DIGEST

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HCR 2 Engrossed 2025 Regular Session McFarland

Provides for a hospital stabilization formula pursuant to present constitution (Art. VII, §10.13), including assessments and reimbursement enhancements.

Authorizes the La. Dept. of Health (LDH) to levy and collect an assessment upon certain hospitals in accordance with the approved arrangement once the Centers for Medicare and Medicaid Services (CMS) approves the state's proposed directed payment arrangement. Requires any such assessment to be collected on a quarterly basis.

Requires LDH to calculate, collect, and levy an assessment from hospitals to be calculated as the product of the rates set forth below and the respective hospitals' inpatient net patient revenue and outpatient net patient revenue as reported in the Medicare cost report ending in federal Fiscal Year 2023:

(1) Long-term acute care, psychiatric and rehabilitation hospitals: 1.3% of inpatient net patient revenue and 1.3% of outpatient net patient revenue.

(2) Hospital Service Districts not classified as rural hospitals pursuant to present law (R.S. 40:1189.1 et seq.): 4% of inpatient net patient revenue up to $125 M and 4% of outpatient net patient revenue up to $125 M.

(3) All other acute care hospitals: 5% of inpatient net patient revenue up to $125 M and 5% of outpatient net patient revenue up to $125 M.

(4) Hospital Service districts not classified as rural hospitals pursuant to present law (R.S. 40:1189.1 et seq.) and all other acute care hospitals: 2% of inpatient net patient revenues exceeding $125 M and 2% of outpatient net patient revenue exceeding $125 M.

Exempts the following hospitals from the assessment:

(1) Non-rural, small urban private acute hospitals with 40 licensed beds or less, either as reported in the Medicare cost report ending in federal fiscal year 2023 or as licensed by LDH.

(2) Freestanding psychiatric Medicaid disproportionate share hospitals.

(3) Rural hospitals as defined in present law (R.S. 40:1189.1 et seq.).

Restricts the levy of the assessment to only the quarters in which directed payments are made to hospitals.

Requires LDH to develop a new assessment and obtain approval of the Joint Legislative Committee on the Budget (JLCB) prior to levy, if CMS does not approve an assessment consistent with the proposed formula.

Provides for reimbursement enhancements as follows:

(1) Implementation of directed payment arrangement for inpatient and outpatient hospital services pursuant to 42 CFR 438.6.

    (a) For acute care hospitals, the methodology is implemented in the manner set forth in the directed payment arrangement submitted to CMS on or before May 31, 2025.

    (b) For post-acute care hospitals, the methodology is implemented in the manner set forth in the directed payment arrangement submitted to the CMS on or before May 31, 2025.

(2) Payment for healthcare services through the implementation of Medicaid expansion.

(3) Payment of hospital reimbursement rates in an amount no less than the reimbursement rates in effect for dates of service on or after Jan. 1, 2025.

Requires LDH to develop a new directed payment arrangement and obtain approval of the JLCB prior to implementation, if CMS does not approve an assessment that is consistent with the proposal submitted prior to May 31, 2025.

Requires LDH to submit any state plan amendment necessary in order to implement the provisions of the assessment within 120 days of the adoption of this Resolution. Further requires LDH to promulgate any rules and regulations necessary to implement the provisions of the assessment. Further provides that final adoption of such rules is not required in order to implement and carry out the provisions of the assessment.

Requires LDH to publish on the department's website the approved CMS directed payment arrangements within 10 days of receiving approval.

Requires LDH to publish no later than 30 days after the end of each quarter a report containing data directly related to the reimbursement enhancements, which shall include the following:

(1) The total amount of inpatient and outpatient Medicaid claims paid to hospitals broken out by each individual hospital Medicaid provider number.

(2) The amount of directed payments received by each hospital.

(3) Other supplemental payments received by each hospital.