

Proposed constitutional amendment authorizes the annual adoption of a Hospital Stabilization Formula, hereinafter "formula". The first formula shall be established by concurrent resolution and shall require a favorable vote of 2/3 of the elected members of each house. In subsequent years, the resolution shall require a favorable vote of a majority of the elected members of each house. The formula provided for in the resolution includes:

- (1) A base reimbursement level which is the payment levels under the Medicaid Program to hospitals for inpatient and outpatient services in FY 2012-2013 in the first year and each subsequent formula may apply a rate of inflation to the base reimbursement level rate from the previous fiscal year.
- (2) Assessments to be paid by La. hospitals, provided the amount of the assessment does not exceed the nonfederal share of the reimbursement enhancement.
- (3) Reimbursement enhancements for those hospitals subject to an assessment provided for in the formula.
- (4) Any additional provisions necessary to the implementation of the formula. Neither the assessments nor the reimbursement enhancements established in the formula adopted by the legislature shall be implemented until each has been approved by the federal authority which administers the Medicaid Program.

Proposed constitutional amendment prohibits the base reimbursement level from being paid from the Hospital Stabilization Fund.

Proposed constitutional amendment provides that no additional assessment shall be collected and any assessment shall be terminated for the remainder of the fiscal year from the date on which any of the following occur:

- (1) The legislature fails to adopt a formula for the subsequent fiscal year.
- (2) The Dept. of Health and Hospitals reduces or does not pay reimbursement enhancements established in the current formula.
- (3) The appropriations provided for in proposed constitutional amendment are reduced.

Proposed constitutional amendment provides that the treasurer shall return any monies collected after the date of termination of an assessment to the hospital from which it was collected.

Proposed constitutional amendment provides for annual appropriation of an amount necessary to fund the base reimbursement level for hospitals and appropriate the balance of the Hospital Stabilization Fund created in the proposed constitutional amendment for reimbursement enhancements.

Proposed constitutional amendment provides for reductions to the appropriations if the following occur:

- (1) The reduction does not exceed the average reduction of those made to the appropriations and reimbursement for other providers under the Medicaid Program.
- (2) If the legislature is in session, the reduction is consented to in writing by two-thirds of the elected members of each house in a manner provided by law, or if the legislature is not in session, the reduction is approved by two-thirds of the members of the Joint Legislative Committee on the Budget.

Proposed constitutional amendment creates the Hospital Stabilization Fund and provides appropriations only for funding the reimbursement enhancement established in the Hospital Stabilization Formula for the fiscal year in which the assessment is collected.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014, or the first statewide election occurring after the adoption of this Joint Resolution.

(Adds Const. Art. VII, §10.13)