is in session, the reductions shall receive written
20 consent of two-thirds of the elected members of each house in the manner
21 provided by law; or

22 (bb) If the legislature is not in session, the reductions are approved by a
23 favorable vote of two-thirds of the members of the Joint Legislative Committee
24 on the Budget, or its successor.

25 (3)(a) The legislature shall annually appropriate the funds necessary to
26 provide for Medicaid program rates to provider groups which are no less than
27 the average Medicaid program rates established for Fiscal Year 2013-2014,
28 excluding any provider groups that pay fees or assessments that are deposited
29 into a special fund that may be established in the Louisiana Constitution. The

1 Medicaid rates may be adjusted annually by establishing the rates of inflation,
2 rebasing, if applicable; as otherwise provided by law. Such inflation rate
3 adjustments shall not be negative. If the official forecast of recurring money for
4 the next fiscal year is at least one percent less than the official forecast of
5 recurring money for the current fiscal year, neither the governor nor the
6 legislature may reduce the base rates as provided for in this Subsection to
7 eliminate a budget deficit in the next fiscal year, except the governor may
8 reduce the appropriation for the base rate if the following occur:

9 (i) The reduction does not exceed the average reduction of those made
10 to the appropriations and reimbursement for other providers under the
11 Medicaid Program, or its successor; and

12 (ii)(aa) If the legislature is in session, the reduction shall receive written
13 consent of two-thirds of the elected members of each house in the manner
14 provided by law; or

15 (bb) If the legislature is not in session, the reduction is approved by a
16 favorable vote of two-thirds of the members of the Joint Legislative Committee
17 on the Budget, or its successor.

18 (b) The legislature shall annually appropriate the funds necessary to
19 provide funding for any health care agency or facility operated under the
20 purview of the Department of Health and Hospitals, or its successor, or
21 rehabilitation services operated or managed by the Louisiana Workforce
22 Commission, or its successor, or elderly services operated or managed by the
23 Governor's Office of Elderly Affairs, that is not less than the appropriation for
24 any such agencies or facilities in Fiscal Year 2013-2014. If the official forecast
25 of recurring money for the next fiscal year is at least one percent less than the
26 official forecast of recurring money for the current fiscal year, neither the
27 governor nor the legislature may reduce the budget for any health care agency
28 under the purview of the Department of Health and Hospitals, or its successor,
29 or rehabilitation services operated or managed by the Louisiana Workforce

Commission, or its successor, or elderly services operated or managed by the Governor's Office of Elderly Affairs, to eliminate a budget deficit in the next fiscal year, except the governor may reduce such appropriations if the following occur:

(i) The reductions are proportionally equivalent among all agencies and facilities provided for in Subsections A and B of this Section; and

(ii)(aa) If the legislature is in session, the reductions shall receive written consent of two-thirds of the elected members of each house in the manner provided by law; or

(bb) If the legislature is not in session, the reduction is approved by a favorable vote of two-thirds of the members of the Joint Legislative Committee on the Budget, or its successor.

(4) For the purposes of this Subsection, "Medicaid Program" shall refer to the Louisiana medical assistance program provided for in Title XIX of the Social Security Act, or its successor, and "health care agency or facility" shall refer to the agencies and facilities that are owned, operated, or managed by the Department of Health and Hospitals, or its successor, and shall exclude the Medicaid program.

Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2014, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay Lueckel.

DIGEST

Mills (SB 474)

Present law provides for avoidance for budget deficits.

Proposed law provides that notwithstanding any of these provisions, the following deficit avoidance procedures shall apply to the Medicaid programs, non-Medicaid health care, certain elderly services, and rehabilitation programs specified herein.

