

2017 Regular Session

HOUSE BILL NO. 482

BY REPRESENTATIVE JACKSON

HOSPITALS: Provides relative to healthcare provider participation programs

1 AN ACT

2 To enact Chapter 49 of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 46:2640.1 through 2640.33, relative to local healthcare provider participation
4 programs; to provide for definitions; to provide for applicability; to authorize the
5 collection of a mandatory fee from local hospitals; to require notice of the intent to
6 collect the fee; to provide for the collection and deposit of the fees; to provide for
7 the permissible uses of the collected fee; to provide for the amount of the fee; to
8 provide for prohibited acts; to establish legislative purpose; to provide for alternative
9 procedures; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Chapter 49 of Title 46 of the Louisiana Revised Statutes of 1950,
12 comprised of R.S. 46:2640.1 through 2640.33, is hereby enacted to read as follows:

13 CHAPTER 49. LOCAL HEALTHCARE PROVIDER PARTICIPATION PROGRAM

14 IN CERTAIN PARISHES

15 SUBCHAPTER A. GENERAL PROVISIONS

16 §2640.1. Definitions

17 When used in this Chapter, the following terms have the following meanings
18 unless the context indicates otherwise:

19 (1) "Institutional healthcare provider" means a nongovernmental hospital
20 licensed pursuant to the Hospital Licensing Law, R.S. 40:2100 et seq.

1 (2) "Paying hospital" means an institutional healthcare provider required to
2 make a mandatory payment pursuant to this Chapter.

3 (3) "Program" means the local healthcare provider participation program
4 established pursuant to this Chapter.

5 §2640.2. Applicability

6 This Chapter shall apply only to all of the following:

7 (1) A parish with a population between twenty-two thousand and twenty-
8 two thousand four hundred according to the latest federal decennial census.

9 (2) A parish with a population between twenty-three thousand five hundred
10 and twenty-three thousand nine hundred according to the latest federal decennial
11 census.

12 §2640.3. Parish healthcare provider participation program

13 A. A political subdivision located in a parish subject to the provisions of this
14 Chapter may adopt an order authorizing participation in a local healthcare provider
15 participation program in accordance with this Chapter.

16 B. The participating parish shall collect a mandatory payment from each
17 institutional healthcare provider located in the political subdivision.

18 C. The fees collected pursuant to this Chapter shall be deposited in a local
19 provider participation fund established by the political subdivision pursuant to the
20 provisions of this Chapter.

21 D. Money in the fund shall be used by the political subdivision to fund
22 certain intergovernmental transfers and indigent care programs as provided for in this
23 Chapter.

24 SUBCHAPTER B. POWERS AND DUTIES OF THE PARTICIPATING PARISHES

25 §2640.11. Limitation on authority to require mandatory payment

26 A participating political subdivision shall collect the mandatory payment
27 pursuant to this Chapter from an institutional healthcare provider in the political
28 subdivision only in accordance with the provisions of this Chapter.

1 §2640.12. Majority vote required; publication of notice

2 A participating political subdivision shall collect the mandatory payment
3 pursuant to this Chapter only after an affirmative vote of a majority of the members
4 of the governing body of the political subdivision made at a regular or special
5 meeting held no less than thirty days following publication of notice in the official
6 journal of the political subdivision of the intention to authorize the collection of a
7 mandatory payment.

8 §2640.13. Rules and procedures

9 After the governing body has voted to require a mandatory payment pursuant
10 to this Chapter, the political subdivision shall adopt rules for the collection and
11 application of the mandatory payment.

12 §2640.14. Institutional healthcare provider reporting; inspection of records

13 A. A political subdivision that collects a mandatory payment pursuant to this
14 Chapter shall require each institutional healthcare provider to submit to the political
15 subdivision a copy of any financial and utilization data required by and reported to
16 the Louisiana Department of Health.

17 B. The political subdivision may inspect the records of an institutional
18 healthcare provider to the extent necessary to ensure compliance with the
19 requirements of Subsection A of this Section.

20 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS21 §2640.21. Public hearing

22 A. For each year a political subdivision collects a mandatory payment
23 pursuant to this Chapter, the political subdivision shall hold a public hearing on the
24 amounts of any mandatory payments that the political subdivision intends to require
25 during the year and how the revenue derived from those payments is to be spent.

