	LEGISL	ATIVE FISCAL OFFICE Fiscal Note						
		Fiscal Note On: HB 790 HLS 16RS 1167						
::Leg諸詞tive	ative Bill Text Version: ORIGINAL							
Fiscalit		Opp. Chamb. Action:						
		Proposed Amd.:						
PISTIR NDUS		Sub. Bill For.:						
Date: April 26, 2016	1:40 PM	Author: LEGER						
Dept./Agy.: DHH/Medicaid								

Subject: Medicaid managed care

Page 1 of 1

Analyst: Shawn Hotstream

MEDICAID OR GF EX See Note Provides for implementation of a Medicaid managed long term services and supports system

<u>Proposed law</u> requires the secretary to establish a Medicaid Managed Long Term Services and Supports system (MLTSS) within the Medicaid managed care program through a waiver.

<u>Proposed law</u> further provides that the secretary shall select one or more capitated managed care plans as the MLTSS contractor or contractors through a competitive request for proposal (RFP) process. The secretary shall complete the RFP before July 1, 2016, and ensure that the initial phase of implementation of the MLTSS system begins on or before Ocotber 1, 2016, and that full implementation of the system is completed on or before October 1, 2017.

EVDENDITUDEC	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
EXPENDITURES	SEE BELOW	<u>J-ILAR IOTAL</u>				
State Gen. Fd.						1.0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	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	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
	2016-17 \$0	2017-18 \$0	2018-19 \$0	2019-20 \$0	2020-21 \$0	<u>5 -YEAR TOTAL</u> \$0
State Gen. Fd.						
State Gen. Fd. Agy. Self-Gen.	\$0	 \$0	\$0	\$0	\$0	\$0
State Gen. Fd. Agy. Self-Gen. Ded./Other	\$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0	\$0
REVENUES State Gen. Fd. Agy. Self-Gen. Ded./Other Federal Funds Local Funds	\$0 \$0 SEE BELOW	\$0 \$0				

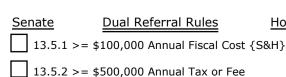
EXPENDITURE EXPLANATION

This measure provides for the delivery of long term care services and supports through capitated Medicaid managed care plans. Currently, long term services are provided to certain populations through legacy Medicaid using a fee for service delivery system. The fiscal impact resulting from the transition of long term care recipients into managed care is indeterminable, and will depend on the parameters of the program. Information provided by the Department of Health and Hospitals indicates program design has not been developed.

CMS authorizes broad flexibility in MLTSS program design (operated under various federal authorities at the discretion of the state, or through a state plan amendment). Specifically, the <u>impact will depend on benefit design</u> (type of benefits offered and whether all benefits offered should be fully integrated under managed care or some benefits carved out), populations included, and mandatory vs optional enrollment requirements. These decisions will be utilized for capitation rate setting (cost of the eligible individual). <u>Rate setting would ultimately be used to determine cost comparisons</u> to determine additional state costs or state general fund savings associated with the new program.

REVENUE EXPLANATION

To the extent long term care populations will be placed in full risk capitated plans, additional premium tax revenues are anticipated to be generated and deposited into the Medical Assistance Trust Fund (MATF). R.S. 22:842 imposes a 2.25% premium tax on insurance premiums related to health.



Change {S&H}

<u>House</u>

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

John D. Cagater

al Tax or Fee 6.8(G) >

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

John D. Carpenter **Legislative Fiscal Officer**