



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 474** HLS 16RS 811

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 6, 2016	8:45 AM	<b>Author:</b> HOFFMANN
<b>Dept./Agy.:</b> DHH/Medicaid		
<b>Subject:</b> Medicaid expansion		<b>Analyst:</b> Shawn Hotstream

HEALTH CARE

Provides for Medicaid expansion through a demonstration waiver program

OR SEE FISC NOTE GF EX

Page 1 of 2

Proposed law requires the secretary of DHH to expand Medicaid in accordance with the Affordable Care Act under a demonstration waiver program. Proposed law provides that the demonstration waiver shall include the following: 1) Financing of the federal share of Medicaid expansion through a per capita payment; 2) establishing premiums through monthly contributions to personal wellness and responsibility health savings accounts for newly eligible adults with income between 100% and 138% of the federal poverty level, with services delivered through capitated managed care organizations. The premium payments shall be a condition of eligibility for nonmedically frail beneficiaries and premium amounts shall be assessed according to a sliding scale based on income, with such amount to be determined by the secretary; 3) establishing premiums through monthly contributions to personal wellness and responsibility health savings accounts for newly eligible adults with income below 100% of the federal poverty level, with services delivered through managed care organizations. Proposed law provides that the secretary shall establish a differential system of benefits where payment of premiums by an enrollee shall qualify them for an expanded benefit package, and non payment of premiums by an enrollee shall qualify them for a more limited benefit package (with benefit packages to be determined by the secretary);

Continued on page 2

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law implements Medicaid expansion through a Section 1115 demonstration waiver. The net fiscal impact of this measure is indeterminable, and will depend on the parameters of the waiver program that are authorized to be determined by the secretary. Under this measure, the secretary can determine multiple levels of benefits, or a tiered level of care for distinct populations. The cost of services of the eligible individual will be impacted by the level of benefits offered in the program. Reduced benefit packages are anticipated to cost the state less than full benefits under Medicaid. In addition, new Medicaid enrollee costs are anticipated to be offset by cost sharing provisions indicated the bill. Although the bill identifies populations that would be included and excluded from cost sharing (monthly contributions), the level of cost sharing is not indicated.

In addition to program design, other factors that would result in the overall fiscal impact include the rate at which eligible individuals enroll in Medicaid, administrative costs (including costs associated with maintaining Health Savings Accounts and costs associated with tracking Medicaid beneficiaries incomes to ensure out of pocket cost to not exceed limits in federal law), the impact of Disproportionate Share Hospital payments for uncompensated care costs needs, and refinancing of current expenditures for certain limited benefit populations that are eligible for Medicaid benefits under the expansion model.

REVENUE EXPLANATION

Proposed law provides for health savings accounts, in which newly Medicaid eligible enrollees would be required to pay premiums in order to participate. Certain new enrollees would be exempt, and the premium amount for non exempt individuals would be based on a sliding fee scale, determined by the secretary.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*

Evan Brasseaux  
Staff Director



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 474** HLS 16RS 811

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 6, 2016	8:45 AM	<b>Author:</b> HOFFMANN
<b>Dept./Agy.:</b> DHH/Medicaid		
<b>Subject:</b> Medicaid expansion		<b>Analyst:</b> Shawn Hotstream

CONTINUED EXPLANATION from page one:

Page 2 of 2

4) and requiring newly eligible adults to make minimum contributions to the health savings accounts as a condition for monies in the accounts to roll forward from year to year.

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**