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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

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DIGEST

SB 275 Original

2015 Regular Session

Martiny

Proposed law provides for the following definitions: "certified public expenditures", "CMS", and "Department".

Proposed law creates in the state treasury as a special fund, the Hospital Revenue Equalization Fund, hereinafter referred to as the "fund".

Proposed law provides that monthly, the secretary of the Department of Health and Hospitals shall transmit to the state treasurer a report which details the amount of certified public expenditures which have been generated by public, nonstate, nonrural community hospitals. Upon notification of approval by CMS as provided in the Chapter and after receipt of each report, the state treasurer shall, after compliance with the provisions of Article VII, Section 9(B) of the Louisiana Constitution relative to the Bond Security and Redemption Fund, deposit an amount equal to the amount of certified public expenditures stated in the report into the Hospital Revenue Equalization Fund.

Proposed law provides that, subject to an annual appropriation by the legislature, the monies in the fund shall be used exclusively as state match to draw down, to the maximum extent allowed by law, additional federal financial participation in the Medicaid program. Any federal financial participation obtained through the certification of public expenditures by a public, nonstate, nonrural community hospital shall be used first to increase inpatient and outpatient reimbursement rates paid to public, nonstate, nonrural community hospitals by the Medicaid program and maximize allowable uncompensated care cost payments to public, nonstate, nonrural community hospitals.

Proposed law provides that the increases in Medicaid claims and uncompensated care cost payments to public, nonstate, nonrural community hospitals, to the extent allowed by law, shall total, at a minimum, the aggregate amount of expenditures certified by the public, nonstate, nonrural community hospitals. Then, the remaining funding associated with the certification of public expenditures by the public, nonstate, nonrural community hospitals shall be utilized to finance the Medicaid program.

Proposed law provides that any increase in reimbursement rates resulting from implementation of this Chapter shall be based on the rates established for Fiscal Year 2014-2015.

Proposed law provides that DHH shall, within 60 days of the effective date of proposed law:

- (1) Promulgate such regulations as are necessary to implement the provisions of this Chapter, which regulations shall require approval by the House Committee on Health and Welfare and the Senate Committee on Health and Welfare pursuant to the APA.

- (2) Submit to CMS for approval such amendment to the state Medicaid plan as is necessary to implement this Chapter.
- (3) Upon notification of CMS approval to the Louisiana Department of Health and Hospitals, the secretary shall notify the state treasurer.

Proposed law provides that in the event that the state plan amendment proposed by the department for the implementation of the provisions of proposed law is denied by CMS, the provisions of proposed law shall be null, void and of no effect.

Present law establishes the Community Hospital Stabilization Fund in the state treasury. Provides that each year, the secretary of the DHH shall transmit to the treasurer a report which details the amount of certified public expenditures which have been generated in excess of the amount appropriated for certified public expenditures in the General Appropriation Act for Fiscal Year 2010-2011. Upon receipt of such report the treasurer is to deposit such amount stated in the report into the fund.

Present law provides that monies in the Community Hospital Stabilization Fund are to be used for supplemental Medicaid payments, enhanced Medicaid payments, and certain other reimbursements of monies to nonstate, nonrural community hospitals.

Proposed law repeals the Community Hospital Stabilization Fund, but only in the event that the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services approves the plan amendment as provided in Section 1 of this Act.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 46:2922 through 2924; repeals R.S. 46:2901)