26 B. Not later than the tenth day before the date of the hearing required
27 pursuant to Subsection A of this Section, the political subdivision shall publish
28 notice of the hearing in the official journal of the political subdivision.

1 C. A representative of a paying hospital shall be entitled to appear at the time
2 and place designated in the public notice and to be heard regarding any matter related
3 to the mandatory payments to be collected pursuant to this Chapter.

4 §2640.22. Depository

5 A. A political subdivision that collects a mandatory payment pursuant to this
6 Chapter shall designate, by resolution or other official action, one or more banks as
7 the depository for mandatory payments received by the political subdivision.

8 B. All income received by a political subdivision pursuant to this Chapter,
9 including the revenue from mandatory payments remaining after discounts and fees
10 for assessing and collecting the payments are deducted, shall be deposited with the
11 depository in the political subdivision’s local provider participation fund and shall
12 only be withdrawn in accordance with the provisions of this Chapter.

13 §2640.23. Local provider participation fund; authorized uses of money

14 A. Each political subdivision that collects a mandatory payment pursuant to
15 this Chapter shall create a local provider participation fund.

16 B. The local provider participation fund of a political subdivision shall
17 consist of all of the following:

18 (1) All revenue received by the political subdivision attributable to
19 mandatory payments collected pursuant to this Chapter, including any penalties and
20 interest attributable to delinquent payments.

21 (2) Money received from the Louisiana Department of Health as a refund of
22 an intergovernmental transfer from the political subdivision to the state for the
23 purpose of providing the nonfederal share of Medicaid supplemental payment
24 program payments if the intergovernmental transfer does not receive a federal
25 matching payment.

26 (3) The earnings of the fund.

27 C. Money deposited to the local provider participation fund shall be used
28 only for the following purposes:

1 (1) Fund intergovernmental transfers from the political subdivision to the
2 state to provide the nonfederal share of a program of Medicaid payments to hospitals
3 in the political subdivision authorized under the state Medicaid plan.

4 (2) Pay the administrative expenses of the political subdivision solely for
5 activities conducted pursuant to this Chapter, in an amount no to exceed five percent
6 of the mandatory payment.

7 (3) Refund a portion of a mandatory payment collected in error from a
8 paying hospital.

9 (4) Refund to paying hospitals the proportionate share of money received by
10 the political subdivision from the Louisiana Department of Health that is not used
11 to fund the nonfederal share of Medicaid payment program payments described in
12 Paragraph (1) of this Subsection.

13 D. Money in the local provider participation fund shall not be commingled
14 with other political subdivision funds.

15 SUBCHAPTER D. MANDATORY PAYMENTS

16 §2640.31. Mandatory payments based on net patient revenue

17 A.(1) Except as provided by Subsection E of this Section, a political
18 subdivision that collects a mandatory payment pursuant to this Chapter shall require
19 an annual mandatory payment to be assessed quarterly on the net patient revenue of
20 each institutional healthcare provider located in the political subdivision.

21 (2) In the first year in which the mandatory payment is required, the
22 mandatory payment is assessed on the net patient revenue of an institutional
23 healthcare provider as determined by the most recently filed Medicaid cost report.

24 (3) The political subdivision shall update the amount of the mandatory
25 payment on an annual basis.

26 B.(1) The amount of a mandatory payment collected pursuant to this Chapter
27 shall be uniformly proportionate with the amount of net patient revenue generated
28 by each paying hospital in the political subdivision.

1 (2) Collection of a mandatory payment pursuant to this Chapter shall not
2 require the political subdivision to hold harmless any institutional healthcare
3 provider as required by 42 U.S.C. Section 1396b(w).

4 C. The political subdivision that collects a mandatory payment pursuant to
5 this Chapter shall set the amount of the mandatory payment. The amount of the
6 mandatory payment required of each paying hospital shall not exceed an amount
7 that, when added to the amount of the mandatory payments required from all other
8 paying hospitals in the political subdivision and the amount of any assessment,
9 mandatory payment or tax imposed by the state, equals an amount of revenue that
10 exceeds six percent of the aggregate net patient revenue of all paying hospitals in the
11 political subdivision.

12 D.(1) Subject to the maximum amount provided for in Subsection C of this
13 Section, the political subdivision that collects a mandatory payment pursuant to this
14 Chapter shall set the mandatory payments in amounts that in the aggregate will
15 generate sufficient revenue to cover the administrative expenses of the political
16 subdivision for activities conducted pursuant to this Chapter and to fund the
17 nonfederal share of a Medicaid supplemental payment program.

18 (2) The amount of revenue from mandatory payments used for
19 administrative expenses of the political subdivision for activities conducted pursuant
20 to this Chapter in a year shall not exceed the greater of five percent of the total
21 revenue generated from the mandatory payment or twenty thousand dollars.

22 E. A paying hospital shall not add a mandatory payment required pursuant
23 to this Chapter as a surcharge to a patient.

24 §2640.32. Assessment and collection of mandatory payments

25 The sheriff for the parish in which the political subdivision is located shall
26 collect the mandatory payment assessed pursuant to this Chapter. The sheriff shall
27 charge and deduct from the amount of mandatory payments collected for the political
28 subdivision a fee for collecting the mandatory payment in an amount determined by
29 the political subdivision not to exceed the sheriff's usual and customary charges.

1 §2640.33. Purpose; correction of invalid provisions or procedure

2 A. The purpose of this Chapter is to generate revenue by collecting from
3 institutional healthcare providers a mandatory payment to be used to provide the
4 nonfederal share of a Medicaid payment program directly benefitting the residents
5 of the political subdivision.

6 B. To the extent any provision or procedure of this Chapter causes a
7 mandatory payment collected pursuant to this Chapter to be ineligible for federal
8 matching funds, the political subdivision shall provide by rule for an alternative
9 provision or procedure that conforms to the requirements of the federal Centers for
10 Medicare and Medicaid Services.

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)]

HB 482 Original

2017 Regular Session

Jackson

Abstract: Authorizes a local healthcare provider participation program to collect a mandatory payment from hospitals to be used to provide the nonfederal share of a Medicaid payment program directly benefitting the residents of the political subdivision.

Proposed law defines "institutional healthcare provider", "paying hospital", and "program".

Proposed law provides for limited application of proposed law.

Proposed law authorizes a political subdivision to adopt an order authorizing participation in a local healthcare provider participation program.

Proposed law requires the participating political subdivision to collect a mandatory payment from each institutional healthcare provider located in the political subdivision and deposit the fees in a local provider participation fund established by the political subdivision to be used to fund certain intergovernmental transfers and indigent care programs.

Proposed law authorizes a participating political subdivision to collect the mandatory payment only after an affirmative vote of a majority of the members of the governing body made at a regular or special meeting held no less than 30 days following publication of notice in the official journal of the political subdivision of the political subdivision's intention to authorize the collection of a mandatory payment.

Proposed law requires a participating political subdivision to hold a public hearing on the amounts of any mandatory payments that the political subdivision intends to require during the year and how the revenue derived from those payments is to be spent.

Proposed law requires a participating political subdivision to designate, by resolution or other official action, one or more banks as the depository for mandatory payments received by the political subdivision.

Proposed law requires each participating political subdivision to create a local provider participation fund and sets forth the monies that shall compose the fund.

Proposed law requires the money deposited to the local provider participation fund to be used only for the following purposes:

- (1) Fund intergovernmental transfers from the political subdivision to the state to provide the nonfederal share of a program of Medicaid payments to hospitals in the political subdivision authorized under the state Medicaid plan.
- (2) Pay the administrative expenses of the political subdivision solely for activities conducted pursuant proposed law, in an amount not to exceed 5% of the mandatory payment.
- (3) Refund a portion of a mandatory payment collected in error from a paying hospital.
- (4) Refund to paying hospitals the proportionate share of money received by the political subdivision from the La. Dept. of Health that is not used to fund the nonfederal share of Medicaid payment program payments.

Proposed law prohibits money in the local provider participation fund from being commingled with other political subdivision funds.

Proposed law requires the annual mandatory payment to be assessed quarterly on the net patient revenue of each paying hospital located in the political subdivision.

Proposed law prohibits a paying hospital from adding a mandatory payment as a surcharge to a patient.

Proposed law requires the sheriff for the parish in which the political subdivision is located to collect the mandatory payment.

Proposed law requires a participating political subdivision to provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services if any provision or procedure of proposed law causes a mandatory payment to be ineligible for federal matching funds.

(Adds R.S. 46:2640.1-2640.33)