

2021 Regular Session

SENATE BILL NO. 108

BY SENATOR LUNEAU

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

HEALTH SERVICES. Provides relative to mental health rehabilitation services contracts with Medicaid managed care organizations. (1/1/22)

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AN ACT

To amend and reenact R.S. 46:460.61 and to enact R.S. 39:1648.1 and R.S. 46:460.81(D), relative to contracts with Medicaid managed care organizations; to provide for minimum requirements; to provide for staff training requirements; to provide for rulemaking; to provide for credentialing; to provide for independent review of adverse determinations; to provide for penalties; to provide for definitions; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:1648.1 is hereby enacted to read as follows:

§1648.1. Medicaid contracts or subcontracts for mental health rehabilitation services; minimum requirements

A. Any contract or subcontract entered into by the Louisiana Department of Health with any Medicaid managed care organization for the provision of mental health rehabilitation services shall include all of the following minimum requirements:

(1) Employees, contractors, and subcontractors of managed care organizations performing work or services related to the performance or

1 supervision of audits, prior authorization determinations, and clinical reviews
2 of mental health rehabilitation services providers shall receive annual training
3 on Louisiana's Medicaid Behavioral Health Provider Manual and the relevant
4 state laws, policies, and regulations related to the state's mental health
5 rehabilitation program.

6 (2) Employees, contractors, and subcontractors of managed care
7 organizations shall take all necessary steps to ensure mental health
8 rehabilitation services providers are rostered, credentialed, or otherwise eligible
9 to provide and be reimbursed for mental health rehabilitation services in
10 accordance with R.S. 46:460.61.

11 (3) Employees, contractors, and subcontractors of managed care
12 organizations shall take all steps necessary to ensure that mental health
13 rehabilitation services providers have the right to an independent review of an
14 adverse action taken by the managed care organization in accordance with R.S.
15 46:460.81.

16 B. No Medicaid managed care organization contract incorporating
17 mental health rehabilitation services shall be executed by the Louisiana
18 Department of Health without the inclusion of the minimum requirements
19 provided for in this Section, the terms of which shall supersede any other
20 conflicting contract provisions. Any existing contract executed prior to
21 August 1, 2021, shall be amended to include the minimum requirements
22 provided for in this Section.

23 C. The Louisiana Department of Health shall enforce monetary penalties
24 against any Medicaid managed care organization that violates the contractual
25 requirements provided for in this Section.

26 D. For the purposes of this Section, the following definitions apply:

27 (1) "Mental health rehabilitation" means an outpatient health care
28 program provider of any psychosocial rehabilitation, crisis intervention, or
29 community psychiatric support and treatment services that promotes the

1 restoration of community functioning and well-being of an individual diagnosed
 2 with a mental health or mental or emotional disorder. The mental health
 3 rehabilitation provider uses evidence-based supports and interventions designed
 4 to improve individual and community outcomes.

5 (2) "Mental health rehabilitation services" means outpatient services for
 6 adults with serious mental illness and children with emotional or behavioral
 7 disorders which are medically necessary to reduce the disability resulting from
 8 mental illness and assist in the recovery and resiliency of the recipient. These
 9 services are home- and community-based and are provided on an as-needed
 10 basis to assist recipients in coping with the symptoms of their illness. The intent
 11 of mental health rehabilitation services is to minimize the disabling effects on
 12 the individual's capacity for independent living and to prevent or limit the
 13 periods of inpatient treatment.

14 E. The Louisiana Department of Health shall promulgate and adopt any
 15 rules and regulations necessary to implement the provisions of this Section.

16 Section 2. R.S. 46:460.61 is hereby amended and reenacted and R.S. 46:460.81(D)

17 is hereby enacted to read as follows:

18 §460.61. Provider credentialing

19 A. Any managed care organization that requires a health care provider to be
 20 credentialed, recredentialed, or approved prior to rendering health care services to
 21 a Medicaid recipient shall complete a credentialing process within ~~ninety~~ sixty days
 22 from the date on which the managed care organization has received all the
 23 information needed for credentialing, including the health care provider's correctly
 24 and fully completed application and attestations and all verifications or verification
 25 supporting statements required by the managed care organization to comply with
 26 accreditation requirements and generally accepted industry practices and provisions
 27 to obtain reasonable applicant-specific information relative to the particular or
 28 precise services proposed to be rendered by the applicant.

29 B.(1) Within thirty days of the date of receipt of an application, a managed

1 care organization shall inform the applicant of all defects and reasons known at the
2 time by the managed care organization in the event a submitted application is
3 deemed to be not correctly and fully completed.

