

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 434** HLS 19RS 725

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 1, 2019	8:55 AM	Author: MAGEE
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: Medicaid managed care		

MEDICAID OR INCREASE GF EX See Note Page 1 of 1
Provides relative to definitions, policies, and procedures of Medicaid managed care organizations

Proposed law requires the Louisiana Department of Health (LDH) to publish on a publicly accessible page of the department's website a copy of certain proposed contract amendments prior to executing such amendment and provide a public comment period of no less than 30 days. Contract amendments that are subject to the publishing requirement include any amendment to a professional, personal, consulting, or social services contract that provides for managed care under Louisiana Medicaid through the use of a managed care organization, primary care case management, prepaid inpatient health plan, or prepaid ambulatory health plan. Proposed law provides for publishing exceptions.

Proposed law requires the department, prior to adopting, approving, amending, or implementing any policy or procedure to publish the proposed policy or procedure on a publicly accessible page of the department's website for a period at least 45 days. Proposed law provides for minimum requirements on the format of information published. Proposed law provides that a policy or procedure proposed by a managed care organization shall not be implemented unless the department has provided it express written approval to the managed care organization after the expiration of the public notice period. Proposed law provides for exceptions.

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>	\$0
Annual Total						
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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed measure is likely to result in an indeterminable increase in expenditures by LDH due to anticipated additional workload. LDH anticipates an additional 8 staff with salary costs of approximately \$667,000 will be required to keep up with the additional workload required under this bill. However, the number of additional personnel will ultimately depend on the hours required to review, approve, and post managed care policy and procedure changes. The LFO has requested the historical number of MCO policy and procedure changes annually from the 5 health plans in order to verify the need for 8 additional personnel. Proposed measure requires LDH to review and approve any policy and procedure change proposed by managed care organizations (MCO's). Items subject to review include billing or claims submission and payment, medical management or utilization review, case management, claims processing guidelines and edits, grievance and appeals procedures and process, and other guidelines or manuals containing pertinent information related to operations and pre-processing claims, and core benefits and 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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