

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 405** HLS 17RS 581  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **w/ SEN COMM AMD**  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 4, 2017	8:11 PM	<b>Author:</b> HOFFMANN
<b>Dept./Agy.:</b> Health		<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Medicaid Reimbursement Rate for Long-Term Care Services		

MEDICAID RE1 SEE FISC NOTE GF EX Page 1 of 1  
 Provides relative to the Medicaid disability services system

Proposed law requires the LA Department of Health (LDH) to implement a rate methodology for Medicaid personal care attendant (PCA) as well as identify cost savings resulting from any efficiencies created within the long-term care system including promulgating rules and regulations decreasing unfunded mandates on home and community-based providers. Under proposed law, any cost savings from existing electronic visit verification (EVV) system implementation shall be used to reimburse home and community-based providers for cost incurred related to implementation. Proposed law prohibits LDH from implementing a reimbursement methodology that is lower than the rate in effect on July 1, 2017. Proposed law requires LDH to streamline the approval process for plans of care and use any cost savings to increase reimbursement rates to long-term care providers. Proposed law prohibits LDH from implementing any regulation that increases cost to specific providers less under specific conditions.

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

**EXPENDITURE EXPLANATION**

The proposed legislation requires the LA Department of Health (LDH) to implement a new rate methodology for Medicaid personal care attendant (PCA) rate setting. Also, the proposed legislation creates a permanent rate floor. Since the proposed legislation prohibits LDH from implementing a new rate methodology that is lower than the current reimbursement as of July 1, 2017 (rate floor), this provision of the legislation is not anticipated to result in any savings but could result in an indeterminable increase in Medicaid payments. Information provided by the department indicates programming changes required for the new rate methodology will be accomplished utilizing funding allocated to an existing contract with Molina. To the extent that allocated funding under the existing Molina contract is redirected to mitigate the cost of this measure and the balance is not adequate to complete all the deliverables and work of the Molina contract, additional funding may be required.

**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}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**