

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 373** HLS 19RS 703
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: ICF rates		

HEALTH CARE/FACILITIES EG +\$894,496 GF EX See Note Page 1 of 1

Provides for calculation of Medicaid per diem rates for certain intermediate care facilities for people with developmental disabilities

Proposed law requires the Louisiana Department of Health to establish a four-bed peer group for ICF/DD facilities for the purpose of per diem reimbursement. The department shall file a state plan amendment with the Centers for Medicare and Medicaid (CMS) amending the Medicaid state plan as necessary to establish a four-bed peer group for ICF/DD facility rate calculation. The approved reimbursement methodology provides that facilities shall receive a fair allocation of the Medicaid share of facility-specific costs directly incurred by such facilities, and that payment of such costs shall be made retroactive to the earliest date allowed by law.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$894,496	\$894,496	\$894,496	\$894,496	\$894,496	\$4,472,480
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$1,767,694	\$1,767,694	\$1,767,694	\$1,767,694	\$1,767,694	\$8,838,470
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$2,662,190	\$2,662,190	\$2,662,190	\$2,662,190	\$2,662,190	\$13,310,950

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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

Reclassifying existing ICF/DD provider peer groups for the purposes of calculating Medicaid reimbursement is projected to result in \$2.6 M in additional Medicaid expenditures in FY 20 and future fiscal years. Under the current Louisiana Medicaid State Plan, ICF/DD group homes/facilities are grouped by the number of beds (peer group classification). Provider peer group classifications are 1-8 beds, 9-15 beds, 16-32 beds, and 33 or more beds. This measure carves out beds from the 1 to 8 peer group, resulting in a 1 to 4 peer group classification, and a 5 to 8 bed peer group. Based on the current reimbursement methodology, creating a new 1-4 bed peer group is anticipated to result in a higher per diem rate for such ICF providers.

The estimated annual impact of this measure is based on the following calculations and assumptions:

- 15 homes reclassified as 1-4 bed group homes (currently in the 1-8 peer group)
- Existing payment methodology applied to peer group
- Assume per diem change effective for full year in FY 20

1-4 Bed Provider	Acuity Level	Resident Count	Current Rate	Projected New Rate	Rate Increase	Medicaid Days	Cost Increase
1-4 bed	Intermediate	13	\$158.89	\$258.05	\$99.16	4,745	\$470,514
1-4 bed	Limited	19	\$167.83	\$277.58	\$109.75	6,935	\$761,116
1-4 bed	Extensive	10	\$183.05	\$310.78	\$127.73	3,650	\$466,215
1-4 bed	Pervasive	18	\$199.15	\$345.93	\$146.78	6,570	\$964,345
TOTAL		60				21,900	\$2,662,190

REVENUE EXPLANATION

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

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" 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}

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