

2024 Regular Session

HOUSE BILL NO. 558

BY REPRESENTATIVES TURNER AND THOMPSON

1 AN ACT

2 To amend and reenact R.S. 40:1248.1(3) and (6), 1248.3, 1248.7(A) and (C)(1) and (2), and  
3 1248.8(A) through (D), to enact R.S. 40:1248.1(7) and 1248.5(D), and to repeal R.S.  
4 40:1248.11 and 1248.12, relative to the Local Healthcare Provider Participation  
5 Program; to provide for definitions; to provide for parish applicability; to identify  
6 providers subject to the local hospital assessment payments; to provide a basis by  
7 which hospital payments shall be assessed; to provide for an effective date; to repeal  
8 provisions relative to enhanced reimbursement for rural and governmental  
9 institutional providers; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 40:1248.1(3) and (6), 1248.3, 1248.7(A) and (C)(1) and (2), and  
12 1248.8(A) through (D) are hereby amended and reenacted and R.S. 40:1248.1(7) and  
13 1248.5(D) are hereby enacted to read as follows:

14 §1248.1. Definitions

15 As used in this Subpart, the following terms have the meaning ascribed to  
16 them in this Section:

17 \* \* \*

18 (3) "Institutional provider" means ~~a nongovernmental hospital licensed in~~  
19 ~~accordance with the Hospital Licensing Law, R.S. 40:2100 et seq.~~ a governmental

1 institutional provider, nongovernmental institutional provider, or rural hospital, as  
2 applicable, located in participating parishes.

3 \* \* \*

4 (6) "~~Rural institutional provider~~ Rural hospital" means a rural hospital, ~~other~~  
5 ~~than one~~ as defined in R.S. 40:1189.3, ~~that is licensed by the department, has no~~  
6 ~~more than sixty hospital beds on November 1, 2020, and meets any of the following~~  
7 ~~criteria:~~

8 (a) ~~Is located in a municipality with a population of not less than seven~~  
9 ~~thousand persons and not more than seven thousand five hundred persons according~~  
10 ~~to the most recent federal decennial census and in a parish with a population of not~~  
11 ~~less than thirty thousand persons and not more than thirty-five thousand persons~~  
12 ~~according to the most recent federal decennial census.~~

13 (b) ~~Is located in a municipality with a population of not less than ten~~  
14 ~~thousand persons and not more than ten thousand five hundred persons according to~~  
15 ~~the most recent federal decennial census and in a parish with a population of not less~~  
16 ~~than eighty thousand persons and not more than ninety thousand persons according~~  
17 ~~to the most recent federal decennial census.~~

18 (c) ~~Is located in a municipality with a population of not less than three~~  
19 ~~thousand persons and not more than three thousand five hundred persons according~~  
20 ~~to the most recent federal decennial census and in a parish with a population of not~~  
21 ~~less than thirty thousand persons and not more than thirty-five thousand persons~~  
22 ~~according to the most recent federal decennial census.~~

23 (7) "Nongovernmental institutional provider" means a hospital licensed in  
24 accordance with the Hospital Licensing Law, R.S. 40:2100 et seq., that is not a  
25 governmental institutional provider or rural hospital.

26 \* \* \*

27 §1248.3. Applicability

28 The provisions of this Subpart shall apply ~~exclusively to the following~~  
29 ~~parishes:~~ any parish in which at least two institutional providers are located.

1           ~~(1) Any parish with a population of not less than forty thousand persons and~~  
2           ~~not more than forty-two thousand persons according to the most recent federal~~  
3           ~~decennial census.~~

4           ~~(2) Any parish with a population of not less than forty-six thousand persons~~  
5           ~~and not more than forty-seven thousand persons according to the most recent federal~~  
6           ~~decennial census.~~

7           ~~(3) Any parish in which a rural institutional provider is located.~~

8   \*       \*       \*

9           §1248.5. Powers and duties of parishes; limitations; inspection of provider records

10   \*       \*       \*

11                   D.(1) A rural hospital may be included in assessment payments imposed  
12                   pursuant to this Subpart if the rural hospital and parish enter into a mutual agreement  
13                   to include the rural hospital.

14                   (2) A governmental hospital may be included in assessment payments  
15                   imposed in accordance with this Subpart if the governmental hospital and parish  
16                   enter into a mutual agreement to include the governmental hospital.

17                   (3) If a parish excludes providers, the definition of institutional provider as  
18                   used in this Section and in R.S. 40:1248.8 shall be read to exclude such excluded  
19                   providers.

