HLS 21RS-897 **ORIGINAL**

2021 Regular Session

HOUSE BILL NO. 453

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BY REPRESENTATIVE DESHOTEL

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MEDICAID: Provides relative to a program of hospital assessments and intergovernmental transfers for health services financing

AN ACT

2	To amend and reenact R.S. 40:1248.1(6), 1248.3(3), 1248.4(D), 1248.5(A), 1248.7(C)(1),
3	and 1248.8(D) and to enact R.S. 40:1248.1(7) and 1248.3(4) through (6), relative to
4	financing of health services delivered through the medical assistance program of this
5	state known as Medicaid; to provide relative to a program of local hospital
6	assessments and intergovernmental transfers within Medicaid; to provide for
7	definitions applicable to the program; to authorize participation in the program by
8	hospitals in certain geographic areas; to revise provisions relative to special accounts
9	of local governments associated with the program known as local provider
10	participation funds; to authorize governing bodies of parishes participating in the
11	program to form hospital assessment districts; and to provide for related matters.
12	Be it enacted by the Legislature of Louisiana:
13	Section 1. R.S. 40:1248.1(6), 1248.3(3), 1248.4(D), 1248.5(A), 1248.7(C)(1), and
14	1248.8(D) are hereby amended and reenacted and R.S. 40:1248.1(7) and 1248.3(4) through
15	(6) are hereby enacted to read as follows:
16	§1248.1. Definitions
17	As used in this Subpart, the following terms have the meaning ascribed to
18	them in this Section:

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CODING: Words in struck through type are deletions from existing law; words underscored are additions.

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2	one defined in R.S. 40:1189.3, that is licensed by the department, has no more than
3	sixty hospital beds on November 1, 2020, and meets any of the following criteria:
4	(a) Is located in a municipality with a population of not less than seven
5	thousand persons and not more than seven thousand five hundred persons according
6	to the most recent federal decennial census and in a parish with a population of not
7	less than thirty thousand thirty-three thousand five hundred persons and not more
8	than thirty-five thousand persons according to the most recent federal decennial
9	census.
10	(b) Is located in a municipality with a population of not less than ten
11	thousand persons and not more than ten thousand five hundred persons according to
12	the most recent federal decennial census and in a parish with a population of not less
13	than eighty thousand persons and not more than ninety thousand persons according
14	to the most recent federal decennial census.
15	(c) Is located in a municipality with a population of not less than three
16	thousand persons and not more than three thousand five hundred persons according
17	to the most recent federal decennial census and in a parish with a population of not
18	less than thirty thousand persons and not more than thirty-five thousand persons a
19	parish with a population of not less than forty-six thousand persons and not more
20	than forty-seven thousand persons according to the most recent federal decennial
21	census.
22	(d) Is located in parish with a population of not less than forty thousand
23	persons and not more than forty-two thousand persons according to the most recent
24	federal decennial census.
25	(7) "Medicaid payment program" means a program of Medicaid payments
26	authorized under the Medicaid state plan which is designated by the governing body
27	of the parish and that benefits rural institutional providers or other hospitals in the
28	parish.
29	* * *

(6) "Rural institutional provider" means a an acute care hospital, other than

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2 Th 3 parishes:	e provisions of this Subpart shall apply exclusively to the following
1	
4	
•	* * *
5 (3)	Any parish in which a rural institutional provider is located with a
6 population	of not less than forty-two thousand persons and not more than forty-five
7 thousand p	persons according to the most recent federal decennial census.
8 (4)	Any parish with a population of not less than thirty-three thousand five
9 <u>hundred p</u>	ersons and not more than thirty-five thousand persons according to the
0 most recer	nt federal decennial census.
(5)	Any parish with a population of not less than eighty thousand persons
and not m	ore than ninety thousand persons according to the most recent federal
decennial	census.
(6)	Any parish with a population of not less than fifty-two thousand three
hundred p	ersons and not more than fifty-two thousand seven hundred persons
6 according	to the most recent federal decennial census.
§1248.4.]	Parish healthcare provider participation program
18	* * *
D.	Any parishes authorized by R.S. 40:1248.3 to establish a local provider
20 participati	on fund may, upon agreement of the governing authorities of each parish,
21 establish a	a single fund for the benefit of those parishes and a local hospital
22 assessmen	t applicable to the institutional providers in those parishes. The governing
bodies of	parishes authorized by R.S. 40:1248.3 to establish a local provider
24 <u>participati</u>	on fund are authorized and empowered, upon their own initiative, to form
and create	one or more hospital assessment districts within the respective parishes,
or, with ag	greement among governing bodies of parishes concerned, to combine two
or more pa	arishes into a single hospital assessment district with such names as the
28 governing	bodies of the parishes may designate. The governing bodies of the

parishes are further authorized and empowered, upon their own initiative, to alter the

boundaries of any hospital assessment district, provided that no such boundary

1	change shall cause an impairment of the obligations of any contract of the hospital
2	assessment district.
3	§1248.5. Powers and duties of parishes; limitations; inspection of provider records
4	A. The governing body of a parish may require a local hospital assessment
5	payment authorized by this Subpart from an any institutional provider in the parish.
6	The requirement for payment shall be implemented in the manner provided for in
7	this Section.
8	* * *
9	§1248.7. Local provider participation fund; authorized uses
10	* * *
11	C. Monies in the local provider participation fund may be used only for one
12	or more of the following purposes:
13	(1) To fund intergovernmental transfers from a parish to the state to provide
14	the nonfederal share of a Medicaid payment program of Medicaid payments for the
15	benefit of rural institutional providers or other hospitals in the parish authorized
16	under the Medicaid state plan.
17	* * *
18	§1248.8. Local hospital assessment payments; basis; calculation
19	* * *
20	D. Subject to the maximum payment amount prescribed in Subsection C of
21	this Section, a parish that collects a local hospital assessment payment authorized by
22	this Subpart shall set local hospital assessment payments in amounts that in the
23	aggregate will generate sufficient revenue to cover the administrative expenses of the
24	parish for activities provided for in this Subpart and to fund the nonfederal share of
25	a Medicaid base rate payment program; except that the amount of revenue from local
26	hospital assessment payments used for administrative expenses of the parish for
27	activities provided for in this Subpart in a year may not exceed five percent of the
28	total revenue generated from the local hospital assessment payment or twenty
29	thousand dollars, whichever is greater.
30	* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 453 Original

