

Regular Session, 2013

HOUSE BILL NO. 533

BY REPRESENTATIVES KLECKLEY AND LEGER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING: (Constitutional Amendment) Creates the Medical Assistance Trust Fund as a constitutional fund, creates accounts for each provider paying fees into the fund, and provides for uses of the fund

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A JOINT RESOLUTION

Proposing to add Article VII, Section 10.13 of the Constitution of Louisiana, to provide relative to health care funding; to create the Louisiana Medical Assistance Trust Fund as a treasury fund; to provide for accounts within the Louisiana Medical Assistance Trust Fund; to provide for deposit, use, and investment of the fund; to provide for a base rate for certain Medicaid Program provider funding; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 10.13 of the Constitution of Louisiana, to read as follows:

§10.13. Louisiana Medical Assistance Trust Fund

(A) There is hereby established as a special fund in the state treasury the Louisiana Medical Assistance Trust Fund, hereinafter referred to as "the fund", which shall consist of monies generated by fees as provided for in law. Subject to the exceptions contained in Article VII, Section (9)(A) of this constitution, and after compliance with the requirements of Article VII, Section 9(B) of this constitution relative to the Bond Security and Redemption Fund, the treasurer shall deposit all

1 proceeds from the fees collected as provided for in laws relative to the Medical
2 Assistance Trust Fund into the fund. The monies in the fund shall be invested by the
3 state treasurer in the same manner as monies in the state general fund. All interest
4 earned from the investment of monies in the fund shall be deposited in and remain
5 to the credit of the fund. All unexpended and unencumbered monies remaining in
6 the fund at the close of each fiscal year shall remain in the fund.

7 (B) The treasurer is hereby authorized to establish a separate account within
8 the fund for each health care provider group in which fees are collected according
9 to law. Monies collected from each provider group, and the interest earned on those
10 monies, shall be deposited into the account created for that provider group. Any
11 monies deposited into the fund from sources not required by law, and the interest
12 earned on those monies, shall be deposited into a separate account within the fund,
13 hereafter referred to as "the general account".

14 (C) The legislature is authorized to appropriate monies from the fund only
15 if the appropriation is eligible for federal financial participation under Title XIX of
16 the Social Security Act, or its successor. The balance of each account shall be
17 appropriated for reimbursement of services to the provider group which paid the fee
18 into the account in any fiscal year, except monies deposited into the general account
19 may be appropriated for any Medicaid Program expenditure.

20 (D) The monies appropriated from the provider accounts in the fund shall not
21 be used to displace, replace, or supplant appropriations from the state general fund
22 for the Medicaid Program below the amount of state general fund appropriations to
23 the Medicaid Program for Fiscal Year 2013-2014.

24 (E)(1) The legislature shall annually appropriate the funds necessary to
25 provide for Medicaid Program rates for each provider group which pays fees into the
26 fund that is no less than the average Medicaid Program rates established for Fiscal
27 Year 2013-2014 and adjusted annually by establishing the rates of inflation, which
28 rates shall not be negative, to be applied to the base rates to establish the new base
29 rates for the next fiscal year as authorized by law. For the purpose of this Section,

1 "Medicaid Program" shall refer to the Louisiana medical assistance program
2 provided for in Title XIX of the Social Security Act, or its successor.

3 (2) Notwithstanding Article VII, Section 10(F) of this constitution, neither
4 the governor nor the legislature may reduce the base rate as provided for in this
5 Paragraph to satisfy a budget deficit, except the governor may reduce the
6 appropriation for the base rate if the following occur:

7 (a) Such reduction is consented to in writing by two-thirds of the elected
8 members of each house in a manner provided by law; and

9 (b) Such reduction does not exceed the average reduction of those made to
10 the appropriations for other providers under the Medicaid Program.

11 Section 2. Be it further resolved that this proposed amendment shall be submitted
12 to the electors of the state of Louisiana at the statewide election to be held on November 4,
13 2014.

14 Section 3. Be it further resolved that on the official ballot to be used at the election,
15 there shall be printed a proposition, upon which the electors of the state shall be permitted
16 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
17 follows:

18 Do you support an amendment to authorize the legislature to create the
19 Louisiana Medical Assistance Trust Fund, for the payment of Medicaid
20 reimbursement to the health care provider groups paying fees into the fund?

21 (Adds Article VII, Section 10.13)

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Kleckley

HB No. 533

Abstract: Creates the La. Medical Assistance Trust Fund as a constitutional fund; establishes accounts within the fund to deposit provider fees; uses the accounts to provide reimbursement for Medicaid services; and establishes a Medicaid base rate of reimbursement for certain provider groups.

Present law (R.S. 46:2623 and 2625 and R.S. 22:842) creates the La. Medical Assistance Trust Fund (MATF) and appropriates monies in the fund for use and expenditure under the

supervision of the secretary of the Dept. of Health and Hospitals for the Medicaid program. The fees collected are from nursing facilities, intermediate care facilities for people with developmental disabilities, prescriptions, medical transportation providers, and health care premium assessments paid by Medicaid-enrolled managed care organizations.

Proposed constitutional amendment creates the La. MATF as a constitutional fund and provides for the deposit of all proceeds from the fees collected as provided for in present law into the fund. Proposed constitutional amendment establishes separate accounts within the fund for each health care provider group in which fees are collected according to law and deposits the monies collected from each provider group into the account created for that provider group. Any monies deposited into the fund from sources not required by law are deposited into a general account.

The balance of each account can be appropriated for reimbursement of services to the provider group which paid the fee into the account in any fiscal year, except monies deposited into the general account may be appropriated for any Medicaid Program expenditure.

Proposed constitutional amendment requires the legislature to annually appropriate the funds necessary to provide for Medicaid Program rates for each provider group which pays fees into the fund that is no less than the average Medicaid Program rates established for FY 2013-2014 and adjusted annually by establishing the rates of inflation, which rates shall not be negative, to be applied to the base rates to establish the new base rates for the next fiscal year as authorized by law.

Proposed constitutional amendment further provides for reductions to the base rate if the reduction is consented to in writing by 2/3 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.

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

(Adds Const. Art. VII, §10.13)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Deleted provision regarding partial appropriation from the accounts in the fund in Fiscal Years 2013-2014 and 2014-2015.
2. Clarified that a base Medicaid rate is to be annually appropriated for the provider groups paying fees into the fund and no longer specifies the appropriation from the fund is the base rate.
3. Changed the provision regarding the authority for reduction from a reduction of appropriation from the fund to a reduction of appropriation of the base rate.