

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 88** SLS 17RS 361
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 16, 2017 4:03 PM	Author: LONG
Dept./Agy.: LDH/Medicaid	Analyst: Shawn Hotstream
Subject: Rural Health Care	

HEALTH CARE EG INCREASE GF EX See Note Page 1 of 1
 Provides for a rural health clinic look-alike. (8/1/17)

Proposed law provides for a rural health clinic look-alike. A look-alike is a physicians office, urgent care clinic, or similar health care provider setting which the Louisiana Department of Health (LDH) finds to meet all the material requirements for licensure as a rural health clinic except those based on location, and its physical location is less than two miles from a location where the health care provider would be eligible for certification as a rural health clinic.

Proposed law provides that each Managed Care Organization shall pay for services provided by physicians, advanced practice registered nurses, and physician assistants in a rural health clinic look-alike the same amount and according to the same terms as rural health clinics. The look-alike must meet the following conditions: 1) reside in a parish with a population greater than 39,000 and less than 41,000; 2) the physicians, advanced practice registered nurses, and physician assistants who are enrolled as providers in the Louisiana Medicaid program and services they provide are reimbursable under Medicaid; and 3) reimbursement has to include federal matching funds. Effective upon governor's signature.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This measure is anticipated to increase total Medicaid costs by a range of \$269,000 to \$375,000 in FY 18. This measure creates a new provider type, and requires Medicaid reimbursement to the provider at a minimum rate. The bill requires Medicaid managed care organizations to reimburse these providers at a minimum level (or an all inclusive rate) for certain visits, or at least the same amount that managed care plans reimburse existing licensed rural health clinics. This measure is anticipated to result in an increase in capitated payments from Medicaid to the MCO's. Total payments from Medicaid in any given year will depend on the number of new provider types (look-alike facilities) that will be paid at the rate/methodology established in this bill, and patient load in each new facility. However, information provided by LDH indicates one non RHC provider would currently qualify under this measure as a rural health clinic look-alike (Natchitoches Regional Medical Center Walk in Clinic). Based on reimbursement data provided by LDH, reimbursement to the above referenced rural hospital look alike would be approximately \$108 for an all inclusive clinic visit.

Note: it is assumed implementing a different payment methodology for these provider types will require Centers for Medicare and Medicaid Services (CMS) approval.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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