

2019 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 5

BY REPRESENTATIVE BARRAS

HOSPITALS: Provides for a hospital stabilization formula

1 A CONCURRENT RESOLUTION

2 To provide for a hospital stabilization formula pursuant to Article VII, Section 10.13 of the  
3 Constitution of Louisiana; to establish the level and basis of hospital assessments;  
4 to establish certain reimbursement enhancements for inpatient and outpatient hospital  
5 services; to establish certain criteria for the implementation of the formula; and to  
6 provide for related matters.

7 WHEREAS, through the adoption of this Resolution, the Legislature of Louisiana  
8 hereby seeks to:

- 9 (1) Preserve and enhance the availability of inpatient and outpatient hospital  
10 services for the citizens of Louisiana.
- 11 (2) Preserve and protect rural hospitals as provided in the Rural Hospital  
12 Preservation Act, pursuant to R.S. 40:1189.1 et seq.
- 13 (3) Enhance the stability of hospital funding by utilizing a fiscally-prudent  
14 healthcare driven solution that does not rely on the use of state general fund  
15 and provides a reliable and recurring source of funding for healthcare  
16 services.
- 17 (4) Minimize the effects of shifting the cost of caring for those Louisiana  
18 residents who are uninsured to those who are able to obtain health insurance.
- 19 (5) Create flexibility to design a plan to provide for more efficient and effective  
20 ways to maximize the state's use of monies currently expended for the

1 provision of healthcare services to the state's low income and uninsured  
2 residents.

3 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
4 enact the annual hospital stabilization formula pursuant to Article VII, Section 10.13 of the  
5 Constitution of Louisiana:

6 I. Hospital Stabilization Assessment.

7 A. The Louisiana Department of Health shall calculate, levy, and collect an  
8 assessment for each assessed hospital in accordance with Subsection B of this  
9 Section if all of the following occur:

10 (1) The applicable federal financial participation, as set forth in 42 U.S.C.  
11 1396d(y) of Title XIX of the Social Security Act, is less than one hundred percent.

12 (2) The Louisiana Department of Health has submitted a Medicaid  
13 assessment report to the Joint Legislative Committee on the Budget. The Medicaid  
14 assessment report shall include a description of the proposed assessment, the basis  
15 for the calculation of the assessment, and a listing of each hospital included in the  
16 proposed assessment.

17 B.(1) The total assessment for the state fiscal year 2019-2020 shall not  
18 exceed the lesser of the following:

19 (a) The state portion of the cost of the reimbursement enhancements  
20 provided for in Subsection A of Section II of this Resolution which are directly  
21 attributable to payments to hospitals, excluding any federal financial participation  
22 and any costs associated with Full Medicaid Pricing.

23 (b) One percent of the total inpatient and outpatient hospital net patient  
24 revenue of all hospitals included in the assessment, as reported in the Medicare cost  
25 report ending in state fiscal year 2015.

26 (2) The Louisiana Department of Health shall allocate, levy, and collect the  
27 assessment in accordance with the provisions of the Louisiana Administrative Code  
28 48:I.4001(F)(2) through (4) as published in Volume 42, Number 11, of the Louisiana  
29 Register and with Subsection B of this Section. Any hospital meeting the definition

1 of a rural hospital as defined in R.S. 40:11893 shall be excluded from the  
2 assessment.

3 (3) The Louisiana Department of Health shall publish on a quarterly basis,  
4 no later than thirty days after the end of each quarter, a report containing data  
5 directly related to the revenue enhancement provided for in Subsection A of Section  
6 II of this Resolution. The report shall include the following:

7 (a) Total Medicaid enrollment on a monthly basis.

8 (b) The average monthly premium paid to managed care organizations  
9 providing benefits and services to eligible Medicaid enrollees and the portion of  
10 premium related to hospital payments included in this assessment.

11 (c) The aggregate Medicaid claims payment by provider type.

12 (d) The total amount of inpatient and outpatient Medicaid claims paid to  
13 hospitals delineated by each individual hospital Medicaid provider number.

