



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 652** HLS 15RS 1127

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 20, 2015	11:10 AM	<b>Author:</b> HUNTER
<b>Dept./Agy.:</b> DHH/Medicaid		
<b>Subject:</b> Medicaid reimbursement		<b>Analyst:</b> Shawn Hotstream

HOSPITALS

OR GF EX See Note

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Requires the Dept. of Health and Hospitals to implement an equitable system of Medicaid reimbursement among certain hospitals

Proposed law requires the secretary of the Department of Health and Hospitals to implement and maintain an equitable system of Medicaid reimbursement for covered services to certain privately operated state hospitals and to certain private hospitals, respectively, which have overlapping geographic catchment areas.

Proposed law provides that the equitable system of reimbursement shall be designed in such a manner as to protect the viability of hospitals that are not reimbursed according to the terms of a cooperative endeavor agreement (CEA) with the state for operation of a state hospital.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The impact on Medicaid expenditures as a result of implementing a new equitable system of Medicaid reimbursement for inpatient hospital services in Ouachita Parish is indeterminable, and will depend on the specific formula implemented by the secretary of DHH. The reimbursement formula is not clearly defined in this measure. To the extent the reimbursement formula only redistributes Disproportionate Share Hospital (DSH) funding for uncompensated care costs between EA Conway (CEA hospital) and other acute care hospitals in Ouachita Parish, there is no projected increase in Medicaid expenditures. Otherwise, a new formula could result in Medicaid payments over the amount paid to the CEA hospital to cover certain catchment area hospitals uncompensated care costs. Information provided by DHH indicates the 3 non-CEA hospitals that would be impacted by this measure include St. Francis, Glenwood, and Ouachita Community Hospital.

Prior to implementation, the reimbursement formula is subject to approval of the Centers for Medicare and Medicaid Services (CMS).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.