

2021 Regular Session

HOUSE BILL NO. 485

BY REPRESENTATIVE ZERINGUE

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

MEDICAID MANAGED CARE: Establishes the Medicaid Managed Care Authority as a policymaking and oversight body for the Medicaid managed care program

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AN ACT

To enact R.S. 36:259(B)(38) and 802.4 and Subpart A-1 of Part XIII of Chapter 3 of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 46:460.55 through 460.58, relative to the medical assistance program of this state commonly known as Medicaid; to provide relative to administration of the Medicaid managed care program; to provide legislative findings concerning Medicaid managed care; to create the Medicaid Managed Care Authority as a policymaking and oversight body for the Medicaid managed care program; to place the authority within the executive branch of government; to provide for the membership, duties, and powers of the authority; to authorize the authority to appoint a director and to employ staff; to authorize the authority to promulgate administrative rules; to provide for policies, procedures, and operations of the authority; to establish responsibilities of the Louisiana Department of Health with respect to the authority; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 36:259(B)(38) and 802.4 are hereby enacted to read as follows:

§259. Transfer of agencies and functions to Louisiana Department of Health

* * *

1 B. The following agencies, as defined in R.S. 36:3, are placed within the
2 Louisiana Department of Health and shall perform and exercise their powers, duties,
3 functions, and responsibilities as otherwise provided by law:

4 * * *

5 (38) The Medicaid Managed Care Authority (R.S. 46:460.55 et seq.).

6 * * *

7 §802.4. Transfer; certain appointive authority retained

8 The Medicaid Managed Care Authority, placed in the Louisiana Department
9 of Health by R.S. 36:259(B), shall exercise and carry out all powers, duties,
10 functions, and responsibilities as provided in R.S. 36:802, except that the agency
11 shall appoint its own director.

12 Section 2. Subpart A-1 of Part XIII of Chapter 3 of Title 46 of the Louisiana Revised
13 Statutes of 1950, comprised of R.S. 46:460.55 through 460.58, is hereby enacted to read as
14 follows:

15 SUBPART A-1. LOUISIANA MEDICAID MANAGED CARE AUTHORITY

16 §460.55. Legislative findings; purpose

17 A. The legislature hereby finds and declares the following:

18 (1) The Louisiana Department of Health, referred to hereafter in this Subpart
19 as the "department", instituted the Medicaid managed care program of this state
20 through administrative rules adopted in June of 2011 (LR 37:1573 (June 2011)).

21 (2) No statutory law either requires or prohibits administration of the state
22 Medicaid program through a managed care system.

23 (3) No statutory law pertaining to Medicaid managed care was enacted in
24 this state until 2013, two years after the department instituted the Medicaid managed
25 care program by rule.

26 (4) In December of 2020, one million six hundred fifty-one thousand three
27 hundred twenty-one people were enrolled in the Medicaid managed care program,
28 representing over ninety percent of the state Medicaid program's total enrollment at
29 that time.

1 (5) From state fiscal year 2010-2011, the fiscal year in which the department
2 adopted the original Medicaid managed care rule, to state fiscal year 2020-2021, the
3 legislatively enacted budget for the state Medicaid program grew from just under six
4 billion seven hundred sixty-eight million dollars to over sixteen billion three hundred
5 five million dollars, an increase of one hundred forty-one percent in ten years.

6 B. The purpose of this Subpart is to provide for the necessary degree, and an
7 appropriate form, of public oversight of the Medicaid managed care program of this
8 state.

9 §460.56. Medicaid Managed Care Authority; creation and composition;
10 compensation of members; staff of the authority

11 A. The Medicaid Managed Care Authority, referred to hereafter in this
12 Subpart as the "authority", is hereby created within the Louisiana Department of
13 Health.

14 B. The authority shall be composed of the following members:

15 (1) The secretary of the Louisiana Department of Health or his designee.

16 (2) One member, appointed by the governor, who is currently or formerly
17 a Medicaid enrollee or is a parent of a current or former Medicaid enrollee.

18 (3) One licensed member of a healthcare profession, appointed by the
19 governor, who is enrolled as a Medicaid provider in this state.

20 (4) One member, appointed by the governor, who represents a licensed
21 healthcare facility that is enrolled as a Medicaid provider in this state.

22 (5) One member, appointed by the speaker of the House of Representatives,
23 who shall not be an elected member of the legislature.

24 (6) One member, appointed by the president of the Senate, who shall not be
25 an elected member of the legislature.

26 (7) A faculty member of a public or private university in this state who
27 specializes in healthcare economics appointed by the chairman of the Medicaid
28 Estimating Conference.

29 (8) The commissioner of administration or his designee.

1 (9) The executive director of the Louisiana Medicaid Managed Care
2 Organization Association or any successor association which represents Medicaid
3 managed care organizations that contract with the state.

4 (10) The president of the Louisiana Hospital Association or his designee.

5 (11) The executive director of the Rural Hospital Coalition or his designee.

6 (12) The chancellor of the Louisiana State University Health Sciences Center
7 at New Orleans or his designee.

8 (13) The chancellor of the Louisiana State University Health Sciences Center
9 at Shreveport or his designee.

10 (14) The executive director of the Louisiana Primary Care Association or his
11 designee.

12 (15) The executive director of the Louisiana Developmental Disabilities
13 Council or his designee.

14 (16) The chairman of the board of directors of the Louisiana Independent
15 Pharmacies Association or his designee.

16 (17) One member representing the National Association of Chain Drug
17 Stores who is domiciled in Louisiana and appointed by the president of the
18 association.

19 (18) The director of the Mental Health Advocacy Service or his designee.

20 (19) The chairperson of the Human Services Interagency Council or his
21 designee.

22 (20) The chief executive officer of the Louisiana Ambulance Alliance or his
23 designee.

24 C. Each member of the authority shall be subject to confirmation by the
25 Senate.

26 D. A majority of the members of the authority shall constitute a quorum. A
27 quorum is required for the authority to conduct its business and to exercise the
28 powers provided in this Subpart.

1 E. The secretary of the department shall convene the initial meeting of the
2 authority as soon as is practicable after all members of the authority have been
3 appointed. At its initial meeting, the authority shall elect from its membership a
4 chairman and such other officers as it deems necessary.

5 F. The authority shall establish rules of procedure and policies for the
6 administration of its affairs. The authority may promulgate such rules and policies
7 in accordance with the Administrative Procedure Act.

8 G. No member of the authority shall receive a salary for his service on the
9 authority. However, members of the authority shall be reimbursed in accordance
10 with regulations of the division of administration for actual travel and other expenses
11 incurred in the performance of their duties with the authority.

12 H.(1) The authority shall appoint an executive director for the authority who
13 shall be in the unclassified civil service. The executive director shall perform duties
14 and functions as required by the authority.

15 (2) The authority may employ other personnel as necessary to carry out the
16 provisions of this Subpart. Any such personnel shall report to the executive director
17 of the authority.

18 §460.57. Tenure of authority members

19 A.(1) Except as otherwise provided in this Section, each member of the
20 authority shall serve a term of two years after the initial terms provided for in
21 Paragraph (2) of this Subsection.

22 (2) Nine members shall serve an initial term of one year and ten shall serve
23 an initial term of two years, as determined by lot at the first meeting of the authority.

24 B. No member of the authority shall serve beyond his appointing authority's
25 tenure in the respective position of the appointing authority identified in R.S.
26 46:460.56(B).

27 C. Any vacancy on the authority which occurs prior to the expiration of the
28 term of the vacating member shall be filled for the remainder of the unexpired term
29 in the same manner as the original appointment.

1 D. After the expiration of his term, a member may continue to serve on the
2 authority until his successor is appointed.

3 E. A member who is appointed after a term has begun shall serve for the
4 remainder of the term. Such member may continue to serve on the authority beyond
5 the expiration of the term until his successor is appointed.

6 F. No individual may serve as a member of the authority for more than three
7 consecutive two-year terms.

8 §460.58. Duties and powers of the authority; meetings of the authority;
9 responsibilities of the department

10 A. The authority shall have all of the following duties:

11 (1) To oversee the Medicaid managed care program in such a manner as to
12 safeguard the fiscal sustainability of the program while ensuring that program
13 enrollees have access to high-quality health services.

14 (2) To ensure that the Medicaid managed care program fully complies with
15 all state and federal laws and regulations applicable to the program.

16 (3) To determine the number of managed care organizations that may
17 contract with the state.

18 (4) To consult with and make recommendations to the undersecretary of the
19 department concerning Medicaid reimbursement rates that the department pays to
20 healthcare providers through managed care organizations.

21 (5) To oversee the development of, and to approve, all of the following:

22 (a) Any request for proposals to be issued by the department for the
23 provision of health services to Medicaid enrollees by managed care organizations.

24 (b) Types and amounts of all compensation to be paid to managed care
25 organizations exclusive of amounts that the organizations expend on provider claims
26 for health services.

27 (6) To oversee the administration and management by the department of
28 each contract between the state and a managed care organization.

1 (7) To approve any amendment proposed by the department to a contract
2 between a managed care organization and the state.

3 (8) To serve as an advisory body to the governor and the legislature on the
4 Medicaid managed care program of this state.

5 B. The authority shall hold regularly scheduled meetings on at least a
6 quarterly basis and may hold other public meetings as it deems necessary to ensure
7 an appropriate degree of public oversight of the Medicaid managed care program.

8 C.(1) The authority may promulgate, in accordance with the Administrative
9 Procedure Act, any rules necessary to carry out its duties as provided in this Subpart.

10 (2) The legislature expressly grants the authority the power to amend, enact,
11 or repeal any administrative rule within Subpart 3 of Part I of Title 50 of the
12 Louisiana Administrative Code as may be necessary to fulfill the purposes and duties
13 assigned to the authority by the provisions of this Subpart.