4 (2) A managed care organization shall inform the applicant in the event that
5 any needed verification or a verification supporting statement has not been received
6 within ~~sixty~~ **forty-five** days of the date of the managed care organization's request.

7 **C. A health care provider shall be considered credentialed,**
8 **recredentialed, or approved if a managed care organization fails to do one of the**
9 **following within sixty days of receipt of all the information needed for**
10 **credentialing, including all documents required by Subsection A of this Section,**
11 **and a signed provider agreement:**

12 **(1) Review, approve, and load an approved applicant to its provider files**
13 **in its claims processing system and submit on the electronic provider directory**
14 **to the Louisiana Department of Health or their designee.**

15 **(2) Deny the application and ensure that the provider is not reimbursed**
16 **for providing services to enrollees.**

17 **D.** In order to establish uniformity in the submission of an applicant's
18 standardized information to each managed care organization for which he may seek
19 to provide health care services until submission of an applicant's standardized
20 information in a paper format shall be superseded by a provider's required
21 submission and a managed care organization's required acceptance by electronic
22 submission, an applicant shall utilize and a managed care organization shall accept
23 either of the following at the sole discretion of the managed care organization:

24 (1) The current version of the Louisiana Standardized Credentialing
25 Application Form or its successor, as promulgated by the Department of Insurance.

26 (2) The current format used by the Council for Affordable Quality Healthcare
27 (CAQH) or its successor.

28 **E. A managed care organization that determines upon completion of the**
29 **credentialing process that an applicant's health care provider does not meet the**

1 managed care organization's credentialing requirements, the managed care
2 organization may initiate an action to recover from the health care provider or
3 the provider group an amount equal to the difference between appropriate
4 payments for out-of-network benefits and in-network benefits paid to the
5 provider prior to completion of the credentialing process if both of the following
6 requirements are met:

7 (1) The managed care organization notified the applicant health care
8 provider of the adverse determination.

9 (2) The managed care organization initiated action for recovery no later
10 than thirty days after the adverse determination.

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12 §460.81. Right of providers to independent review; applicability

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14 D. Notwithstanding any other provision of law, a mental health
15 rehabilitation services provider shall have the right to an independent review
16 of an adverse action taken by the managed care organization in accordance with
17 this Subpart.

18 Section 3. This Act shall become effective on January 1, 2022.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Brandi Cannon.

DIGEST

SB 108 Engrossed 2021 Regular Session Luneau

Proposed law provides for minimum requirements for contracts entered into by the La. Dept. of Health (LDH) with any Medicaid managed care organization (MCO) incorporating mental health rehabilitation services, including annual training for employees, contractors, and subcontractors of MCOs performing the performance or supervision of audits, prior authorization determinations, and clinical reviews of mental health rehabilitation services providers.

Proposed law provides for employees, contractors, and subcontractors of MCOs to take all necessary steps to ensure mental health rehabilitation services providers are rostered, credentialed, or otherwise eligible to provide and be reimbursed for mental health rehabilitation services in accordance with proposed law.

Present law provides for the credentialing of health care providers. Proposed law decreases the maximum length of time for an MCO to complete a credentialing process once it receives all the information needed for credentialing from 90 days to 60 days. Proposed law

also decreases from 60 days to 45 days the time limit after an MCO makes a request for any needed verification or verification supporting statement for the MCO to inform an applicant the requested documentation has not been received.

Proposed law provides for a health care provider to be considered credentialed, recertified, or approved if an MCO fails to act within 60 days of receipt of all the information needed for credentialing.

Proposed law provides that employees, contractors, and subcontractors of MCOs shall take all steps necessary to ensure that mental health rehabilitation services providers have the right to an independent review of an adverse action taken by the MCO in accordance with proposed law.

Proposed law provides that no Medicaid managed care organization contract incorporating mental health rehabilitation services shall be executed without inclusion of the minimum requirements and that any existing contract entered into prior to August 1, 2021, shall be amended to include the minimum requirements.

Proposed law provides that LDH shall enforce monetary penalties against any Medicaid managed care organization that violates the minimum contractual requirements.

Proposed law requires LDH to promulgate and adopt any rules and regulations necessary to implement the provisions of proposed law.

Effective January 1, 2022.

(Amends R.S. 46:460.61; adds R.S. 39:1648.1 and R.S. 46:460.81(D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill

1. Removes domicile requirement for certain MCO staff.
2. Requires MCO staff to receive annual training.
3. Provides for credentialing of providers.
4. Deletes provisions relative to audit parameters and procedures.
5. Provides for an independent review of an adverse action by an MCO.
6. Requires rulemaking by LDH.
7. Changes the effective date.
8. Makes technical changes.