

2018 Regular Session

HOUSE BILL NO. 461

BY REPRESENTATIVES TALBOT AND MORENO

MEDICAID: Provides relative to Medicaid financing of nursing home care

1 AN ACT

2 To enact Part II-A of Chapter 5-E of Title 40 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 40:1249.11 through 1249.13, and to repeal R.S. 40:1249.1
4 through 1249.3 and Chapter 58 of Title 46 of the Louisiana Revised Statutes of 1950,
5 comprised of R.S. 46:2741 through 2744, relative to Medicaid funding of long-term
6 care; to provide relative to nursing facility services funded by the Medicaid program;
7 to provide for nursing facility reimbursement methodologies; to provide for the
8 calculation of certain Medicaid reimbursement rates; to provide for duties of the
9 secretary of the Louisiana Department of Health with respect to long-term care
10 financing; to repeal laws providing for rebasing of nursing home reimbursement
11 rates; to repeal laws relative to resource allocation models for certain long-term care
12 provider types; to provide for administrative rulemaking; and to provide for related
13 matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. Part II-A of Chapter 5-E of Title 40 of the Louisiana Revised Statutes of
16 1950, comprised of R.S. 40:1249.11 through 1249.13, is hereby enacted to read as follows:

17 PART II-A. MEDICAID-FINANCED LONG-TERM CARE

18 §1249.11. Definitions

19 As used in this Part, the following terms have the meaning ascribed in this

20 Section:

1 (1) "Department" means the Louisiana Department of Health.

2 (2) "Nursing facility" and "nursing home" have the meaning ascribed in R.S.

3 40:2009.2.

4 §1249.12. Nursing facility reimbursement methodologies

5 A. The department shall provide Medicaid funding to nursing facilities
6 according to a rate methodology established in rule for a prospective payment system
7 in accordance with the provisions of this Section.

8 B. The department shall promulgate rules which establish prospective rate
9 methodologies for Medicaid funding to nursing facilities. Each methodology shall
10 be subject to all of the following requirements:

11 (1) The methodology shall take into account costs to the provider type as
12 reflected in audited cost reports.

13 (2) The methodology shall ensure that the primary component in the rate is
14 direct care and that such component is adequate to support quality care.

15 (3) The methodology shall contain at least one component that is linked to
16 achievement of quality outcomes.

17 C. The department shall promulgate in accordance with the Administrative
18 Procedure Act all such rules as are necessary to implement the provisions of this
19 Section.

20 §1249.13. Nursing home care; Medicaid reimbursement rate calculation

21 A. With respect to any acuity level component of the Medicaid
22 reimbursement rate calculation for nursing homes, the department shall consider only
23 the acuity level of nursing home residents who are Medicaid recipients, and shall
24 exclude the acuity levels of residents whose care is financed by Medicare or any
25 other means.

26 B. With respect to any capital component of the Medicaid reimbursement
27 rate calculation for nursing homes, the department shall incorporate a minimum
28 rental factor of no greater than nine percent.

1 Section 2. R.S. 40:1249.1 through 1249.3 and Chapter 58 of Title 46 of the
2 Louisiana Revised Statutes of 1950, comprised of R.S. 46:2741 through 2744, are hereby
3 repealed in their entirety.

4 Section 3. On or before July 1, 2019, the secretary of the Louisiana Department of
5 Health shall cause the provisions of Subpart 5 of Part II of Title 50 of the Louisiana
6 Administrative Code relative to the Medicaid reimbursement methodology for nursing
7 facilities to be revised in a manner that is consistent with the enactment of Part II-A of
8 Chapter 5-E of Title 40 of the Louisiana Revised Statutes of 1950, as provided in Section
9 1 of this Act, and the repeal of Chapter 58 of Title 46 of the Louisiana Revised Statutes of
10 1950, as provided in Section 2 of this Act.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 461 Original

2018 Regular Session

Talbot

Abstract: Provides requirements and limitations relative to Medicaid financing of nursing home care.

Proposed law requires the La. Department of Health (LDH) to provide Medicaid funding to nursing homes according to a rate methodology established in rule for a prospective payment system in accordance with proposed law. Stipulates that the rate methodology shall be subject to the following requirements:

- (1) The methodology shall take into account costs to the provider type as reflected in audited cost reports.
- (2) The methodology shall ensure that the primary component in the rate is direct care and that such component is adequate to support quality care.
- (3) The methodology shall contain at least one component that is linked to achievement of quality outcomes.

Proposed law provides that with respect to any acuity level component of the Medicaid reimbursement rate calculation for nursing homes, LDH shall consider only the acuity level of nursing home residents who are Medicaid recipients, and shall exclude the acuity levels of residents whose care is financed by Medicare or other means.

Proposed law provides that with respect to any capital component of the Medicaid reimbursement rate calculation for nursing homes, LDH shall incorporate a minimum rental factor of no greater than 9%.

Proposed law requires LDH, on or before July 1, 2019, to revise the Medicaid reimbursement methodology for nursing homes in present rule in accordance with the provisions of proposed law.

Proposed law repeals present law providing for rebasing of Medicaid reimbursement rates for nursing facilities.

Proposed law repeals present law providing for resource allocation models among long-term care providers other than nursing homes.

(Adds R.S. 40:1249.11-1249.13; Repeals R.S. 40:1249.1-1249.3 and R.S. 46:2741-2744)