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## DIGEST

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Kleckley

HB No. 532

**Abstract:** Provides for the legislature to establish a formula for funding hospitals by establishing rate increases for hospitals; by establishing an assessment on hospitals; by creating the Hospital Stabilization fund to deposit assessments, and using the monies in the fund for rate enhancements.

Proposed constitutional amendment provides for an annual Hospital Stabilization formula by concurrent resolution by a favorable vote of two-thirds of the elected members of each house. The formula includes:

- (1) A base rate that is the payment levels under the Medicaid Program to hospitals for inpatient and outpatient services in FY 2012-2013 in the first year and each subsequent formula applies a rate of inflation to the base rate from the previous fiscal year.
- (2) Assessments to be paid by Louisiana hospitals, provided the amount of the assessment does not exceed the non-federal share of the rate enhancement.
- (3) Reimbursement rate enhancements for those hospitals subject to an assessment provided for in the formula.
- (4) Any additional provisions necessary to the implementation of the formula.

Proposed constitutional amendment provides that the base rate shall not be paid from the Hospital Stabilization Fund.

Proposed constitutional amendment provides that no assessments shall be collected from any hospital in a fiscal year in which any of the following occur:

- (1) The legislature fails to adopt a formula.
- (2) The Department of Health and Hospitals reduces or does not pay rate enhancements established in the current formula.
- (3) The appropriations provided for in proposed constitutional amendment are reduced.

Proposed constitutional amendment provides for annual appropriation of an amount necessary to fund the base rate for hospitals and appropriate the balance of the Hospital Stabilization Fund

created in the proposed constitutional amendment for rate enhancements.

Proposed constitutional amendment provides for reductions to the appropriations if the reduction is consented to in writing by two-thirds of the elected members of each house in a manner provided by law and does not exceed the average reduction of those made to the appropriations for other providers under the Medicaid Program.

Proposed constitutional amendment creates the Hospital Stabilization Fund and provides appropriations only for funding the rate enhancement established in the Hospital Stabilization Formula for the fiscal year in which the assessment is collected. Any amounts remaining in the fund at the end of a fiscal year shall be refunded to the participating hospitals in proportion to the assessments paid.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 4, 2014.

(Adds Const. Art. VII, Section 10.13)