

2015 Regular Session

HOUSE BILL NO. 652

BY REPRESENTATIVE HUNTER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

HOSPITALS: Requires the Dept. of Health and Hospitals to implement an equitable system of Medicaid reimbursement among certain hospitals

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AN ACT

To enact R.S. 36:254(D)(4) and Part XIV of Chapter 3 of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 46:460.101 through 460.104, relative to duties of the secretary of the Department of Health and Hospitals in the operation of the Medicaid program; to provide a system of Medicaid reimbursement for certain hospitals; to provide relative to state hospitals operated by private entities; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 36:254(D)(4) is hereby enacted to read as follows:

§254. Powers and duties of the secretary of the Department of Health and Hospitals

\* \* \*

D.

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(4) In addition to all other functions, powers, and duties relative to or concerning the Medical Assistance Program otherwise vested in him by law, the secretary shall implement and maintain an equitable system of Medical Assistance Program reimbursement for covered services delivered by hospitals designated in the Medicaid-Funded Partnerships for Operation of State Hospitals Law, R.S. 46:460.101 et seq.

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1 Section 2. Part XIV of Chapter 3 of Title 46 of the Louisiana Revised Statutes of  
2 1950, comprised of R.S. 46:460.101 through 460.104, is hereby enacted to read as follows:

3 PART XIV. MEDICAID-FUNDED PARTNERSHIPS

4 FOR OPERATION OF STATE HOSPITALS

5 §460.101. Short title

6 This Part shall be known and may be cited as the "Medicaid-Funded  
7 Partnerships for Operation of State Hospitals Law".

8 §460.102. Findings; purpose

9 A. The legislature hereby finds that legislative involvement in and oversight  
10 of development of cooperative endeavor agreements to privatize the state hospital  
11 system was entirely precluded by the parties that developed the agreements; and that  
12 critical matters of public finance and public health policy set forth in these  
13 agreements, all of which are financed with Medicaid funding, were determined  
14 without any transparency to the public. Therefore, the legislature declares that  
15 legislative direction in the Medicaid program with respect to the system of Medicaid  
16 reimbursement to hospitals serves the best interests of the public in state fiscal  
17 matters, access to health care, and overall public health and well-being.

18 B. The purpose of this Part is to implement an equitable system of Medicaid  
19 reimbursement to certain privately operated state hospitals and to certain private  
20 hospitals, respectively, which have overlapping geographic catchment areas.

21 §460.103. Definitions

22 As used in this Part, the following terms have the meaning ascribed to them  
23 in this Section:

24 (1) "Centers for Medicare and Medicaid Services" means the division of the  
25 United States Department of Health and Human Services which administers and  
26 regulates the Medicaid program.

27 (2) "Department" means the Department of Health and Hospitals.

1           (3) "Geographic catchment area" means the geographic area from which a  
2           hospital predominantly attracts patients as determined by a method approved by the  
3           Centers for Medicare and Medicaid Services.

4           (4) "Medicaid program" means the medical assistance program provided for  
5           in Title XIX of the Social Security Act.

6           (5) "Secretary" means the secretary of the Department of Health and  
7           Hospitals.

8           §460.104. System of hospital reimbursement

9           A. The secretary shall take all actions, including but not limited to filing of  
10          a Medicaid state plan amendment with the Centers for Medicare and Medicaid  
11          Services and promulgating rules in accordance with the Administrative Procedure  
12          Act, as are necessary to provide for an equitable system of Medicaid reimbursement  
13          within and among the following set of hospitals:

14           (1) A state-owned teaching hospital located in a parish with a population of  
15           more than one hundred fifty thousand and less than one hundred seventy-five  
16           thousand according to the latest federal decennial census, and that is operated by a  
17           private provider through a cooperative endeavor agreement with the state.

18           (2) Each hospital with a geographic catchment area that includes any portion  
19           of the geographic catchment area of the hospital provided for in Paragraph (1) of this  
20           Subsection.

21           B. The equitable system of reimbursement provided for in this Section shall  
22           be designed in such a manner as to protect the viability of hospitals that are not  
23           reimbursed according to the terms of a cooperative endeavor agreement with the  
24           state for operation of a state hospital.

25          Section 3. This Act shall become effective upon signature by the governor or, if not  
26 signed by the governor, upon expiration of the time for bills to become law without signature  
27 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
28 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
29 effective on the day following such approval.

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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)]

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HB 652 Original

2015 Regular Session

Hunter

**Abstract:** Requires the Dept. of Health and Hospitals to implement an equitable system of Medicaid reimbursement among certain hospitals with overlapping catchment areas.

Present law provides for duties of the secretary of the Dept. of Health and Hospitals (DHH) with respect to operation of the state's Medicaid program.

Proposed law retains present law and adds thereto a duty that the secretary of DHH implement and maintain an equitable system of Medicaid reimbursement for hospitals designated in the Medicaid-Funded Partnerships for Operation of State Hospitals Law enacted through proposed law.

Proposed law declares that legislative direction in the Medicaid program with respect to the system of Medicaid reimbursement to hospitals serves the best interests of the public in state fiscal matters, access to health care, and overall public health and well-being.

Proposed law requires the secretary of DHH to take all such actions as are necessary to provide for an equitable system of Medicaid reimbursement within and among the following set of hospitals:

- (1) A state-owned teaching hospital located in a parish with a population of more than 150,000 and less than 175,000 according to the latest federal decennial census, and that is operated by a private provider through a cooperative endeavor agreement with the state.
- (2) Each hospital with a geographic catchment area that includes any portion of the geographic catchment area of the hospital provided for above.

Proposed law provides that the equitable system of reimbursement provided for in proposed law shall be designed in such a manner as to protect the viability of hospitals that are not reimbursed according to the terms of a cooperative endeavor agreement with the state for operation of a state hospital.

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

(Adds R.S. 36:254(D)(4) and R.S. 46:460.101-460.104)