

BY REPRESENTATIVES KLECKLEY, HUNTER, LEGER, AND WILLMOTT

1 A CONCURRENT RESOLUTION

2 To provide for a hospital stabilization formula pursuant to Article VII, Section 10.13 of the  
3 Constitution of Louisiana; to establish the level and basis of hospital assessments;  
4 to establish certain reimbursement enhancements for inpatient and outpatient hospital  
5 services; to establish certain criteria for the implementation of the formula; to  
6 establish the base reimbursement level paid to hospitals; to provide for related  
7 matters.

8           WHEREAS, through the adoption of this Resolution, the Legislature of Louisiana  
9 hereby seeks to:

- (1) Preserve and enhance the availability of inpatient and outpatient hospital services for the citizens of Louisiana.
- (2) Preserve and protect rural hospitals as provided in the Rural Hospital Preservation Act, pursuant to R.S. 40:1300.41 et seq.
- (3) Enhance the stability of hospital funding by utilizing a healthcare driven solution which provides a reliable and recurring source of funding for healthcare services.
- (4) Minimize the effects of shifting the cost of caring for those Louisiana citizens who are uninsured to those who are able to obtain health insurance.
- (5) Create flexibility to design a plan to provide for more efficient and effective ways to maximize the state's use of monies currently expended for the provision of health care services to the state's low income and uninsured residents.

1        THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
2 enact the following hospital stabilization formula pursuant to Article VII, Section 10.13 of  
3 the Constitution of Louisiana:

4            I. Hospital Stabilization Assessment.

5            A. The Department of Health and Hospitals shall calculate, levy, and collect  
6 an assessment for each assessed hospital in accordance with Subsection B of this  
7 Section if all of the following occur:

8            (1) Implementation of the reimbursement enhancements as provided for in  
9 Paragraph (1) of Section II of this Resolution on or before April 1, 2016.

10           (2) The applicable federal financial participation, as set forth in 42 U.S.C.  
11 1396d(y) of Title XIX of the Social Security Act, is less than one hundred percent.

12           (3) Approval from the Joint Legislative Committee on the Budget of the  
13 proposed assessment, including a list of each hospital that will be assessed.

14           B.(1) The total assessment for the state fiscal year shall be equal to, but shall  
15 not exceed, the lesser of the following:

16           (a) The state portion of the cost, excluding any federal financial  
17 participation, of the reimbursement enhancements provided for in Paragraph (1) of  
18 Section II of this Resolution which are directly attributable to payments to hospitals.

19           (b) One percent of the total net patient revenue of all hospitals included in  
20 the assessment, as reported in the Medicare cost report ending in federal fiscal year  
21 2013.

22           (2) The Department of Health and Hospitals shall allocate the assessment to  
23 each assessed hospital on a pro rata basis by calculating the quotient of the total  
24 assessment divided by the total net patient revenue of all assessed hospitals as  
25 reported in the Medicare cost report ending in federal fiscal year 2013 and  
26 multiplying the quotient by each assessed hospital's total net patient revenue. If a  
27 hospital is not required to file a Medicare cost report or does not file a Medicare cost  
28 report ending in federal fiscal year 2013, the hospital shall submit to the Department  
29 of Health and Hospitals its most applicable fiscal year total of net patient revenue in  
30 a form prescribed by the department.

1           (3) The Department of Health and Hospitals shall levy and collect the  
2           assessment provided for in this Section on a quarterly basis. Prior to levying or  
3           collecting the assessment for the applicable quarterly period, the Department of  
4           Health and Hospitals shall publish in the Louisiana Register the total amount of the  
5           quarterly assessment and the corresponding applicable percentage of total net patient  
6           revenue that will be applied to the assessed hospitals.

7           C.(1) The Department of Health and Hospitals shall exclude a hospital from  
8           the assessment if any of the following are applicable:

9           (a) The hospital is certified by Medicare as a separately licensed long-term  
10          acute care, rehabilitation, or psychiatric hospital.

11          (b) The hospital has sixty or less beds, as reported in the Medicare cost  
12          report ending in federal fiscal year 2013.

