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## DIGEST

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HB 845 Original

2015 Regular Session

Hunter

**Abstract:** Requires the Dept. of Health and Hospitals to implement a methodology for reimbursing uncompensated care costs incurred by hospitals in a parish with a population between 150,000 and 175,000.

Present law provides for duties of the secretary of the Dept. of Health and Hospitals (DHH) with respect to operation of the state's Medicaid program.

Proposed law retains present law and adds thereto a duty that the secretary of DHH implement and maintain an equitable system of Medicaid reimbursement provided for in proposed law to be known as the Medicaid-Funded Partnerships for Operation of State Hospitals Law.

Proposed law declares that legislative direction in the Medicaid program with respect to the system of Medicaid reimbursement to hospitals serves the best interests of the public in state fiscal matters, access to health care, and overall public health and well-being. Provides that the purpose of proposed law is to implement an equitable system of Medicaid reimbursement to certain privately operated state hospitals and to certain private hospitals, respectively, that is designed to protect the viability of hospitals that are not reimbursed according to the terms of a cooperative endeavor agreement with the state for operation of a state hospital.

Proposed law provides that for purposes of proposed law, the following definitions apply:

- (1) "CEA hospital" means a state-owned hospital designated in present law at which indigent inpatient acute care services are provided by a private partner according to the terms of a cooperative endeavor agreement between the private partner and the state.
- (2) "Non-CEA hospital" means a nonrural acute care hospital at which indigent inpatient acute care services are not provided according to the terms of a cooperative endeavor agreement between a private partner and the state.

Proposed law requires DHH, on an annual basis, to develop and implement a methodology for reimbursing uncompensated care costs for inpatient services provided in nonrural acute care hospitals in any parish with a population of between 150,000 and 175,000. Provides that the legislative committees on health and welfare shall review and approve any methodology required by proposed law prior to implementation of the methodology.

Proposed law requires DHH to calculate the increase in total uncompensated care costs of each

non-CEA hospital located in a parish designated in proposed law over the uncompensated care costs of the same hospital in 2012. Provides that, subject to approval by the Centers for Medicare and Medicaid Services, DHH shall use this calculation to develop and implement a methodology for reimbursing each non-CEA hospital the amount of the increase in uncompensated care costs it incurs over the 2012 level. Provides further that reimbursements to the CEA hospital shall be considered a payment to the CEA hospital, and shall reduce the amount payable directly or indirectly to a non-CEA hospital.

Proposed law stipulates that nothing therein shall be construed to authorize a reduction to the overall level of Medicaid funding provided in any state fiscal year by DHH to a CEA hospital.

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

(Adds R.S. 36:254(D)(4) and R.S. 46:460.101-460.104)