

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

