

Regular Session, 2014

SENATE BILL NO. 355

BY SENATOR MILLS

FUNDS/FUNDING. Constitutional amendment to establish a budget stabilization program for Medicaid programs, certain elderly services, rehabilitation services, and other health care services. (2/3-CA13s1(A))

1 A JOINT RESOLUTION

2 Proposing to add Article VII, Section 10.13 of the Constitution of Louisiana, relative to
3 establishing a budget stabilization program for Medicaid programs, certain elderly
4 services, rehabilitation services, and other health care programs; to provide for
5 establishing annual appropriations necessary to fund certain health care programs;
6 to provide procedures for the legislature to adjust appropriations in order to eliminate
7 a projected deficit; and to specify an election for submission of the proposition to
8 electors and provide a ballot proposition.

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

13 **§10.13. Budget stabilization program for Medicaid programs, certain elderly**
14 **programs, rehabilitation services, and other health care programs**

15 **(A)(1) The legislature shall annually appropriate the funds necessary to**
16 **provide for Medicaid program rates to provider groups, excluding those**
17 **provider groups that pay fees or assessments that are deposited into a special**

1 fund established in this constitution, which Medicaid program rates shall be no
2 less than the average Medicaid program rates established for Fiscal Year 2013-
3 2014. The Medicaid program rates may be adjusted annually by establishing the
4 rates of inflation, or rebasing, if applicable, or as otherwise provided by law.
5 The inflation rate adjustments shall not be negative. For the purposes of this
6 Section, "Medicaid program" shall refer to the Louisiana medical assistance
7 program provided for in Title XIX of the Social Security Act, or its successor.

8 (2) Notwithstanding Article VII, Section 10(F) of this constitution,
9 neither the governor nor the legislature may reduce the rates as provided for
10 in this Paragraph to eliminate a budget deficit, except the governor may reduce
11 the appropriation for the rates if the following occur:

12 (a) The reduction does not exceed the average reduction made to the
13 appropriations and reimbursements for other providers under the Medicaid
14 program, or its successor; and

15 (b)(i) If the legislature is in session, the reduction shall receive written
16 consent of two-thirds of the elected members of each house in the manner
17 provided by law; or

18 (ii) If the legislature is not in session, the reduction is approved by a
19 favorable vote of two-thirds of the members of the Joint Legislative Committee
20 on the Budget, or its successor.

21 (B)(1) The legislature shall annually appropriate the funds necessary to
22 provide funding for any health care agency operated under the purview of the
23 Department of Health and Hospitals, or its successor, rehabilitation services
24 operated or managed by the Louisiana Workforce Commission, or its successor,
25 or elderly services program operated or managed by the Governor's Office of
26 Elderly Affairs, or its successor, that is not less than the appropriation for those
27 agencies in Fiscal Year 2013-2014. For the purpose of this Section, "health care
28 agency" shall refer to the agencies that are under the purview of the
29 Department of Health and Hospitals, or its successor, and shall exclude the

1 **Medicaid program.**

2 **(2) Notwithstanding the provisions of Article VII, Section 10(F) of this**
3 **constitution, neither the governor nor the legislature may reduce the**
4 **appropriations for any health care agency operated under the purview of the**
5 **Department of Health and Hospitals, or its successor, rehabilitation services**
6 **agency operated or managed by the Louisiana Workforce Commission, or its**
7 **successor, or elderly services program operated or managed by the Governor's**
8 **Office of Elderly Affairs, or its successor, to satisfy a budget deficit, except the**
9 **governor may reduce the appropriations if the following occur:**

10 **(a) The reductions are proportionally equivalent among all agencies**
11 **provided for in Paragraphs A and B of this Section, and;**

12 **(b)(i) If the legislature is in session, the reductions receive written**
13 **consent of two-thirds of the elected members of each house in a manner**
14 **provided by law; or**

15 **(ii) If the legislature is not in session, the reductions are approved by a**
16 **favorable vote of two-thirds of the members of the Joint Legislative Committee**
17 **on the Budget, or its successor.**

18 Section 2. Be it further resolved that this proposed amendment shall be submitted
19 to the electors of the state of Louisiana at the statewide election to be held on November 4,
20 2014.

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

25 Do you support an amendment to establish a budget stabilization program for
26 Medicaid programs, certain non-Medicaid health care programs operated
27 under the purview of the Department of Health and Hospitals, elderly
28 programs, and rehabilitation services; provide for annual appropriation levels
29 for such programs, and provide for adjusting such appropriations in the event

1 of a budget deficit in the current year or for the ensuing fiscal year?

2 (Adds Art. VII, Section 10.13)

The original instrument was prepared by Jay Lueckel. The following digest, which does not constitute a part of the legislative instrument, was prepared by Martha Hess.

DIGEST

Mills (SB 355)

Proposed constitutional amendment provides for the stabilization of the budget for the Medicaid program, other Department of Health and Hospitals agencies and facilities, and the Louisiana Workforce Commission's rehabilitation services program.

Proposed constitutional amendment requires the legislature to annually appropriate the funds necessary to provide for Medicaid program reimbursement rates to providers, excluding the rates for provider groups that pay fees or assessments that are deposited in fund established by constitution, that are no less than the average Medicaid program rates established for FY 2013-2014. Further, the proposed constitutional amendment provides that Medicaid program reimbursement rates may be adjusted annually by inflation or rebasing and such adjustments shall not be negative.

Proposed constitutional amendment also provides for reductions in Medicaid program reimbursement rates to satisfy a budget deficit only if the following occur:

- (1) The reduction does not exceed the average reduction of those made to the appropriations and reimbursements for other providers under the Medicaid program; and
- (2) If the legislature is in session, the reduction shall receive written consent of two-thirds of the elected members of each house in a manner provided by law, or if the legislature is not in session, the reduction is approved by a favorable vote of two-thirds of the members of the Joint Legislative Committee on the Budget.

Proposed constitutional amendment requires the legislature to annually appropriate the funds necessary to provide funding for the Department of Health and Hospitals' agencies and Louisiana Workforce Commission's rehabilitation services that is no less than the appropriation for these agencies and services in FY 2013-2014.

Proposed constitutional amendment further provides for reductions to the appropriation for these health care and rehabilitation programs to satisfy a budget deficit only if the following occur:

- (1) The reductions are proportionally equivalent among all agencies provided for the constitutional amendment; and
- (2) If the legislature is in session, the reductions receive written consent of two-thirds of the elected members of each house in a manner provided by law, or if the legislature is not in session, the reduction is approved by a favorable vote of two-thirds of the members of the Joint Legislative Committee on the Budget.

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

(Adds Const. Art. VII, Sec. 10.13)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original
bill

1. Technical amendments.