



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 96** SLS 25RS 148
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **w/ #2 HSE COMM AMD**
Proposed Amd.:
Sub. Bill For.: **REVISED**

Date: June 10, 2025	9:34 AM	Author: MCMATH
Dept./Agy.: Health/Medicaid		
Subject: Hospital/Intensive Outpatient program Reimb. Rates		Analyst: Anthony Shamis

MEDICAID RE2 +\$1,830,352 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 at a licensed freestanding inpatient psychiatric hospital. The providers shall be reimbursed at 100% of Medicare rates.

Proposed law shall be subject to the appropriation by the legislature for this purpose or upon notification by the Secretary of the Louisiana Department of Health to the Joint Legislative Committee on the Budget that the department has identified available funds within its existing budget authority for the implementation of the provisions of this legislation.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$1,830,352	\$1,714,465	\$1,768,471	\$1,822,811	\$1,878,138	\$9,014,237
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$171,440	\$348,023	\$355,892	\$365,283	\$375,598	\$1,616,236
Federal Funds	\$4,232,378	\$4,358,707	\$4,489,469	\$4,624,153	\$4,762,877	\$22,467,584
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$6,234,170	\$6,421,195	\$6,613,832	\$6,812,247	\$7,016,613	\$33,098,057

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	\$171,440	\$348,023	\$355,892	\$365,283	\$375,598	\$1,616,236
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$171,440	\$348,023	\$355,892	\$365,283	\$375,598	\$1,616,236

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in a \$6.2 M (\$1.8 M SGF; \$171,440 Stat. Ded.; and \$4.2 M Federal) in additional Medicaid expenditures in FY 26 in the Louisiana Department of Health (LDH) to reimburse mental health partial hospitalization program services 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.

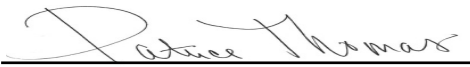
Service	Units	Curr. Rate	Medicare Rate	Change	Annual Amount
(1) MHPHP - Hospital	14,420	\$0.00	\$408.55	\$408.55	\$ 5,891,291.00

Fiscal Year	SGF	Premium Tax ¹	Federal	Total ²	FMAP ³
FY 26	\$ 1,830,352	\$ 171,440	\$ 4,232,378	\$ 6,234,170	67.89%
FY 27	\$ 1,714,465	\$ 348,023	\$ 4,358,707	\$ 6,421,195	67.88%
FY 28	\$ 1,768,471	\$ 355,892	\$ 4,489,469	\$ 6,613,832	67.88%
FY 29	\$ 1,822,811	\$ 365,283	\$ 4,624,153	\$ 6,812,247	67.88%
FY 30	\$ 1,878,138	\$ 375,598	\$ 4,762,877	\$ 7,016,613	67.88%
TOTAL	<u>\$ 9,014,237</u>	<u>\$1,616,236</u>	<u>\$22,467,584</u>	<u>\$33,098,057</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