

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



Fiscal Note On: **HB 409** HLS 19RS 919  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 30, 2019 6:39 PM	<b>Author:</b> FRANKLIN
<b>Dept./Agy.:</b> LA Dept. of Health	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Behavioral Health Services Provider MCO Participation	

MEDICAID OR INCREASE GF EX See Note Page 1 of 1

Prohibits Medicaid managed care organizations from denying opportunities to behavioral health services providers for enrollment in provider networks

Proposed law states that no Medicaid managed care organization shall deny a behavioral health service provider licensed by the LA Dept. of Health the ability to be a participating provider in a provider network if the aforementioned behavioral health services provider meets all requirements of participation in the state Medicaid program.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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>	<u>\$0</u>
<b>Annual Total</b>						
REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law will increase Medicaid expenditures for the LA Dept. of Health (LDH) by an indeterminable but potentially significant amount amount in FY 20 and subsequent fiscal years. Proposed law requires managed care organizations (MCOs) to allow behavioral health services providers eligible to participate in the state Medicaid program to be a participating provider in MCO networks.

LDH anticipates that an additional 17 behavioral health services providers will be eligible to participate in MCO provider networks as a result of proposed law, and further anticipates increased utilization of these services. LDH further reports historical actual payments per behavioral health services provider totaling \$738,559 on average in FY 18. To the extent all 17 additional providers contract with the MCOs as a result of proposed law and receive payments in line with average total provider payments in FY 18, LDH may realize an increase of payments totaling approximately \$12.56 M (\$738,559 \* 17 providers - \$4.22 M SGF, \$8.34 federal funds) in FY 20 with a phase-up to approximately \$14.53 M (\$4.88 M SGF, \$9.65 M federal funds) by FY 23. However, the exact expenditure increase is indeterminable and dependent upon the newly-eligible behavioral health services providers contracting with MCO networks as a result of proposed law and actual utilization of their services.

**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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