20   \*       \*       \*

21           §1248.7. Local provider participation fund; authorized uses

22                   A. Each parish that collects a local hospital assessment payment authorized  
23                   by this Subpart ~~or in which a rural institutional provider is located~~ shall create a local  
24                   provider participation fund. All income received by a parish pursuant to the  
25                   provisions of this Subpart, including the revenue from local hospital assessment  
26                   payments remaining after discounts and fees for assessing and collecting the  
27                   payments are deducted, shall be deposited in the local provider participation fund of  
28                   the parish. Monies in the fund may be withdrawn only in accordance with and for  
29                   purposes specified in the provisions of this Section.

30   \*       \*       \*

1 C. Monies in the local provider participation fund may be used only for one  
2 or more of the following purposes:

3 (1) To fund intergovernmental transfers from a parish to the state to provide  
4 the nonfederal share of a program of Medicaid payments for the benefit of ~~rural~~  
5 ~~institutional providers or other~~ hospitals in the parish ~~authorized under the Medicaid~~  
6 ~~state plan.~~

7 (2) To pay the administrative expenses of a parish associated exclusively  
8 with activities authorized by this Subpart in an amount not to exceed the amount  
9 specified in R.S. 40:1248.8 ~~five percent of the local hospital assessment payment.~~

10 \* \* \*

11 §1248.8. Local hospital assessment payments; basis; calculation

12 A. Except as provided in Subsection E of this Section, a parish that collects  
13 a local hospital assessment payment authorized by this Subpart may require an  
14 annual local hospital assessment payment to be assessed quarterly using any basis  
15 permitted by 42 U.S.C. 1396b(w)(3) ~~on the net patient revenue of each institutional~~  
16 ~~provider located in the parish. In the first year in which the local hospital assessment~~  
17 ~~payment is required, the local hospital assessment payment shall be assessed on the~~  
18 ~~net patient revenue of an institutional provider as determined by the most recently~~  
19 ~~filed Medicaid cost report.~~ The parish shall update the amount of the local hospital  
20 assessment payment on an annual basis.

21 B. ~~The amount of a local hospital assessment payment~~ authorized by this  
22 Subpart shall be uniformly imposed on ~~proportionate with the amount of net patient~~  
23 ~~revenue generated by~~ each paying hospital in the parish. In accordance with 42  
24 U.S.C. 1396b(w), a local hospital assessment payment authorized by this Subpart  
25 shall not hold harmless any institutional provider.

26 C. A parish that collects a local hospital assessment payment authorized by  
27 this Subpart shall set the amount of the local hospital assessment payment. The  
28 amount of the local hospital assessment payment required of paying hospitals may  
29 not exceed an amount that, when added to the amounts ~~amount of the local hospital~~

1           ~~assessment payment required of each paying hospital may not exceed an amount~~  
2           ~~that, when added to the amount of the local hospital assessment payments required~~  
3           ~~from all other paying hospitals in the parish, and the amount of any other assessment,~~  
4           ~~local hospital assessment payment, or tax imposed by the state with a similar~~  
5           ~~purpose, equals an amount of revenue that exceeds six percent of the aggregate net~~  
6           ~~patient revenue of all ~~paying~~ hospitals in the ~~parish~~ state. The local hospital~~  
7           ~~assessment shall also meet all other relevant Centers for Medicare and Medicaid~~  
8           ~~Services tests. No later than the twentieth day before a hearing to set a rate pursuant~~  
9           ~~to R.S. 40:1248.6, a parish shall inform the department of the amount of revenue to~~  
10           ~~be collected under the proposed assessment. If the department determines that the~~  
11           ~~proposed assessment will trigger federal compliance issues, including issues with~~  
12           ~~respect to the six percent limit, the department shall inform the parish, prior to the~~  
13           ~~hearing, of any necessary reductions in the amount to be collected or changes~~  
14           ~~necessary to comply with federal requirements. If the parish does not follow~~  
15           ~~recommendations or requests from the department, the department may terminate,~~  
16           ~~or refuse to enter into, any intergovernmental transfer agreements with the parish.~~

17           D. Subject to the maximum payment amount prescribed in Subsection C of  
18           this Section, a parish that collects a local hospital assessment payment authorized by  
19           this Subpart shall set local hospital assessment payments in amounts that in the  
20           aggregate will generate sufficient revenue to cover the administrative expenses of the  
21           parish for activities provided for in this Subpart and to fund the nonfederal share of  
22           a Medicaid ~~base rate payment~~ payment for the benefit of hospitals in the parish;  
23           except that the amount of revenue from local hospital assessment payments used for  
24           administrative expenses of the parish for activities provided for in this Subpart in a  
25           year may not exceed five percent of the total revenue generated from the local  
26           hospital assessment payment or twenty thousand dollars, whichever is ~~lower~~ greater.

\* \* \*

28           Section 2. R.S. 40:1248.11 and 1248.12 are repealed in their entirety.

1           Section 3. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_