

2025 Regular Session

HOUSE BILL NO. 456

BY REPRESENTATIVE TURNER

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

MEDICAID: Provides relative to the Local Healthcare Provider Participation Program

1 AN ACT

2 To amend and reenact R.S. 40:1248.3, 1248.5(D)(3), 1248.8(B) and (D), and 1248.9,
3 relative to the Local Healthcare Provider Participation Program; to provide for multi-
4 parish funding districts; to provide for power and duties of parishes; to provide for
5 local hospital assessment payments; to provide for applicability; to provide for an
6 effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 40:1248.3, 1248.5(D)(3), 1248.8(B) and (D), and 1248.9 are hereby
9 amended and reenacted to read as follows:

10 §1248.3. Applicability; multi-parish funding district

11 A. The provisions of this Subpart shall apply to any parish ~~in which at least~~
12 ~~two institutional providers are located.~~

13 B.(1) If a parish has fewer than two hospitals, the parish may join with one
14 or more contiguous parishes with fewer than two hospitals and create a multi-parish
15 funding district, which shall be a new governmental entity. The boundary of a multi-
16 parish funding district shall be coextensive with the combined boundaries of the
17 parishes contained in the multi-parish funding district. A multi-parish funding
18 district shall be established by the governing body of each parish within the
19 boundaries of a proposed funding district passing and adopting a resolution or
20 ordinance establishing the multi-parish funding district and appointing one
21 representative to serve on the multi-parish funding district's governing body. If any

1 other parish seeks to join after the creation of the district, the resolution or ordinance
2 shall be amended before the new parish may join the district.

3 (2) The governing body of a multi-parish funding district shall be comprised
4 solely of the individuals appointed by each parish within the boundaries of the
5 district. A parish may replace its appointment to the governing body by resolution
6 or ordinance.

7 (3) The governing body of a multi-parish funding district shall delegate the
8 operational and administrative burdens of the district to the parishes that comprise
9 the district. Within sixty days of the establishment of a multi-parish funding district,
10 the governing body shall designate at least one parish to serve as the operational and
11 administrative lead for the district. The governing body may change this designation
12 at any time.

13 (4) Solely for purposes of compliance with this Subpart, a multi-parish
14 funding district is considered to be a parish and the other provisions of this Subpart
15 shall be read to impose parish requirements on the governing body of the multi-
16 parish funding district.

17 * * *

18 §1248.5. Powers and duties of parishes; limitations; inspection of provider records

19 * * *

20 D.

21 * * *

22 (3) If a parish excludes providers pursuant to this Subsection or otherwise,
23 the definition of institutional provider as used in this Section and in R.S. 40:1248.8
24 shall be read to exclude such excluded providers, and, if necessary, the parish shall
25 be required to work with the department to obtain federal approvals to ensure
26 compliance with 42 U.S.C. 1396b(w).

27 * * *

28 §1248.8. Local hospital assessment payments; basis; calculation

29 * * *

1 B. The assessment authorized by this Subpart shall be ~~uniformly~~ imposed on
2 each paying hospital in the parish in accordance with 42 U.S.C. 1396b(w) including
3 but not limited to 42 U.S.C. 1396(w)(3)(E). In accordance with 42 U.S.C. 1396b(w),
4 a local hospital assessment payment authorized by this Subpart shall not hold
5 harmless any institutional provider.

6 * * *

7 D. Subject to the maximum payment amount prescribed in Subsection C of
8 this Section, a parish that collects a local hospital assessment payment authorized by
9 this Subpart shall set local hospital assessment payments in amounts that, in the
10 aggregate, will generate sufficient revenue to cover the administrative expenses of
11 the parish for activities provided for in this Subpart and to fund the nonfederal share
12 of a Medicaid payment for the benefit of hospitals in the parish; except that the
13 amount of revenue from local hospital assessment payments used for administrative
14 expenses of the parish for activities provided for in this Subpart in a year, including
15 collection services as provided for in R.S. 40:1248.9, shall be one hundred fifty
16 thousand dollars ~~may not exceed five percent of the total revenue generated from the~~
17 ~~local hospital assessment payment or twenty thousand dollars, whichever is lower.~~

18 * * *

19 §1248.9. Local hospital assessment payments; collection

20 ~~The sheriff of a~~ Unless the parish engages an appropriate collection entity,
21 the parish shall collect the local hospital assessment payment authorized by this
22 Subpart. ~~The sheriff shall charge and deduct from local hospital assessment~~
23 ~~payments collected for the parish a fee for collecting those payments in an amount~~
24 ~~determined by the parish. The fee shall not exceed the usual and customary charges~~
25 ~~imposed by the sheriff.~~ If a sheriff serves as the collection entity, the sheriff may
26 charge and deduct from local hospital assessment payments a reasonable and
27 customary fee for collecting those payments.

