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## DIGEST

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HB 453 Engrossed

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.

Present law 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 present law), that is licensed by the Louisiana Department of Health (LDH), has no more than 60 beds on Nov. 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).

Proposed law revises present law 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 present law), 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).

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

Proposed law revises present law such that present law and proposed law 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).

Present law 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 present law. 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.

Proposed law repeals present law providing that any parishes authorized by present law 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.

Proposed law provides that the governing bodies of parishes authorized by proposed law 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.

Proposed law revises present law to stipulate that the amount of the local hospital assessment payment required of each paying hospital may not exceed the difference between the maximum allowable amount under federal Medicaid regulations (42 CFR 433.68(f)).

Proposed law revises present law relative to requests by rural institutional providers, as defined in present law, to execute cooperative endeavor agreements (CEAs) with LDH for the use of local provider participation fund proceeds to do all of the following:

- (1) Require that such requests be in writing with copies provided to the legislative committees on health and welfare.
- (2) Provide that if LDH fails to execute a CEA within 90 days of receipt of a parish request, LDH shall report to the legislative committees on health and welfare, within 100 days of the parish request, the status of the efforts and the reason for the failure to meet the deadline.
- (3) Provide that as soon as a CEA is effective or, upon failure to agree on such agreement, within 150 days of the parish notice unless LDH's status report is accepted by an affirmative vote of both legislative committees on health and welfare, LDH shall file a Medicaid state plan amendment with the federal Medicaid agency (CMS) amending the Medicaid state plan provisions governing hospital reimbursement to provide that a rural institutional provider shall be reimbursed at a rate which equals or approximates the lesser of the rural institutional provider's average commercial rate as determined by the state's Medicaid actuary or 110%, or, if a reduction is required by CMS, the maximum amount acceptable to CMS, but in no case less than 100%, of the appropriate reasonable cost of providing hospital inpatient and outpatient services, including but not limited to services provided in a rural health clinic licensed as part of a rural hospital.

(Amends R.S. 40:1248.1(6), 1248.3(3), 1248.4(D), 1248.5(A), 1248.7(C)(1), 1248.8(C) and (D), and 1248.11(A); Adds R.S. 40:1248.1(7) and 1248.3(4)-(6))

### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Revise present law to stipulate that the amount of the local hospital assessment payment required of each paying hospital may not exceed the difference between the maximum allowable amount under federal Medicaid regulations (42 CFR 433.68(f)).
2. Revise present law relative to requests by rural institutional providers, as defined in present law, to execute cooperative endeavor agreements (CEAs) with the La. Department of Health (LDH) for the use of local provider participation fund proceeds to require that such requests be in writing with copies provided to the legislative committees on health and welfare.
3. Provide that if LDH fails to execute a CEA within 90 days of receipt of a parish request, the department shall report to the legislative committees on health and welfare, within 100 days of the parish request, the status of the efforts and the reason for the failure to meet the deadline.
4. Provide that as soon as a CEA is effective or, upon failure to agree on such agreement, within 150 days of the parish notice unless LDH's status report is accepted by an affirmative vote of both legislative committees on health and welfare, LDH shall file a Medicaid state plan amendment with the federal Medicaid agency (CMS) amending the Medicaid state plan provisions governing hospital reimbursement to provide that a rural institutional provider shall be reimbursed at a rate which equals or approximates the lesser of the rural institutional provider's average commercial rate as determined by the state's Medicaid actuary or 110%, or, if a reduction is required by CMS, the maximum amount acceptable to CMS, but in no case less than 100%, of the appropriate reasonable cost of providing hospital inpatient and outpatient services, including but not limited to services provided in a rural health clinic licensed as part of a rural hospital.