Proposed law provides relative to mid-year adjustments:

- (1) (a) For Medicaid programs, in any fiscal year upon receiving notification by the

Joint Legislative Committee on the Budget (JLCB) that a projected deficit exists, neither the governor nor the legislature may reduce Medicaid program rates to provider groups below the average Medicaid program rates established for FY 2013-2014, excluding any provider groups that pay fees or assessments that are deposited into a special fund that may be established in the Louisiana constitution, to eliminate a budget deficit, except the governor may reduce the appropriation for the base rate if the following occur:

- (i) The reduction does not exceed the average reduction of those made to the appropriations and reimbursement for other providers under the Medicaid program, or its successor.
 - (ii) The reductions require written consent of two-thirds of the legislature while in session or two-thirds vote of JLCB when not in session.
- (b) For non-Medicaid programs, in any fiscal year upon receiving notification by JLCB that a projected deficit exists, neither the governor nor the legislature may reduce the budget for any health care agency or facility operated under the purview of the Department of Health and Hospitals (DHH), or its successor, or rehabilitation services operated or managed by the Louisiana Workforce Commission (LWC), or its successor, or elderly services operated or managed by the Governor's Office of Elderly Affairs, or its successor, less than the appropriation for any such agencies or facilities in FY 2013-2014 to eliminate a budget deficit, except the governor may reduce the appropriations if the following occur:
- (i) The reductions are proportionally equivalent among all agencies and facilities provided for in proposed law.
 - (ii) The reductions require written consent of two-thirds of the legislature while in session or two-thirds vote of JLCB when not in session.

Proposed law provides for ensuing year projected deficits:

- (2) (a) For Medicaid programs, the legislature shall annually appropriate the funds necessary to provide for Medicaid program rates to provider groups which are no less than the average Medicaid program rates established for FY 2013-2014, excluding those provider groups that pay fees or assessments that are deposited into a special fund that may be established in the Louisiana constitution. The Medicaid rates may be adjusted annually by establishing the rates of inflation, or rebasing, if applicable. Such inflation rate adjustments shall not be negative. If the official forecast of recurring money for the next fiscal year is at least one percent less than the official forecast of recurring money for the current fiscal year, neither the governor nor the legislature may reduce the base rate as provided for in proposed law to eliminate a budget deficit in the next fiscal year, except the governor may reduce the appropriation for the base rate if the following occur:
 - (i) The reduction does not exceed the average reduction of those made to the appropriations and reimbursement for other providers under the Medicaid program, or its successor; and
 - (ii) The reductions require written consent of two-thirds of the legislature while in session or two-thirds vote of JLCB when not in session.

- (3) (a) For non-Medicaid programs, the legislature shall annually appropriate the funds necessary to provide for Medicaid Program rates to provider groups which are no less than the average Medicaid program rates established for FY 2013-2014, excluding any provider groups that pay fees or assessments that are deposited into a special fund that may be established in the Louisiana constitution. The Medicaid rates may be adjusted annually by establishing the rates of inflation, rebasing, if applicable; as otherwise provided by law. Such inflation rate adjustments shall not be negative. If the official forecast of recurring money for the next fiscal year is at least one percent less than the official forecast of recurring money for the current fiscal year, neither the governor nor the legislature may reduce the base rates as provided for in proposed law to eliminate a budget deficit in the next fiscal year, except the governor may reduce the appropriation for the base rate if the following occur:
- (i) The reduction does not exceed the average reduction of those made to the appropriations and reimbursement for other providers under the Medicaid Program, or its successor; and
 - (ii) The reductions require written consent of two-thirds vote of the legislature while in session or two-thirds vote of JLCB when not in session.
- (b) For non-Medicaid programs, the legislature shall annually appropriate the funds necessary to provide funding for any health care agency or facility operated under the purview of DHH, or its successor, or rehabilitation services operated or managed by LWC, or its successor, or elderly services operated or managed by the Governor's Office of Elderly Affairs, that is not less than the appropriation for any such agencies or facilities in FY 2013-2014. If the official forecast of recurring money for the next fiscal year is at least one percent less than the official forecast of recurring money for the current fiscal year, neither the governor nor the legislature may reduce the budget for any health care agency under the purview of DHH or its successor, or rehabilitation services operated or managed by LWC, or its successor, or elderly services operated or managed by the Governor's Office of Elderly Affairs, to eliminate a budget deficit in the next fiscal year, except the governor may reduce the appropriations if the following occur:

The reductions require written consent of two-thirds of the legislature while in session or two-thirds vote of JLCB when not in session.

Proposed law provides that "Medicaid Program" shall refer to the Louisiana medical assistance program provided for in Title XIX of the Social Security Act, or its successor, and "health care agency or facility" shall refer to the agencies and facilities that are owned, operated or managed by DHH, or its successor, and shall exclude the Medicaid Program.

Effective July 1, 2014.

(Adds R.S. 39:75(F))