

1 illustrated by the fact that the current base rates are derived from hospital cost reports from
2 the year 1994; and

3 WHEREAS, according to an outline of a plan for hospital payment reform published
4 by the Louisiana Department of Health in November, 2016, current spending in the
5 Medicaid hospital program overall is comprised of thirty-nine percent base rate payments
6 and sixty-one percent supplemental payments; and

7 WHEREAS, inverting these figures and causing at least the majority of hospital
8 funding to flow through base rate payments would lead to greater transparency, fairness, and
9 stability in the Medicaid hospital program; and

10 WHEREAS, if this state begins to utilize base rate payments for the majority of its
11 Medicaid hospital program spending, then supplemental payments could be used
12 increasingly as true supplements for purposes such as creating incentives for quality in care,
13 implementing a "money follows the patient" system for indigent care, or providing for a
14 combination of these and any other innovative programs for hospitals; and

15 WHEREAS, leaders at the Louisiana Department of Health are aware of the
16 implications of payment reform for the hospital industry, and have actively engaged
17 participants in that industry in developing a payment reform plan that achieves mutually
18 agreeable goals and is in the best interest of the public.

19 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
20 urge and request the Louisiana Department of Health to finalize plans for implementing
21 hospital payment reform within the Medicaid program.

22 BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby urge
23 and request the governing bodies of the licensed hospitals of this state to continue to
24 cooperate with the Louisiana Department of Health in this vitally important matter of public
25 policy as the hospital payment reform plan is finalized.

26 BE IT FURTHER RESOLVED that on or before October 1, 2017, the Louisiana
27 Department of Health shall submit a report addressing its progress in finalizing the hospital
28 payment reform plan to the House Appropriations Committee, the Senate Finance
29 Committee, the House Committee on Health and Welfare, and the Senate Committee on
30 Health and Welfare.

1 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
2 secretary of the Louisiana Department of Health and the president and chief executive
3 officer of the Louisiana Hospital Association.

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)]

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Thomas

Urges and requests the La. Dept. of Health to finalize plans for implementing hospital payment reform within the Medicaid program.

Urges and requests the governance bodies of La. hospitals to continue to cooperate with the La. Dept. of Health in this initiative.

Requires the La. Dept. of Health to submit a report addressing its progress in finalizing the hospital payment reform plan to the House Appropriations Committee, the Senate Finance Committee, and the legislative committees on health and welfare on or before Oct. 1, 2017.