14 II. Reimbursement Enhancements.

15 The Louisiana Department of Health shall provide for reimbursement  
16 enhancements as follows:

17 (A) Payment for healthcare services through the implementation of a health  
18 coverage expansion of the Louisiana medical assistance program that meets all the  
19 requirements necessary for the state to maximize federal matching funds as set forth  
20 in 42 U.S.C. 1396d(y) of Title XIX of the Social Security Act.

21 (B) Payment of hospital reimbursement rates in an amount no less than the  
22 greater of the following:

23 (1) The reimbursement rates in effect for dates of service on or after January  
24 1, 2019.

25 (2) Reimbursement rates that are in conformity with House Concurrent  
26 Resolution 6 of the 2018 Regular Session.

27 (3) For dates of service on or after January 1, 2020:

28 (a) Inpatient and outpatient reimbursement rates increased by an amount  
29 equal to the four quarter moving average value for the first quarter of the federal  
30 fiscal year 2020 as published by CMS on or before June 30, 2019.

1 (b) Inpatient reimbursement rates indexed as follows to the highest non-state  
2 acute hospital per diem rate in effect on January 1, 2019, excluding carve-out  
3 specialty intensive care units and any graduate medical education portion of the per  
4 diem:

5 (i) Long-term acute hospitals indexed to forty-five percent.

6 (ii) Separately licensed, Medicare designated, rehabilitation hospitals  
7 indexed to thirty-seven percent.

8 (iii) Distinct part psychiatric units and freestanding psychiatric hospitals  
9 indexed to thirty-two percent.

10 (C) Effective for payments made after July 1, 2019, the department shall set  
11 the catastrophic outlier pool aggregate payment amount to be no less than fifty  
12 percent of the amount of the total hospital outlier claims submitted with dates of  
13 service in state fiscal year 2017-2018.

14 III. Administration

15 The Louisiana Department of Health shall submit any necessary state plan  
16 amendment that may be required in order to implement the provisions of this  
17 Resolution to the Centers for Medicare and Medicaid Services no later than one  
18 hundred and twenty days from the date this Resolution is adopted.

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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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HCR 5 Original

2019 Regular Session

Barras

Provides for a hospital stabilization formula pursuant to Art. VII, §10.13 of the Constitution of La., including assessments and reimbursement enhancements.

Requires the La. Dept. of Health (LDH) to calculate, collect, and levy an assessment from hospitals not to exceed the lesser of one of the following:

- (1) The state portion of the cost of the reimbursement enhancements from the payment for healthcare services through the implementation of Medicaid expansion which are directly attributable to payments to hospitals, excluding any federal financial participation and supplemental Medicaid payments.
- (2) 1% of the total net patient revenue of all hospitals included in the assessment, as reported in the Medicare cost report ending in state FY 2015.

Provides for the assessment if the following occur:

- (1) The applicable federal financial participation for newly eligible Medicaid recipients under Medicaid expansion is less than 100%.
- (2) LDH submits a Medicaid assessment report to the Joint Legislative Committee on the Budget.

Provides for reimbursement enhancements as follows:

- (1) Payment for healthcare services through the implementation of Medicaid expansion.
- (2) Payment of hospital reimbursement rates in an amount no less than the greater of the following:
  - (a) The reimbursement rates in effect for dates of service on or after Jan. 1, 2019.
  - (b) The reimbursement rates in conformity with HCR 6 of the 2018 Regular Session.
  - (c) For dates of service on or after Jan. 1, 2020:
    - (i) Patient reimbursement rates increased by an the four quarter moving average value for the first quarter of the federal FY 2020 as published by CMS on or before June 30, 2019.
    - (ii) For inpatient reimbursement rates, long-term acute hospitals indexed to 45%, separately licensed, Medicare designated, rehabilitation hospitals indexed to 37%, and distinct part psychiatric units and freestanding psychiatric hospitals indexed to 32%.

Requires the department set the catastrophic outlier pool aggregate payment amount to be at least 50% fo total hospital outlier claims submitted with dates of service in state FY 2017-2018.

Requires LDH to quarterly publish a report that includes total Medicaid enrollment, average monthly Medicaid managed care premium rates, aggregate claims by provider, and the total amount of hospital claims by hospital.