

2019 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 5

BY REPRESENTATIVE BARRAS

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. The Louisiana Department of Health shall calculate, levy, and collect an assessment for each assessed hospital in accordance with Subsection B of this Section if all of the following occur:

(1) The applicable federal financial participation, as set forth in 42 U.S.C. 1396d(y) of Title XIX of the Social Security Act, is less than one hundred percent.

(2) The Louisiana Department of Health has submitted 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 2019-2020 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)(a) 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) through (4) as published in Volume 42, Number 11, of the Louisiana Register and with Subsection B of this Section. Any hospital meeting the definition of a rural hospital as defined in R.S. 40:1189.3 shall be excluded from the assessment.

(b) The Department shall continue to operate under the current waiver approved by the Centers for Medicare and Medicaid Services effective on January 1, 2017, until such time that an approval of the request for waivers of the provisions of section 1903(w)(3)(B) and (C) of the Social Security Act required to be submitted

by the Department pursuant to House Concurrent Resolution 6 of the 2018 Regular Session of the Legislature, seeking exclusion of facilities prohibited from participating in the Medicare Program as set forth in 42 U.S.C. 1396 from any assessment levied pursuant to Article VII, Section 10.13 of the Constitution of Louisiana is received by the department.

(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) Payment of hospital reimbursement rates in an amount no less than the greater of the following:

(1) The reimbursement rates in effect for dates of service on or after January 1, 2019.

(2) Reimbursement rates that are in conformity with House Concurrent Resolution 6 of the 2018 Regular Session.

(3) For dates of service on or after January 1, 2020:

(a) Inpatient and outpatient reimbursement rates increased by an amount equal to the four quarter moving average value for the first quarter of the federal fiscal year 2020 as published by CMS on or before June 30, 2019.

(b) Inpatient reimbursement rates indexed as follows to the highest non-state acute hospital per diem rate in effect on January 1, 2019, excluding carve-out specialty intensive care units and any graduate medical education portion of the per diem:

(i) Long-term acute hospitals indexed to forty-five percent.

(ii) Separately licensed, Medicare designated, rehabilitation hospitals indexed to thirty-seven percent.

(iii) Distinct part psychiatric units and freestanding psychiatric hospitals indexed to thirty-two percent.

(C) Effective for payments made after July 1, 2019, the department shall set the catastrophic outlier pool aggregate payment amount to be no less than fifty percent of the amount of the total hospital outlier claims submitted with dates of service in state fiscal year 2017-2018.

III. Administration

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.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE