

2020 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 5

BY REPRESENTATIVE SCHEXNAYDER

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 funds
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 2020-2021 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, supplemental payments and
23 quality programs.

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

27 (2) The Louisiana Department of Health shall allocate, levy, and collect the
28 assessment in accordance with the provisions of the Louisiana Administrative Code
29 48:I.4001(F)(2) as published in Volume 42, Number 11, of the Louisiana Register

1 and with Subsection B of this Section. Any hospital meeting the definition of a rural
2 hospital as defined in R.S. 40:1189.3 shall be excluded from the 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 reimbursement rates in effect for dates of service on or after January 1, 2020.

23 (C) For dates of service on or after January 1, 2021, reimbursement rates for
24 inpatient hospital services and outpatient hospital surgery services shall be increased
25 by an amount equal to the value of the "Four-quarter Moving Average Percent
26 Change" of the CMS Market Basket Index for Inpatient Hospital for the second
27 quarter of the federal fiscal year 2020-2021 as published by CMS on December 9,
28 2019.

29 III. Administration

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

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)]

HCR 5 Engrossed

2020 Regular Session

Schexnayder

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 reimbursement rates in effect for dates of service on or after Jan. 1, 2020, with the exception of certain exclusions.
- (3) For dates of service on or after Jan. 1, 2020, inpatient hospital services and outpatient hospital surgery services reimbursement rates increased by an amount equal to the "Four-quarter Moving Average Percent Change" of the CMS Market Basket Index for Inpatient Hospital for the second quarter of the federal FY 2021 as published by CMS on December 9, 2019.

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.