



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 198** HLS 26RS 252  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **w/ SEN COMM AMD**  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 28, 2026	11:10 AM	<b>Author:</b> ECHOLS
<b>Dept./Agy.:</b> LDH/Medicaid		
<b>Subject:</b> Medicaid reimbursement of ambulatory surgical centers		<b>Analyst:</b> Cristian Nedelea

HEALTH RE1 +\$244,808 GF EX See Note Page 1 of 1  
 Provides relative to Medicaid reimbursement of ambulatory surgical centers for certain procedures

Proposed law requires the Louisiana Department of Health (LDH) to take all necessary actions by 10/01/26, to reimburse ambulatory surgical centers (ASCs) that perform gastroenterology procedures at a rate equal to or exceeding 100% of the Medicare rate for gastroenterology procedures. It also requires LDH to update the reimbursement rates annually in line with annual Medicare rate adjustments. The implementation of the provisions of this Act shall be subject to the appropriation of funds by the legislature for this purpose.

Proposed law shall become effective upon the signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$244,808	\$233,995	\$233,995	\$233,995	\$233,995	\$1,180,788
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$23,104	\$123,221	\$123,221	\$123,221	\$123,221	\$515,988
Federal Funds	\$1,412,371	\$1,883,162	\$1,883,162	\$1,883,162	\$1,883,162	\$8,945,019
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$1,680,283</b>	<b>\$2,240,378</b>	<b>\$2,240,378</b>	<b>\$2,240,378</b>	<b>\$2,240,378</b>	<b>\$10,641,795</b>
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$23,104	\$123,221	\$123,221	\$123,221	\$123,221	\$515,988
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$23,104</b>	<b>\$123,221</b>	<b>\$123,221</b>	<b>\$123,221</b>	<b>\$123,221</b>	<b>\$515,988</b>

**EXPENDITURE EXPLANATION**

**The provisions of proposed law are effective when an Act of the Louisiana Legislature containing a specific appropriation of funds for implementation becomes effective.**

**Note: The LFO has requested an updated fiscal note worksheet from LDH accounting for Senate Committee on Finance amendments to Reengrossed bill.** In the absence of a response from LDH, the LFO presents the projections provided by LDH for the Original bill, which has requirements similar to Reengrossed bill amended by the Senate Committee on Finance.

Proposed law is anticipated to result in an expenditure increase within the Louisiana Department of Health (LDH) of \$1.7 M (\$244,808 SGF, \$23,104 Statutory Dedications out of the Medical Assistance Trust Fund - MATF, and \$1.4 M Federal) in FY 27 (assuming 9 payment months) and \$2.2 M (\$233,995 SGF, \$123,221 Statutory Dedications - MATF, and \$1.9 M Federal) in FY 28 (full year cost) and subsequent fiscal years. Proposed law mandates Medicaid reimbursement for gastroenterology procedures provided in an ambulatory surgical center (ASC) at a rate equal to 100% of the Medicare rate for the same procedures.

The expenditure projection is based on the following data, assumptions, and approach provided by LDH for the Original bill:

- (1) Expected new cost: FY 24 and FY 25 historical utilization data for the mandated services were repriced using the proposed reimbursement rates and the average of the two years was used for the expenditure projection.
- (2) Observed cost: The average of FY 24 and FY 25 observed utilization data for the mandated services was used for the projection.
- (3) Rate differential = (1) Expected new cost - (2) Observed cost.  
 $\$1,924,688 = \$2,964,468 - \$1,039,780$
- (4) 5.5% premium tax and 10% administrative cost are factored into the total cost. Statutory Dedications for FY 27 reflect two months of premium taxes, which are collected on a calendar year basis (November and December 2026).
- (5) Effective date: 10/01/2026. FY 27 accounts for 8 months of usage. All ASC services are assumed to be provided through the Healthy Louisiana MCOs which are paid capitation payments with a one month lag (for example, November 2026 capitation payments are for October 2026 service month).
- (6) Financing: 68.06% Non-Expansion blended FMAP rate and 90% Expansion FMAP rate.

*Note: The LFO is unable to corroborate the expenditure estimates projected by LDH. To the extent that actual utilization varies from projections, total costs would shift accordingly. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.*

**REVENUE EXPLANATION**

Proposed law is anticipated to result in a revenue increase within the LDH of \$23,104 in Statutory Dedications - MATF revenues in FY 27 and \$123,221 per fiscal year thereafter. With a 10/01/2026 effective date and premium tax collections based on a calendar year, the Statutory Dedications fiscal impact for FY 27 is for only two months of collections (payment months of November and December 2026). The revenue increase is a direct result of the 5.5% premium tax collections levied on MCO capitation expenditures. The increase in expenditures will be integrated into the actuarially sound premium/capitation payments made by LDH to MCOs.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*  
 Alan M. Boxberger  
 Legislative Fiscal Officer