Louisiana Legislative	LEGISLATIVE FISCA Fiscal Note								
Office		Fiscal Note On:	HB 419	9 HLS 23RS	788				
Fiscal Notes		Bill Text Version: REENGROSSED							
Eegislative Fiscal Office <i>Fiscal</i> <i>Notes</i>		Opp. Chamb. Action:							
		Proposed Amd.:							
		Sub. Bill For.:							
Date: M	ay 16, 2023 7:26 PM	Auth	or: JOHNS	SON, TRAVIS					
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Dept./Agy.:LDH
Subject: Psychiatric care

Analyst: Shawn Hotstream

MEDICAID

RE INCREASE GF EX See Note Provides relative to Medicaid coverage for the Psychiatric Collaborative Care Model

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Proposed law requires LDH to provide Medicaid coverage for mental health and substance abuse services that are delivered through a Psychiatric Collaborative Care Model (PCCM).

Proposed law defines a PCCM delivery method.

Proposed law provides that this Act shall become effective when an Act of the Louisiana Legislature containing a specific appropriation of monies for the implementation of the provisions of this Act becomes effective.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	<u>5 -YEAR TOTAL</u>
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>
Annual Total						
REVENUES	<u>2023-24</u>	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>

## **EXPENDITURE EXPLANATION**

Providing Medicaid coverage for mental health services through a Psychiatric Collaborative Care Model (PCCM) delivery model is anticipated to increase Medicaid expenditures by a significant but indeterminable amount annually. Presently, LDH does not reimburse claims to providers delivered through such a model of care.

As an illustrative example, LDH anticipates an increase in Medicaid expenditures of approximately \$1.9 M in FY 24, increasing by 15% annually based on the following assumptions and calculations:

1). claims review from July 2022 - March 2023 related to 2 CPT codes (initial pschyciatric visit and follow up visit)

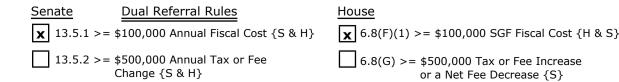
2). 1% take up rate of those eligible receive an average of 4 months of services in year 1 (approximately 5,412 individuals) - take up rate based on a collaborative care model study under Medicare

3). Medicaid base rate of \$490.61 for age 0 to 15 and \$408.85 for ages 16 and over (sum of 1 initial visit, 3 follow ups) 4). 15% utilization increase year over year

5). Additional Medicaid expenditures (\$1.9 M in FY 24, \$2.7 M in FY 25, \$3 M in FY 26, \$3.5 M in FY 27, and \$4.1 M in FY 28)

## **REVENUE EXPLANATION**

Any services provided through managed care will result in additional premium tax revenues (5.5% premium tax) generated to LDH.



Ein Brasseaus

**Evan Brasseaux Interim Deputy Fiscal Officer**