

Regular Session, 2010

SENATE BILL NO. 766

BY SENATOR MCPHERSON

HEALTH CARE. Provides for a common reimbursement methodology for community mental health centers and community mental health clinics. (8/15/10)

1 AN ACT

2 To enact Part II of Chapter 58 of Title 46 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 46:2745 and 2746, relative to reimbursement methodology for
4 mental health services; to direct the Department of Health and Hospitals to establish
5 a uniform reimbursement methodology for community mental health centers and
6 community mental health clinics; to direct the department to promulgate rules and
7 regulations relative to the uniform reimbursement methodology; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Part II of Chapter 58 of Title 46 of the Louisiana Revised Statutes of
11 1950, comprised of R.S. 46:2745 and 2746, is hereby enacted to read as follows:

12 **PART II. REIMBURSEMENT METHODOLOGY FOR COMMUNITY MENTAL**
13 **HEALTH CENTERS AND COMMUNITY MENTAL HEALTH CLINICS**

14 **§2745. Legislative findings and purpose**

15 **A.(1) The current methodology for reimbursement for services to**
16 **indigent and Medicaid recipients for mental health services results in a**
17 **significant discrepancy between payment rates for community mental health**

1 centers and community mental health clinics.

2 (2) The current methodology has resulted in ready access to mental
3 health services for persons covered by Medicare and other health insurance
4 programs, while indigent and Medicaid patients are often unable to access
5 desperately needed mental health services.

6 B. The purpose of this Part is to change the reimbursement methodology
7 for community mental health centers and community mental health clinics
8 reimbursed through the office of mental health and the Medicaid program to
9 ensure that such centers and clinics are paid an equal rate that is reasonable
10 and adequate.

11 §2746. Reimbursement methodology; rules and regulations

12 A. The Department of Health and Hospitals shall establish a uniform
13 reimbursement methodology for community mental health centers and
14 community mental health clinics.

15 B. No later than October 1, 2010, the department shall promulgate rules
16 and regulations in accordance with the Administrative Procedure Act to
17 provide for a uniform reimbursement system. The rules and regulations shall
18 include, at a minimum, the following:

19 (1) Payment based on costs commensurate with the resource
20 requirements of patients being served in community mental health centers and
21 community mental health clinics.

22 (2) Incentives to encourage the admission and care of mental health
23 patients.

24 (3) A requirement that all providers be enrolled in the Medicare
25 program.

26 (4) A pass-through for property taxes and property insurance.

27 (5) Utilization of inflation factors that is predictive of actual cost
28 increases during the rate year.

29 (6) A method for providing interim adjustments to the rates for

1 **unanticipated changes in costs.**

2 **(7) A provision for cost reports that shall be prepared in accordance**
3 **with the cost-reporting instructions adopted by the Medicare program using the**
4 **definition of allowable and non-allowable costs contained in the Medicare and**
5 **Medicaid provider reimbursement manual, with the exception that the**
6 **department shall determine due dates and extensions.**

7 Section 2. The Louisiana State Law Institute is hereby directed to place the
8 provisions of R.S. 46: 2741 through 2744 in their entirety within Part I of Chapter 58 of Title
9 46 of the Louisiana Revised Statutes of 1950, and to designate Chapter 58 as
10 "Reimbursement Methodology" and Part I as "Reimbursement Methodology of Nursing
11 Homes".

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Greg Waddell.

DIGEST

Proposed law provides for legislative findings and purpose relative to the reimbursement methodology for community mental health centers and community mental health clinics. Finds that the current methodology results in different payment rates for centers and clinics and better access to mental health services for individuals with Medicare and other health insurance programs.

Proposed law requires DHH to establish a uniform reimbursement methodology for community mental health centers and community mental health clinics to ensure that centers and clinics are paid an equal rate that is reasonable and adequate.

Proposed law requires that DHH promulgate rules and regulations to implement a uniform reimbursement methodology for community mental health centers and community mental health clinics.

Effective August 15, 2010.

(Adds R.S. 46:2745 and 2746)