

2021 Regular Session

HOUSE BILL NO. 356

BY REPRESENTATIVE BACALA

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

MEDICAID: Requires regular evaluation of and reporting on Medicaid administration and services

1 AN ACT

2 To enact Part IV-A of Chapter 5-E of Title 40 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 40:1254.1 through 1254.3, relative to the medical assistance
4 program of this state known commonly as Medicaid; to provide for duties of the
5 Louisiana Department of Health in administering the state Medicaid program; to
6 require the department to evaluate certain aspects of the state Medicaid program
7 regularly; to require the department to report results of such evaluations to the
8 legislature; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Part IV-A of Chapter 5-E of Title 40 of the Louisiana Revised Statutes
11 of 1950, comprised of R.S. 40:1254.1 through 1254.3, is hereby enacted to read as follows:

12 PART IV-A. EVALUATION OF MEDICAID ADMINISTRATION

13 AND SERVICES

14 §1254.1. Legislative intent

15 The legislature intends all of the following:

16 (1) That the state Medicaid program be operated in the most efficient and
17 sustainable manner possible.

18 (2) That the state Medicaid program ensure cost-effectiveness in delivery of
19 publicly funded health services and, to the extent possible, parity with other forms
20 of public and private health insurance.

1 (3) That the Louisiana Department of Health regularly evaluate the state
2 Medicaid program to identify opportunities to optimize service delivery models and
3 achieve efficiencies in program administration and management.

4 §1254.2. Evaluation of Medicaid administration and services

5 On an annual basis, the secretary of the Louisiana Department of Health shall
6 cause the department to evaluate all of the following:

7 (1)(a) All classes of services of the state Medicaid program delivered,
8 respectively, through the fee-for-service model administered directly by the
9 department and the managed care model administered by contracted managed care
10 organizations.

11 (b) Based upon each evaluation required by Subparagraph (a) of this
12 Paragraph, the department shall determine which classes of services should continue
13 to be delivered through the fee-for-service model, which classes of services should
14 continue to be delivered through the managed care model, and which classes of
15 services should be delivered through a different model than the one through which
16 they are presently delivered.

17 (c) With respect to any class of services which the department determines
18 should continue to be delivered through a managed care model or be newly added
19 into a managed care model, the department shall determine whether or not those
20 services should be delivered through one or more managed care organizations which
21 manage such services exclusively.

22 (2) The cost-effectiveness, quality, and value of services provided by each
23 Medicaid management information system contractor of the department.

24 (3) The integrity of data used in Medicaid managed care rate development.

25 (4) The set of covered services offered through the state Medicaid program
26 in comparison with the sets of covered services offered through the following health
27 plans:

28 (a) The health plans of the Office of Group Benefits.

1 (b) The health plans of the two largest commercial health insurance issuers,
2 in terms of enrolled Louisiana residents, operating in this state.

3 (5) The set of covered services offered through the state Medicaid program
4 in comparison with the sets of covered services offered through the Medicaid
5 programs of the following states:

6 (a) Each state within Centers for Medicare and Medicaid Services Region
7 4.

8 (b) Each other state within Centers for Medicare and Medicaid Services
9 Region 6.

10 (6) The types of cost sharing functions authorized pursuant to federal
11 Medicaid regulations, 42 C.F.R. 447.50 et seq., that the state Medicaid program
12 implements in comparison with the types of such cost sharing functions that the
13 Medicaid programs of the following states implement:

14 (a) Each state within Centers for Medicare and Medicaid Services Region
15 4.

16 (b) Each other state within Centers for Medicare and Medicaid Services
17 Region 6.

18 §1254.3. Reports to the legislature

19 A. The secretary of the Louisiana Department of Health shall submit to the
20 legislature an annual report comprising findings of each evaluation conducted in
21 accordance with R.S. 40:1254.2.

22 B. The secretary of the Louisiana Department of Health may submit each
23 report required by Subsection A of this Section in conjunction with the annual
24 Medicaid transparency report required by Part IV of this Chapter.

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)]

HB 356 Original

2021 Regular Session

Bacala

Abstract: Requires the La. Department of Health to evaluate certain aspects of the state Medicaid program regularly and to report the results of such evaluations to the legislature.

Proposed law provides for legislative intent with respect to the administration of the state Medicaid program.

Proposed law requires that, on an annual basis, the secretary of the La. Department of Health (LDH) shall cause the department to evaluate all of the following:

- (1) All classes of services of the state Medicaid program delivered, respectively, through the fee-for-service model administered directly by the department and the managed care model administered by contracted managed care organizations.
- (2) The cost-effectiveness, quality, and value of services provided by each Medicaid management information system contractor of the department.
- (3) The integrity of data used in Medicaid managed care rate development.
- (4) The set of covered services offered through the state Medicaid program in comparison with the sets of covered services offered through the following health plans:
 - (a) The health plans of the Office of Group Benefits.
 - (b) The health plans of the two largest commercial health insurance issuers, in terms of enrolled La. residents, operating in this state.
- (5) The set of covered services offered through the state Medicaid program in comparison with the sets of covered services offered through the Medicaid programs of the following states:
 - (a) Each state within Centers for Medicare and Medicaid Services Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee).
 - (b) Each state other than La. within Centers for Medicare and Medicaid Services Region 6 (Arkansas, New Mexico, Oklahoma, and Texas).
- (6) The types of cost sharing functions authorized pursuant to federal Medicaid regulations that the state Medicaid program implements in comparison with the types of such cost sharing functions that the Medicaid programs of the following states implement:
 - (a) Each state within Centers for Medicare and Medicaid Services Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee).

- (b) Each state other than La. within Centers for Medicare and Medicaid Services Region 6 (Arkansas, New Mexico, Oklahoma, and Texas).

Proposed law requires LDH to determine which classes of Medicaid services should continue to be delivered through the fee-for-service model, which classes of services should continue to be delivered through the managed care model, and which classes of services should be delivered through a different model than the one through which they are presently delivered. Provides that, with respect to any class of services which the department determines should continue to be delivered through a managed care model or be newly added into a managed care model, LDH shall determine whether or not those services should be delivered through one or more managed care organizations which manage such services exclusively.

Proposed law requires the secretary of LDH to submit to the legislature an annual report comprising findings of each evaluation conducted in accordance with proposed law. Authorizes the secretary to submit such reports in conjunction with the annual Medicaid transparency report required by present law.

(Adds R.S. 40:1254.1-1254.3)