Regular Session, 2011

HOUSE BILL NO. 626

BY REPRESENTATIVE ELLINGTON

HOSPITALS: Provides with respect to rural hospitals

AN ACT

To enact R.S. 40:1300.144(A)(2)(g), relative to rural hospitals; to provide with respect to medical assistance programs; to allow the payment of a fee for the participation in certain Medicaid reimbursement program; to require the filing of a state plan amendment with the Centers for Medicare and Medicaid Services; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 40:1300.144(A)(2)(g) is hereby enacted to read as follows:

§1300.144. Medical assistance programs; rural hospital reimbursement

A. The department shall adopt rules and regulations in accordance with the Administrative Procedure Act that provide the following:

* * *

(2)

* * *

(g)(i) Rural hospitals that elect to pay a one-time fee of five thousand dollars to the department shall have the option to participate in an alternative Medicaid reimbursement program as provided in this Subparagraph.

(ii) Notwithstanding any law to the contrary, by September 1, 2011, the department shall file a state plan amendment with the Centers for Medicare and Medicaid Services (CMS) amending the Medicaid State Plan governing Medicaid

rural hospital reimbursement under a managed care model, including but not limited to a Prepaid Risk Bearing Managed Care Organization (MCO) model or Coordinated Care Network – Prepaid model (CCN-P), to require that with respect to any rural hospital that is identified in Item (i) of this Subparagraph that receives payment under such Medicaid managed care model for inpatient and outpatient hospital services or for services provided at a rural health clinic licenses as part of a rural hospital, the rate that such managed care entity shall pay to rural hospitals utilizes rural hospital Medicaid payment rates that were in effect as of September 1, 2007, and to require that such payments be supplemented by a wrap-around or upper payment limit payment made directly by the department that, when combined with the managed care payment, results in an aggregate payment that equals the rate set forth in Subparagraphs (b) through (f) of this Paragraph. Such supplemental payment shall be made by the department concurrently if possible, but in no event later than the end of the quarter in which such managed care payment is made.

* * *

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)]

Ellington HB No. 626

Abstract: Allows rural hospitals to pay a $5,000 fee to the Department of Health and Hospitals (DHH) to participate in an alternative Medicaid reimbursement program.

Present law requires DHH to adopt rules and regulations in accordance with the Administrative Procedure Act.

Present law outlines various rules relative to medical assistance programs in rural hospitals.

Proposed law allows rural hospitals to pay a one-time fee of $5,000 to participate in an alternative Medicaid reimbursement program.

Proposed law requires DHH to file a state plan amendment with the Centers for Medicare and Medicaid Services to require that for any rural hospital that is identified as having paid the fee as provided in proposed law that receives payment under the Medicaid managed care model for certain inpatient and outpatient hospital services or other rural health clinic services, the rate the entity shall pay to rural hospitals must be Medicaid rates in effect Sept. 1, 2007.

Proposed law also requires that such payments be supplemented by a wrap-around or upper payment limit payment made by the DHH.

Proposed law requires that the supplement payment be made by DHH concurrently but no later than the end of the quarter in which such managed care payment is made.

(Adds R.S. 40:1300.144(A)(2)(g))