

2021 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 2

BY REPRESENTATIVE SCHEXNAYDER

A CONCURRENT RESOLUTION

To provide for a hospital stabilization formula pursuant to Article VII, Section 10.13 of the Constitution of Louisiana; to establish the level and basis of hospital assessments; to establish certain reimbursement enhancements for inpatient and outpatient hospital services; to establish certain criteria for the implementation of the formula; and to provide for related matters.

WHEREAS, through the adoption of this Resolution, the Legislature of Louisiana hereby seeks to:

- (1) Preserve and enhance the availability of inpatient and outpatient hospital services for the citizens of Louisiana.
- (2) Preserve and protect rural hospitals as provided in the Rural Hospital Preservation Act, pursuant to R.S. 40:1189.1 et seq.
- (3) Enhance the stability of hospital funding by utilizing a fiscally prudent healthcare driven solution that does not rely on the use of state general funds and provides a reliable and recurring source of funding for healthcare services.
- (4) Minimize the effects of shifting the cost of caring for those Louisiana residents who are uninsured to those who are able to obtain health insurance.
- (5) Create flexibility to design a plan to provide for more efficient and effective ways to maximize the state's use of monies currently expended for the provision of healthcare services to the state's low income and uninsured residents.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby enact the annual hospital stabilization formula pursuant to Article VII, Section 10.13 of the Constitution of Louisiana:

I. Hospital Stabilization Assessment.

A.(1) The Louisiana Department of Health shall calculate, levy, and collect an assessment for each assessed hospital in accordance with Subsection B of this Section.

(2) Prior to the levy of any assessment pursuant to the provisions of this Resolution, the Louisiana Department of Health shall submit a Medicaid assessment report to the Joint Legislative Committee on the Budget. The Medicaid assessment report shall include a description of the proposed assessment, the basis for the calculation of the assessment, and a listing of each hospital included in the proposed assessment.

B.(1) The total assessment for the state Fiscal Year 2021-2022 shall not exceed the lesser of the following:

(a) The state portion of the cost of the reimbursement enhancements provided for in Subsection A of Section II of this Resolution which are directly attributable to payments to hospitals, excluding any federal financial participation and any costs associated with Full Medicaid Pricing, supplemental payments and quality programs.

(b) One percent of the total inpatient and outpatient hospital net patient revenue of all hospitals included in the assessment, as reported in the Medicare cost report ending in state Fiscal Year 2015.

(2) The Louisiana Department of Health shall allocate, levy, and collect the assessment in accordance with the provisions of the Louisiana Administrative Code 48:I.4001(F)(2) as published in Volume 42, Number 11, of the Louisiana Register and with this Subsection. Any hospital meeting the definition of a rural hospital as defined in R.S. 40:1189.3 or otherwise excluded by the Centers for Medicare and Medicaid Services shall be excluded from the assessment. Subject to the approval of the Centers for Medicare and Medicaid Services, any hospital with thirty-two or fewer beds shall be exempt from the hospital assessment.

(3) The Louisiana Department of Health shall publish on a quarterly basis, no later than thirty days after the end of each quarter, a report containing data directly related to the revenue enhancement provided for in Subsection A of Section II of this Resolution. The report shall include the following:

(a) Total Medicaid enrollment on a monthly basis.

(b) The average monthly premium paid to managed care organizations providing benefits and services to eligible Medicaid enrollees and the portion of premium related to hospital payments included in this assessment.

(c) The aggregate Medicaid claims payment by provider type.

(d) The total amount of inpatient and outpatient Medicaid claims paid to hospitals delineated by each individual hospital Medicaid provider number.

II. Reimbursement Enhancements.

The Louisiana Department of Health shall provide for reimbursement enhancements as follows:

(A) Payment for healthcare services through the implementation of a health coverage expansion of the Louisiana medical assistance program that meets all the requirements necessary for the state to maximize federal matching funds as set forth in 42 U.S.C. 1396d(y) of Title XIX of the Social Security Act.

(B) For any hospital subject to the assessment levied pursuant to this Resolution, the payment of hospital reimbursement rates in an amount no less than the reimbursement rates in effect for dates of service on or after January 1, 2021.

III. Administration

(A) The Louisiana Department of Health shall submit any necessary state plan amendment that may be required in order to implement the provisions of this Resolution to the Centers for Medicare and Medicaid Services no later than one hundred and twenty days from the date this Resolution is adopted. Provided, however, the Louisiana Department of Health shall model various Medicaid financing options utilizing hospital provider fees, intergovernmental transfers, certified public expenditures, and other means necessary to finance the Louisiana Medicaid hospital reimbursement system. The hospital reimbursement options shall be formulated publicly with proper input from individual hospitals. Additionally, all

options shall be accountable to patients and taxpayers. Additionally, all options shall follow evidence-based and best practices. Additionally, all options shall contain reimbursement rates that are fair, equitable, and based on diagnoses. Additionally, all options shall protect the Rural Hospital Preservation Act and maximize reimbursement to qualifying hospitals. Additionally, all options shall demonstrate financial sustainability over the long-term. Additionally, all options shall acknowledge and attempt to consider any recommendations from the COVID-19 Health Equity Task Force to address health care disparities. The Louisiana Department of Health shall provide reports providing details of these proposed options to the Joint Legislative Committee on the Budget in the months of October, December, and February Fiscal Year 2021-2022. Additionally, the Louisiana Department of Health shall work with the Joint Medicaid Oversight Committee as requested by the chairman in the development of these options and reports.

(B) The legislative auditor is hereby authorized and directed to collect all information necessary from the Louisiana Department of Health; hospitals; consultants retained by the Louisiana Department of Health, a hospital, a group of hospitals, or corporate owner or operator of a hospital; or any other entity to complete a detailed analysis of the Medicaid hospital reimbursement methodology and supplemental payment programs. Further, the legislative auditor shall provide all information collected and the subsequent analysis to the legislature for review.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE