

ACT No. 438

HOUSE BILL NO. 532

BY REPRESENTATIVES KLECKLEY, ADAMS, ARMES, BARROW, BERTHELOT, BILLIOT, WESLEY BISHOP, BROSSETT, BROWN, BURRELL, CARMODY, CARTER, CHANEY, COX, CROMER, DIXON, DOVE, GUILLORY, HARRISON, HOFFMANN, HUNTER, KATRINA JACKSON, JAMES, JEFFERSON, LEGER, LORUSSO, MONTOUCET, MORENO, ORTEGO, PYLANT, REYNOLDS, SMITH, ST. GERMAIN, THIBAUT, THIERRY, ALFRED WILLIAMS, AND PATRICK WILLIAMS AND SENATORS JOHNS, CROWE, LONG, MILLS, TARVER, AND THOMPSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 A JOINT RESOLUTION

2 Proposing to add Article VII, Section 10.13 of the Constitution of Louisiana, to provide
3 relative to health care funding; to provide for a hospital stabilization formula; to
4 provide for a hospital assessment; to create the Hospital Stabilization Fund as a
5 treasury fund; to provide for deposit, use, and investment of the fund; to provide for
6 submission of the proposed amendment to the electors; and to provide for related
7 matters.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
9 elected to each house concurring, that there shall be submitted to the electors of the state of
10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to add
11 Article VII, Section 10.13 of the Constitution of Louisiana, to read as follows:

12 §10.13. Hospital stabilization formula and assessment; Hospital Stabilization Fund
13 (A) Hospital Stabilization Formula. (1) The legislature may annually adopt
14 a Hospital Stabilization Formula, hereafter referred to in this Section as "the
15 formula", by concurrent resolution by a favorable vote of a majority of the elected
16 members of each house. Such resolution shall be referred to the standing committees
17 of the legislature that hear the general appropriation bill. The formula shall, to the
18 maximum extent possible, enhance the economic viability of Louisiana hospitals and
19 reduce shifting the cost of caring for Louisiana's needy residents to the state's insured
20 residents.

1 (2)(a) The first formula established pursuant to Subparagraph (1) of this
2 Paragraph, which shall require a favorable vote of two-thirds of the elected members
3 of each house for adoption, shall define and establish as the base reimbursement
4 level under the Louisiana medical assistance program provided for in Title XIX of
5 the Social Security Act, hereafter referred to as the "Medicaid Program", to hospitals
6 for inpatient and outpatient services in Fiscal Year 2012-2013. The formula shall
7 also provide for the preservation and protection of rural hospitals as provided for by
8 law. Each formula established thereafter may apply a rate of inflation, which shall
9 not be a negative rate, to the base reimbursement level from the previous formula
10 adopted by the legislature.

11 (b) Each formula shall also include and establish assessments to be paid by
12 hospitals and the basis on which such assessments shall be calculated, provided the
13 amount of the assessments does not exceed the nonfederal share of the
14 reimbursement enhancements.

15 (c) Each formula shall also establish reimbursement enhancements under
16 the Medicaid Program, or its successor, achieving the maximum reimbursement by
17 federal law and resulting in distributing such reimbursement enhancements
18 exclusively among hospitals for hospital services. Reimbursement enhancements
19 may also be distributed for uninsured services delivered.

20 (d) Each formula shall also include any additional provisions necessary to
21 the implementation of the formula. Neither the assessments nor the reimbursement
22 enhancements established in the formula adopted by the legislature shall be
23 implemented until each has been approved by the federal authority which
24 administers the Medicaid Program.

25 (3) The base reimbursement level resulting from the formula shall not be
26 paid from the Hospital Stabilization Fund.

27 (4) No additional assessment shall be collected and any assessment shall be
28 terminated for the remainder of the fiscal year from the date on which any of the
29 following occur:

30 (a) The legislature fails to adopt a formula for the subsequent fiscal year.

1 **(b) The Department of Health and Hospitals, or its successor or contractors,**
 2 **reduces or does not pay reimbursement enhancements established in the current**
 3 **formula as adopted by the legislature.**

4 **(c) The appropriations provided for in Subparagraph (B)(2) of this Section**
 5 **are reduced.**

6 **(5) The treasurer shall return any monies collected after the date of**
 7 **termination of an assessment to the hospital from which it was collected.**

8 **(B) Appropriation. (1) The legislature shall annually appropriate an amount**
 9 **necessary to fund the base reimbursement level for hospitals established in the most**
 10 **recent formula adopted by the legislature.**

11 **(2) The legislature shall annually appropriate the balance of the Hospital**
 12 **Stabilization Fund solely to fund the reimbursement enhancements as provided in the**
 13 **most recent formula adopted by the legislature.**

14 **(3) Notwithstanding Article VII, Section 10(F) of this constitution, neither**
 15 **the governor nor the legislature may reduce the appropriation funding the base**
 16 **reimbursement level or the reimbursement enhancements to satisfy a budget deficit,**
 17 **except the governor may reduce the appropriation to the base reimbursement level**
 18 **if the following occur:**

19 **(a) Such reduction does not exceed the average reduction of those made to**
 20 **the appropriations and reimbursement for other providers under the Medicaid**
 21 **Program, or its successor; and**

22 **(b)(i) If the legislature is in session, the reduction is consented to in writing**
 23 **by two-thirds of the elected members of each house in a manner provided by law; or**

24 **(ii) If the legislature is not in session, the reduction is approved by two-thirds**
 25 **of the members of the Joint Legislative Committee on the Budget, or its successor.**

1 **(C) Hospital Stabilization Fund. There is hereby established as a special**
 2 **fund in the state treasury the Hospital Stabilization Fund, hereafter referred to as "the**
 3 **fund". After compliance with the requirements of Article VII, Section 9(B) of this**
 4 **constitution relative to the Bond Security and Redemption Fund, the treasurer shall**
 5 **deposit all proceeds from the assessment collected pursuant to the Hospital**

1 Stabilization Formula provided for in this Section. The monies in the fund shall be
 2 invested in the same manner as monies in the state general fund, and all interest
 3 earned on the investment of the fund shall be deposited in and credited to the fund.
 4 Appropriations from the fund shall be restricted to funding the reimbursement
 5 enhancements established in the Hospital Stabilization Formula adopted by the
 6 legislature for the fiscal year in which the assessment is collected.

7 Section 2. Be it further resolved that this proposed amendment shall be submitted
 8 to the electors of the state of Louisiana at the statewide election to be held on November 4,
 9 2014, or the first statewide election occurring after the adoption of this Joint Resolution.

10 Section 3. Be it further resolved that on the official ballot to be used at the election,
 11 there shall be printed a proposition, upon which the electors of the state shall be permitted
 12 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
 13 follows:

14 Do you support an amendment to create the Hospital Stabilization Fund to
 15 stabilize and protect Medicaid reimbursements for health care services by
 16 depositing assessments paid by hospitals, as authorized by the legislature,
 17 into a fund to support Louisiana hospital reimbursement? (Adds Article VII,
 18 Section 10.13)

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE