

2016 Regular Session

HOUSE RESOLUTION NO. 162

BY REPRESENTATIVES HENRY AND MONToucET

MEDICAID: Requests the Dept. of Health and Hospitals to determine whether the Medicaid managed care program has achieved cost savings

1 A RESOLUTION

2 To urge and request the Department of Health and Hospitals to conduct a study to determine
3 whether the Medicaid managed care program of this state has achieved cost savings
4 when compared with the fee-for-service Medicaid program which preceded it, and
5 to provide a report of the cost comparison to the legislature.

6 WHEREAS, in 2011, the Department of Health and Hospitals, referred to hereafter
7 as the "department", instituted managed care within the state's Medicaid program through
8 adoption of administrative rules which are now codified in Subpart 3 of Part I of Title 50 of
9 the Louisiana Administrative Code (LAC 50:I.2101 et seq.); and

10 WHEREAS, these administrative rules establish a risk-bearing managed care
11 organization model which began operating in 2012 and was known as "Bayou Health" until
12 being renamed "Healthy Louisiana" in May of 2016; and

13 WHEREAS, since its inception, the Medicaid managed care program has grown to
14 encompass over ninety percent of the state's Medicaid population and currently excludes
15 only Medicaid enrollees receiving long-term care services in institutional or home-based
16 settings who have remained in the managed care program's predecessor, the fee-for-service
17 Medicaid program sometimes referred to as "legacy Medicaid"; and

18 WHEREAS, according to the department, the purposes of instituting Medicaid
19 managed care include simplifying the budgeting process for Medicaid generally and
20 generating cost savings for the state; and

1 WHEREAS, as confirmed by former officials of the department in testimony before
2 committees of the legislature, the department did not develop baseline cost estimates for a
3 continuation of Medicaid as a fee-for-service program exclusively beyond the time that
4 managed care was instituted which could be compared to the costs of the managed care
5 program, and actual data from a comparable population is not available; and

6 WHEREAS, cost savings figures associated with Medicaid managed care that the
7 department previously presented to the legislature were savings estimates and were neither
8 comprehensive nor fully verifiable.

9 THEREFORE, BE IT RESOLVED that the House of Representatives of the
10 Legislature of Louisiana does hereby urge and request the Department of Health and
11 Hospitals to conduct a study to determine whether the Medicaid managed care program of
12 this state has achieved cost savings when compared with the fee-for-service Medicaid
13 program which preceded it.

14 BE IT FURTHER RESOLVED that the department shall develop a written report
15 which addresses findings of the study, and that the report shall conform to the following
16 specifications:

17 (1) Be comprehensive and supported by verifiable data, facts, calculations, and
18 appropriate assumptions.

19 (2) Include costs of delivery of covered services through the Medicaid managed care
20 program compared with the costs associated with service delivery through the fee-for-service
21 Medicaid program.

22 (3) Include all administrative costs of operating the Medicaid managed care program
23 including payments to the Medicaid fiscal intermediary, payments for consulting contracts
24 for services used in operating the managed care program, and costs of payroll and related
25 benefits.

26 (4) Be conducted by providers of actuarial services or accounting and auditing
27 services who are independent of the department, the operation of the Louisiana Medicaid
28 program, and the managed care organizations which currently contract with the department
29 to operate the Medicaid managed care program.

1 BE IT FURTHER RESOLVED that the department shall submit the report required
2 by this Resolution to the House Committee on Appropriations and the House Committee on
3 Health and Welfare no later than sixty days prior to the convening of the 2017 Regular
4 Session of the Legislature of Louisiana.

5 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
6 secretary of the Department of Health and Hospitals.

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)]

HR 162 Original

2016 Regular Session

Henry

Requests the Department of Health and Hospitals to conduct a study to determine whether the Medicaid managed care program of this state has achieved cost savings when compared with the fee-for-service Medicaid program which preceded it, and to report findings to the House Committee on Appropriations and the House Committee on Health and Welfare.