13          (c) The hospital meets the definition of a rural hospital as defined in R.S.  
14          40:1300.143.

15          (2) The Department of Health and Hospitals may also exclude a hospital or  
16          class of hospitals which is necessary to achieve approval of the assessment from the  
17          Centers for Medicare and Medicaid Services.

18               II. Reimbursement Enhancements.

19          The Department of Health and Hospitals shall provide for reimbursement  
20          enhancements as follows:

21          (1) Payment for health care services through the implementation of a health  
22          coverage expansion of the Louisiana medical assistance program that meets all the  
23          requirements necessary for the state to maximize federal matching funds as set forth  
24          in 42 U.S.C. 1396d(y) of Title XIX of the Social Security Act.

25          (2) Payment of either the hospital inpatient and outpatient reimbursement  
26          rates which were in effect on December 31, 2010, or such rates which were in effect  
27          on June 30, 2013, whichever is greater, for hospital services provided pursuant to the  
28          Louisiana medical assistance program provided that there are adequate savings  
29          generated from the implementation of a health coverage expansion as provided for  
30          in this Section and funds are appropriated in the budget.

## 1                   III. Hospital Base Reimbursement Level.

2                   The hospital base reimbursement level is hereby defined and established as  
3                   all inpatient and outpatient hospital reimbursement rates and methodologies under  
4                   the state plan for the Louisiana medical assistance program, including, but not  
5                   limited to inpatient peer group per diem rates, outpatient fee schedules, outpatient  
6                   cost reimbursed services and cost report settlements, supplemental, outlier, and other  
7                   special payments, including Medicaid Disproportionate Share Hospital payments,  
8                   and all other policies and methodologies related to claims administration,  
9                   reimbursement, and adjudications adopted by the Department of Health and  
10                  Hospitals in effect on June 30, 2013, except for the following amendments to the  
11                  state plan for the Louisiana medical assistance program:

12                  (1) Any amendment approved by the Centers for Medicare and Medicaid  
13                  Services after June 30, 2013, regardless of the effective date of the amendment.

14                  (2) Amendments identified by the following transmittal numbers:

15                  (a) TN 09-55.

16                  (b) TN 09-56.

17                  (c) TN 10-26.

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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)]

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HCR 75 Engrossed

2015 Regular Session

Kleckley

Provides for a hospital stabilization formula pursuant to Art. VII, Sec. 10.13 of the Constitution of La. including an assessment, reimbursement enhancements, and a base reimbursement level.

Provides for DHH to calculate, collect, and levy as an assessment from hospitals equal to the lesser of one of the following:

- (1) The state portion of the cost, excluding any federal financial participation, of the reimbursement enhancements from the payment for health care services through the implementation of Medicaid expansion which are directly attributable to payments to hospitals.
- (2) 1% of the total net patient revenue of all hospitals included in the assessment, as reported in the Medicare cost report ending in federal FY 2013.

Further provides for the allocation of the assessment to each assessed hospital based on a pro rata calculation. Authorizes the DHH to exclude certain hospitals from the assessment.

Provides for the assessment if the following occur:

- (1) Implementation of the reimbursement enhancements from the payment for health care services through the implementation of Medicaid expansion on or before April 1, 2016.
- (2) The applicable federal financial participation for newly eligible Medicaid recipients under Medicaid expansion is less than one hundred percent.
- (3) Approval from the Joint Legislative Committee on the Budget of the proposed assessment, including a list of each hospital that will be assessed.

Provides for reimbursement enhancements from the following:

- (1) Payment for health care services through the implementation of Medicaid expansion.
- (2) Payment of hospital inpatient and outpatient reimbursement rates which were in effect on Dec. 31, 2010, or such rates that were in effect on June 30, 2013, whichever is greater if there are adequate savings generated from the implementation of Medicaid expansion and funds are appropriated in the budget.

Provides for a hospital base reimbursement level based on rates in effect on June 30, 2013. Further provides for exceptions to the rates used to define and establish the base reimbursement level.

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the basis of reimbursement enhancements from rates that were in effect on Dec. 31, 2010 to the greater of the rates that were in effect on Dec. 31, 2010, or June 30, 2013.