2021 Regular Session

Deshotel

Abstract: Expands eligibility for a hospital assessment and intergovernmental transfer program within Medicaid and revises other provisions pertaining to the program.

<u>Present law</u> provides that, for its purposes, "rural institutional provider" means a hospital, other than one defined in the Rural Hospital Preservation Act (R.S. 40:1189.3 of <u>present law</u>), that is licensed by the Louisiana Department of Health (LDH), has no more than 60 beds on November 1, 2020, and meets any of the following criteria:

- (1) Is located in a municipality with a population of between 7,000 and 7,500 according to the most recent federal decennial census and in a parish with a population of between 30,000 and 35,000 according to that census (Ville Platte in Evangeline Parish).
- (2) Is located in a municipality with a population of between 10,000 and 10,500 according to the most recent federal decennial census and in a parish with a population of between 80,000 and 90,000 according to that census (Eunice in St. Landry Parish).
- (3) Is located in a municipality with a population of between 3,000 and 3,500 according to the most recent federal decennial census and in a parish with a population of between 30,000 and 35,000 according to that census (Mamou in Evangeline Parish and Welsh in Jefferson Davis Parish).

<u>Proposed law</u> revises <u>present law</u> to provide that, for its purposes, "rural institutional provider" means an acute care hospital, other than one defined in the Rural Hospital Preservation Act (R.S. 40:1189.3 of <u>present law</u>), that is licensed by LDH and meets any of the following criteria:

- (1) Is located in a parish with a population of between 33,500 and 35,000 according to the most recent federal decennial census (Evangeline Parish).
- (2) Is located in a parish with a population of between 80,000 and 90,000 according to the most recent federal decennial census (St. Landry Parish).
- (3) Is located in a parish with a population of between 46,000 and 47,000 according to the most recent federal decennial census (Lincoln Parish).
- (4) Is located in a parish with a population of between 40,000 and 42,000 according to the most recent federal decennial census (Webster Parish).

<u>Present law</u> applies exclusively to the following five parishes:

- (1) Any parish with a population of not less than 40,000 persons and not more than 42,000 persons according to the most recent federal decennial census (Webster Parish).
- (2) Any parish with a population of not less than 46,000 persons and not more than 47,000 persons according to the most recent federal decennial census (Lincoln Parish).

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(3) Any parish in which a rural institutional provider, as defined by <u>present law</u>, is located (Evangeline, Jefferson Davis, and St. Landry parishes).

<u>Proposed law</u> revises <u>present law</u> such that <u>present law</u> and <u>proposed law</u> would apply exclusively to the following six parishes:

- (1) Any parish with a population of not less than 40,000 persons and not more than 42,000 persons according to the most recent federal decennial census (Webster Parish).
- (2) Any parish with a population of not less than 46,000 persons and not more than 47,000 persons according to the most recent federal decennial census (Lincoln Parish).
- (3) Any parish with a population of not less than 42,000 persons and not more than 45,000 persons according to the most recent federal decennial census (Avoyelles Parish).
- (4) Any parish with a population of between 33,500 and 35,000 according to the most recent federal decennial census (Evangeline Parish).
- (5) Any parish with a population of between 80,000 and 90,000 according to the most recent federal decennial census (St. Landry Parish).
- (6) Any parish with a population of not less than 52,300 persons and not more than 52,700 persons according to the most recent federal decennial census (Vernon Parish).

<u>Present law</u> authorizes eligible parishes to collect local hospital assessment payments and create special accounts known as "local provider participation funds". Provides that monies in such funds may consist of these assessment payments and other funding as authorized by <u>present law</u>. Stipulates that the monies in local provider participation funds may only be used for certain purposes including the funding of intergovernmental transfers from a parish to the state to provide the nonfederal share of Medicaid payments for the benefit of rural institutional providers or other hospitals in the parish authorized under the state Medicaid plan. Proposed law retains present law.

<u>Proposed law</u> repeals <u>present law</u> providing that any parishes authorized by <u>present law</u> to establish a local provider participation fund may, upon agreement of the governing authorities of each parish, establish a single fund for the benefit of those parishes and a local hospital assessment applicable to the institutional providers in those parishes.

<u>Proposed law</u> provides that the governing bodies of parishes authorized by <u>proposed law</u> to establish a local provider participation fund are authorized and empowered, upon their own initiative, to form and create one or more hospital assessment districts within the respective parishes; or, with agreement among governing bodies of parishes concerned, to combine two or more parishes into a single hospital assessment district. Authorizes the governing bodies of the parishes to alter the boundaries of any hospital assessment district, provided that no such boundary change shall cause an impairment of the obligations of any contract of the hospital assessment district.

(Amends R.S. 40:1248.1(6), 1248.3(3), 1248.4(D), 1248.5(A), 1248.7(C)(1), and 1248.8(D); Adds R.S. 40:1248.1(7) and 1248.3(4)-(6))