

1 provision of health care services to the state's low income and uninsured
2 residents.

3 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
4 enact the following hospital stabilization formula pursuant to Article VII, Section 10.13 of
5 the Constitution of Louisiana:

6 I. Hospital Stabilization Assessment.

7 A. The Department of Health and Hospitals shall calculate, levy, and collect
8 an assessment for each assessed hospital in accordance with Subsection B of this
9 Section if all of the following occur:

10 (1) Implementation of the reimbursement enhancements as provided for in
11 Paragraph (1) of Section II of this resolution on or before April 1, 2016.

12 (2) The applicable federal financial participation, as set forth in 42 U.S.C.
13 1396d(y) of Title XIX of the Social Security Act, is less than one hundred percent.

14 (3) Approval from the Joint Legislative Committee on the Budget of the
15 proposed assessment, including a list of each hospital that will be assessed.

16 B. (1) The total assessment for the state fiscal year shall be equal to, but shall
17 not exceed, the lesser of the following:

18 (a) The state portion of the cost, excluding any federal financial participation,
19 of the reimbursement enhancements provided for in Paragraph (1) of Section II of
20 this resolution which are directly attributable to payments to hospitals.

21 (b) One percent of the total net patient revenue of all hospitals included in the
22 assessment, as reported in the Medicare cost report ending in federal fiscal year
23 2013.

24 (2) The Department of Health and Hospitals shall allocate the assessment to
25 each assessed hospital on a pro-rata basis by calculating the quotient of the total
26 assessment divided by the total net patient revenue of all assessed hospitals as
27 reported in the Medicare cost report ending in federal fiscal year 2013 and
28 multiplying the quotient by each assessed hospitals' total net patient revenue. If a
29 hospital is not required to file a Medicare cost report or does not file a Medicare cost
30 report ending in federal fiscal year 2013, the hospital shall submit to the Department

1 of Health and Hospitals its most applicable fiscal year total of net patient revenue in
2 a form prescribed by the department.

3 (3) The Department of Health and Hospitals shall levy and collect the
4 assessment provided for in this Section on a quarterly basis. Prior to levying or
5 collecting the assessment for the applicable quarterly period, the Department of
6 Health and Hospitals shall publish in the Louisiana Register the total amount of the
7 quarterly assessment and the corresponding applicable percentage of total net patient
8 revenue that will be applied to the assessed hospitals.

9 C. (1) The Department of Health and Hospitals shall exclude a hospital from
10 the assessment if any of the following are applicable:

11 (a) The hospital is certified by Medicare as a separately licensed long-term
12 acute care, rehabilitation, or psychiatric hospital.

13 (b) The hospital has sixty or less beds, as reported in the Medicare cost report
14 ending in federal fiscal year 2013.

15 (c) The hospital meets the definition of a rural hospital as defined in R.S.
16 40:1300.143.

17 (2) The Department of Health and Hospitals may also exclude a hospital or
18 class of hospitals which is necessary to achieve approval of the assessment from the
19 Centers for Medicare and Medicaid Services.

20 II. Reimbursement Enhancements.

21 The Department of Health and Hospitals shall provide for reimbursement
22 enhancements as follows:

23 (1) Payment for health care services through the implementation of a health
24 coverage expansion of the Louisiana medical assistance program that meets all the
25 requirements necessary for the state to maximize federal matching funds as set forth
26 in 42 U.S.C. 1396d(y) of Title XIX of the Social Security Act.

27 (2) Payment of hospital inpatient and outpatient reimbursement rates which
28 are not less than the reimbursement rates in effect on December 31, 2010, for
29 hospital services provided pursuant to the Louisiana medical assistance program if

1 there are adequate savings generated from the implementation of a health coverage
2 expansion as provided for in this Section and funds are appropriated in the budget.

3 III. Hospital Base Reimbursement Level.

4 The hospital base reimbursement level is hereby defined and established as
5 all inpatient and outpatient hospital reimbursement rates and methodologies under
6 the state plan for the Louisiana medical assistance program, including, but not
7 limited to inpatient peer group per diem rates, outpatient fee schedules, outpatient
8 cost reimbursed services and cost report settlements, supplemental, outlier, and other
9 special payments, including Medicaid Disproportionate Share Hospital payments,
10 and all other polices and methodologies related to claims administration,
11 reimbursement, and adjudications adopted by the Department of Health and
12 Hospitals in effect on June 30, 2013, except for the following amendments to the
13 state plan for the Louisiana medical assistance program:

14 (1) Any amendment approved by the Centers for Medicare and Medicaid
15 Services after June 30, 2013, regardless of the effective date of the amendment.

16 (2) Amendments identified by the following transmittal numbers:

17 (a) TN 09-55.

18 (b) TN 09-56.

19 (c) TN 10-26.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Kleckley

Provides for a hospital stabilization formula pursuant to Art. VII, Sec. 10.13 of the Constitution of Louisiana including an assessment, reimbursement enhancements, and a base reimbursement level.

Provides for DHH to calculate, collect, and levy as an assessment from hospitals equal to the lesser of one of the following:

- (1) The state portion of the cost, excluding any federal financial participation, of the reimbursement enhancements from the payment for health care services through the implementation of Medicaid expansion which are directly attributable to payments to hospitals.

- (2) 1% of the total net patient revenue of all hospitals included in the assessment, as reported in the Medicare cost report ending in federal fiscal year 2013.

Further provides for the allocation of the assessment to each assessed hospital based on a pro-rata calculation. Authorizes the Dept. of Health and Hospitals to exclude certain hospitals from the assessment.

Provides for the assessment if the following occur:

- (1) Implementation of the reimbursement enhancements from the payment for health care services through the implementation of Medicaid expansion on or before April 1, 2016.
- (2) The applicable federal financial participation for newly eligible Medicaid recipients under Medicaid expansion is less than one hundred percent.
- (3) Approval from the Joint Legislative Committee on the Budget of the proposed assessment, including a list of each hospital that will be assessed.

Provides for reimbursement enhancements from the following:

- (1) Payment for health care services through the implementation of Medicaid expansion.
- (2) Payment of hospital inpatient and outpatient reimbursement rates which are not less than the reimbursement rates in effect on December 31, 2010, if there are adequate savings generated from the implementation of Medicaid expansion and funds are appropriated in the budget.

Provides for a hospital base reimbursement level based on rates in effect on June 30, 2013. Further provides for exceptions to the rates used to define and establish the base reimbursement level.