



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 96** SLS 25RS 148
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **w/ HSE COMM AMD**
Proposed Amd.:
Sub. Bill For.:

Date: June 8, 2025	12:31 PM	Author: MCMATH
Dept./Agy.: Health/Medicaid		
Subject: Hospital/Intensive Outpatient program Reimb. Rates		Analyst: Anthony Shamis

MEDICAID RE1 +\$3,907,841 GF EX See Note Page 1 of 1
Establishes Medicaid reimbursement rates for certain behavioral health services. (7/1/25)

Proposed law provides that the Louisiana Department of Health shall reimburse Medicaid providers for mental health partial hospitalization program services and intensive outpatient services provided at a licensed freestanding inpatient psychiatric hospital. The department shall be reimbursed at 100% of Medicare rates.

Proposed law shall be subject to the appropriation of funds by the legislature for this purpose or the identification of available funds by the Louisiana Department of Health within its existing budget capacity.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$3,907,841	\$3,660,419	\$3,775,722	\$3,891,739	\$4,009,864	\$19,245,585
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$366,027	\$743,036	\$759,836	\$779,886	\$801,910	\$3,450,695
Federal Funds	\$9,036,215	\$9,305,931	\$9,585,110	\$9,872,663	\$10,168,842	\$47,968,761
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$13,310,083	\$13,709,386	\$14,120,668	\$14,544,288	\$14,980,616	\$70,665,041

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$366,027	\$743,036	\$759,836	\$779,886	\$801,910	\$3,450,695
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$366,027	\$743,036	\$759,836	\$779,886	\$801,910	\$3,450,695

EXPENDITURE EXPLANATION
Proposed law is anticipated to result in a \$13.3 M (\$3.9 M SGF; \$366,027 Stat. Ded.; and \$9 M Federal) in additional Medicaid expenditures in FY 26 in the Louisiana Department of Health (LDH) to reimburse mental health partial hospitalization program services and intensive outpatient services provided at a licensed freestanding inpatient psychiatric hospital at 100% of the Medicare Rate.

The expenditure projection is based on the following assumptions:
(1) Premium Tax is Statutory Dedicated Medical Assistance Trust Fund. FY 26 reflects six months of premium tax, which is collected on a calendar year basis.
(2) Assumes a standard inflationary increase of 3% annually and 5.5% of total cost for Premium Tax expenditures. Note: To the extent inflation and/or utilization increases above 3% annually, expenditures will increase proportionately.
(3) Assumes all services will be provided through the Healthy LA Managed Care program at the Blended Federal Medical Assistance Percentage (FMAP) rate for FY 26 and subsequent fiscal years.

Service	Units	Curr. Rate	Medicare Rate	Change	Annual Amount
(1) MHPHP - Hospital	14,420	\$0.00	\$408.55	\$408.55	\$ 5,891,291.00
(2) MHIOP - Hospital	16,367	\$0.00	\$408.55	\$408.55	\$ 6,686,737.85
TOTAL					<u>\$12,578,028.85</u>

Fiscal Year	SGF	Premium Tax ¹	Federal	Total ²	FMAP ³
FY 26	\$ 3,907,840.50	\$ 366,027.29	\$ 9,036,215.65	\$13,310,083.44	67.89%
FY 27	\$ 3,660,419.36	\$ 743,035.41	\$ 9,305,931.18	\$13,709,385.95	67.88%
FY 28	\$ 3,775,722.35	\$ 759,836.06	\$ 9,585,109.11	\$14,120,667.52	67.88%
FY 29	\$ 3,891,739.22	\$ 779,885.94	\$ 9,872,662.39	\$14,544,287.55	67.88%
FY 30	\$ 4,009,864.00	\$ 801,909.91	\$10,168,842.26	\$14,980,616.17	67.88%
TOTAL	<u>\$19,245,585.43</u>	<u>\$3,450,694.61</u>	<u>\$47,968,760.59</u>	<u>\$70,665,040.63</u>	

REVENUE EXPLANATION
Proposed law will result in an increase in Statutory Dedicated Medical Assistance Trust Fund (MATF) revenues within LDH, Medicaid program as a result of premium tax collections of 5.5% of Healthy LA Managed Care expenditures, as these reimbursements are anticipated to be paid through managed care premiums paid to the Healthy LA Managed Care Organizations. Premium tax collections are based on a calendar year, so FY 26 revenues are based on six months of collections (July through December 2025).

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input checked="" type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

Patrice Thomas
Deputy Fiscal Officer