28 Section 2. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature

- 1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
3 effective on the day following such approval.
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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 456 Reengrossed

2025 Regular Session

Turner

Abstract: Provides relative to the Local Healthcare Provider Participation Program.

Present law provides that the provisions of present law (R.S. 40:1248.1-1248.10) apply to any parish where at least two institutional providers are located.

Proposed law revises present law to instead provide that present law applies to any parish.

Proposed law provides that if a parish has fewer than two hospitals, the parish may join with one or more contiguous parishes with fewer than two hospitals and create a multi-parish funding district, which shall be a new governmental entity. Proposed law further provides that the boundary of a multi-parish funding district shall be coextensive with the combined boundaries of the parishes contained in the multi-parish funding district.

Proposed law provides that a multi-parish funding district shall be established by the governing body of each parish within the boundaries of a proposed funding district passing and adopting a resolution or ordinance establishing the multi-parish funding district and appointing one representative to serve on the multi-parish funding district's governing body.

Proposed law provides that the governing body of a multi-parish funding district shall be comprised solely of the individuals appointed by each parish within the boundaries of the district. Proposed law allows a parish to replace its appointment to the governing body by resolution or ordinance.

Proposed law requires the governing body of a multi-parish funding district to delegate the operational and administrative burdens of the district to the parishes that comprise the district.

Proposed law requires, within 60 days of the establishment of a multi-parish funding district, the governing body to designate at least one parish to serve as the operational and administrative lead for the district. Proposed law allows the governing body to change this designation at any time.

Present law provides that a rural hospital may be included in assessment payments imposed, if the rural hospital and parish enter into a mutual agreement to include the rural hospital.

Proposed law retains present law.

Present law provides that a governmental hospital may be included in assessment payments imposed, if the governmental hospital and parish enter into a mutual agreement to include the governmental hospital.

Proposed law retains present law.

Present law provides that if a parish excludes providers, the definition of institutional provider as used in this present law (R.S. 40:1248.5 and 40:1248.8) shall be read to exclude such excluded providers.

Proposed law adds that, if necessary, the parish shall be required to work with the department to obtain federal approvals to ensure compliance with federal law. Proposed law otherwise retains present law.

Present law provides that if a parish collects a local hospital assessment then the hospital shall set local hospital assessment payments in amounts that, in the aggregate, will generate sufficient revenue to cover the administrative expenses of the parish for activities as specified in present law and to fund the nonfederal share of a Medicaid payment for the benefit of hospitals in the parish.

Present law provides that the amount of revenue from local hospital assessment payments used for the aforementioned reason may not exceed five percent of the total revenue generated from the local hospital assessment payment or \$20,000, whichever is lower.

Proposed law instead provides that the local assessment payments, including collection services as provided in present law (R.S. 40:1248.9) as amended, shall be \$150,000. Proposed law otherwise retains present law.

Present law requires the sheriff of a parish to collect the local hospital assessment payment.

Present law allows the sheriff to charge and deduct from the assessment payment a fee for collecting the payment. Present law further provides that the fee, which shall be in an amount determined by the parish, shall not exceed the usual and customary charges imposed by the sheriff.

Proposed law instead provides that the parish may only collect an assessment payment if the parish uses an appropriate collection entity. Proposed law further provides that if a sheriff serves as the collection entity, the sheriff may charge and deduct from local hospital assessment payments a reasonable and customary fee for collecting those payments.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 40:1248.3, 1248.5(D)(3), 1248.8(B) and (D), and 1248.9)

Summary of Amendments Adopted by House

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

1. Clarify that a local hospital assessment payment will be imposed on each paying hospital in the parish in accordance with federal law.
2. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Provide that if a sheriff serves as a collection entity for assessment payments, the sheriff may charge and deduct reasonable fees from the collected assessment payments.