14 D. The department shall allow the authority to access all books and records
15 of the department pertaining to the Medicaid managed care program.

16 E. The department shall not take any action for which approval by the
17 authority is required by Subsection A of this Section unless the authority has
18 expressly granted such approval.

19 Section 3. This Act shall become effective upon signature by the governor or, if not
20 signed by the governor, upon expiration of the time for bills to become law without signature
21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
23 effective on the day following such approval.

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 485 Original

2021 Regular Session

Zeringue

Abstract: Creates the Medicaid Managed Care Authority and provides for its powers and duties with respect to the Medicaid managed care program of this state.

Proposed law provides legislative findings regarding the Medicaid managed care program of this state. Establishes that the purpose of proposed law is to provide for the necessary degree, and an appropriate form, of public oversight of the program.

Proposed law creates within the Louisiana Department of Health (LDH) the Medicaid Managed Care Authority, referred to hereafter as the "authority". Provides that the authority shall be composed of the following 20 members:

- (1) The secretary of LDH or his designee.
- (2) One member, appointed by the governor, who is currently or formerly a Medicaid enrollee or is a parent of a current or former Medicaid enrollee.
- (3) One licensed member of a healthcare profession, appointed by the governor, who is enrolled as a Medicaid provider in this state.
- (4) One member, appointed by the governor, who represents a licensed healthcare facility that is enrolled as a Medicaid provider in this state.
- (5) One member, appointed by the speaker of the House of Representatives, who shall not be an elected member of the legislature.
- (6) One member, appointed by the president of the Senate, who shall not be an elected member of the legislature.
- (7) A faculty member of a public or private university in this state who specializes in healthcare economics appointed by the chairman of the Medicaid Estimating Conference.
- (8) The commissioner of administration or his designee.
- (9) The executive director of the Louisiana Medicaid Managed Care Organization Association or any successor association which represents Medicaid managed care organizations that contract with the state.
- (10) The president of the Louisiana Hospital Association or his designee.
- (11) The executive director of the Rural Hospital Coalition or his designee.
- (12) The chancellor of the Louisiana State University Health Sciences Center at New Orleans or his designee.
- (13) The chancellor of the Louisiana State University Health Sciences Center at Shreveport or his designee.
- (14) The executive director of the Louisiana Primary Care Association or his designee.
- (15) The executive director of the Louisiana Developmental Disabilities Council or his designee.
- (16) The chairman of the board of directors of the Louisiana Independent Pharmacies Association or his designee.
- (17) One member representing the National Association of Chain Drug Stores who is domiciled in Louisiana and appointed by the president of the association.
- (18) The director of the Mental Health Advocacy Service or his designee.

- (19) The chairperson of the Human Services Interagency Council or his designee.
- (20) The chief executive officer of the Louisiana Ambulance Alliance or his designee.

Proposed law provides for officers and rules of procedure of the authority and for terms of authority members. Stipulates that while no member of the authority shall receive a salary for his service on the authority, members of the authority shall be reimbursed in accordance with regulations of the division of administration for actual travel and other expenses incurred in the performance of their duties with the authority.

Proposed law requires the authority to appoint an executive director who shall be in the unclassified civil service. Authorizes the authority to employ other personnel as necessary to carry out the provisions of proposed law.

Proposed law provides that the authority shall have all of the following duties:

- (1) To oversee the Medicaid managed care program in such a manner as to safeguard the fiscal sustainability of the program while ensuring that program enrollees have access to high-quality health services.
- (2) To ensure that the Medicaid managed care program fully complies with all state and federal laws and regulations applicable to the program.
- (3) To determine the number of managed care organizations that may contract with the state.
- (4) To consult with and make recommendations to the undersecretary of LDH concerning Medicaid reimbursement rates that the department pays to healthcare providers through managed care organizations.
- (5) To oversee the development of, and to approve, all of the following:
 - (a) Any request for proposals to be issued by LDH for the provision of health services to Medicaid enrollees by managed care organizations.
 - (b) Types and amounts of all compensation to be paid to managed care organizations exclusive of amounts that the organizations expend on provider claims for health services.
- (6) To oversee the administration and management by LDH of each contract between the state and a managed care organization.
- (7) To approve any amendment proposed by LDH to a contract between a managed care organization and the state.
- (8) To serve as an advisory body to the governor and the legislature on the Medicaid managed care program of this state.

Proposed law requires the authority to hold regularly scheduled meetings on at least a quarterly basis and authorizes it to hold other public meetings as it deems necessary to ensure an appropriate degree of public oversight of the Medicaid managed care program.

Proposed law authorizes the authority to promulgate administrative rules as necessary to carry out its duties as provided in proposed law.

Proposed law prohibits LDH from taking any action for which approval by the authority is required by proposed law unless the authority has expressly granted such approval.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 36:259(B)(38) and 802.4 and R.S. 46:460.55-460.58)