Regular Session, 2010

SENATE BILL NO. 401

BY SENATORS THOMPSON, LAFLEUR, NEVERS AND WALSWORTH AND REPRESENTATIVES ELLINGTON, GUILLORY, HARRISON, HAZEL, KATZ, LEBAS, MILLS AND GARY SMITH

1	AN ACT
2	To enact R.S. 40:1300.144(A)(4), relative to rural hospitals; to provide for rural hospital
3	reimbursement; to provide for the development of payment methods that optimize
4	federal funds to reduce or eliminate small rural hospitals' reliance upon
5	uncompensated care costs funding; to provide for rules and regulations; and to
6	provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 40:1300.144(A)(4) is hereby enacted to read as follows:
9	§1300.144. Medical assistance programs; rural hospital reimbursement
10	A. The department shall adopt rules and regulations in accordance with the
11	Administrative Procedure Act that provide the following:
12	* * *
13	(4)(a) Effective for services provided on or after July 1, 2010, or as soon
14	thereafter as may be permitted by federal law, the department shall develop and
15	implement, by emergency rule, a payment methodology which optimizes
16	Medicaid inpatient and outpatient payments to rural hospitals. Payments shall
17	be developed utilizing available Medicare upper payment limits for inpatient
18	and outpatient services in accordance with state and federal law. Calculated
19	payments shall be distributed to qualifying rural hospitals no less than
20	quarterly, or as authorized by federal law.
21	(b) After federal funds are optimized, the remaining appropriated funds
22	for rural hospitals may be utilized to develop a state-only funded program to
23	provide direct funds to qualifying rural hospitals to support access to services
24	that would not be available otherwise. In the event the amount appropriated for
25	such state-only funded program is insufficient in any state fiscal year to meet
26	the total payments required by all rural hospitals to recover payment

Page 1 of 2

Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	reductions, the payments to qualifying rural hospitals under this state-only
2	funded program may be reduced proportionately.
3	(c) The department shall review Medicaid and uninsured cost
4	information, payment information, patient charges, and hospital financial
5	statements to the extent required by state or federal law to determine the
6	optimal combination of payments.
7	(d) Rural hospitals that do not provide the minimum set of
8	documentation required in Subparagraph (4)(c) of this Section to determine the
9	optimal combination of payments shall not be eligible for additional payments.
10	(e) The department is hereby authorized to publish and promulgate
11	rules, in accordance with the Administrative Procedure Act, to implement the
12	provisions of this Paragraph.
13	* * *

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____