

2025 Regular Session

SENATE RESOLUTION NO. 194

BY SENATOR BARROW

MEDICAID. Requests the Louisiana Department of Health to review and provide certain information to the Senate regarding Medicaid managed care contracts.

1 A RESOLUTION

2 To urge and request the Louisiana Department of Health to review the effectiveness of the  
3 current Medicaid managed care program and improve upon the department's  
4 oversight of the managed care organization contracts and to submit a report to the  
5 Senate outlining efforts to improve oversight and health outcomes.

6 WHEREAS, the provision of evidence-based health care services is the best method  
7 for improving the health of a population; and

8 WHEREAS, Medicaid managed care was implemented in Louisiana in 2012 to  
9 improve health outcomes of our Medicaid recipients, provide meaningful management of  
10 healthcare of the recipients, improve Medicaid provider participation to increase access, and  
11 provide greater budget stability; and

12 WHEREAS, the Medicaid program currently insures approximately 1.6 million  
13 individuals, or nearly thirty-five percent of our state's total population, and over 650,000 of  
14 those enrolled are children; and

15 WHEREAS, the managed care organizations are tasked with monitoring and  
16 managing the provision of health care services to the Medicaid managed care enrollees to  
17 maintain or improve their health status; and

18 WHEREAS, although Louisiana is spending billions of dollars each year on

1 Medicaid, after thirteen years of managed care, health outcomes have not improved, there  
2 is no meaningful management of recipient healthcare, there are fewer Medicaid providers  
3 and those who are participating are consistently paid at inadequate rates, and the Medicaid  
4 budget has never stabilized; and

5 WHEREAS, while some of the increased costs since the inception of Medicaid  
6 managed care can be attributed to Louisiana expanding Medicaid in 2016 to provide  
7 coverage to low-income adults who were previously ineligible, the cost of the Medicaid  
8 program continues to increase significantly each year; and

9 WHEREAS, the recommended Fiscal Year 2025-2026 budget for the Medicaid  
10 program is nearly \$19 billion, a significant increase over the \$11.6 billion in actual  
11 expenditures in Fiscal Year 2017-2018; and

12 WHEREAS, Louisiana consistently ranks 49th or 50th in the nation for healthcare  
13 outcomes, and recently the U.S. News & World Report's ranking of the "Best States for  
14 2025" has Louisiana in last place as number 50; and

15 WHEREAS, according to the legislative auditor's report on oversight of managed  
16 quality care, from January 2018 through December 2022, the Louisiana Department of  
17 Health paid the managed care organizations \$720 million to manage the care of nearly  
18 50,000 beneficiaries who did not receive a single service in the five-year time frame; and

19 WHEREAS, numerous audits and reports over the past twelve years have identified  
20 instances where funds are being spent on the managed care organizations and their  
21 subsidiaries and not going to the Louisiana healthcare providers actually treating the  
22 recipients; and

23 WHEREAS, often the medical loss ratio includes payments made to the managed  
24 care organizations' subsidiaries, which are owned by the managed care organizations, and  
25 is not reflective of actual payments made to Louisiana healthcare providers; and

26 WHEREAS, more robust oversight could identify the amount that managed care  
27 organizations claim as being spent directly on patient care in Louisiana; and

28 WHEREAS, requiring providers to contract with six separate managed care  
29 organizations creates unnecessary administrative burdens, as each managed care  
30 organization has different requirements for provider enrollment, credentialing, and prior

1 authorization; and

2 WHEREAS, meaningful oversight on actual costs spent on patient care and how  
3 much of Medicaid funding is actually paid to the many Louisiana healthcare providers who  
4 treat the recipients would allow the state to ensure Medicaid funds are being spent in the  
5 most effective manner; and

6 WHEREAS, for the managed care model to be successful, the Louisiana Department  
7 of Health must streamline the Medicaid managed care system, encourage the managed care  
8 contractors to utilize add-on services to best respond to the health needs of the enrollees,  
9 implement more robust contract monitoring with an emphasis on ensuring that best practices  
10 in health care service provision and disease and health management are being utilized by the  
11 managed care contractors, and exercise greater oversight authority of the Medicaid managed  
12 care organizations.

13 THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana  
14 does hereby urge and request the Louisiana Department of Health to review the efficiency  
15 and effectiveness of the current Medicaid managed care program by utilizing outcome data  
16 to evaluate the role of the contractors in the program in truly managing the care provided to  
17 and improving the overall health status of the managed care population and to improve upon  
18 the department's oversight of the managed care organization contracts.

19 BE IT FURTHER RESOLVED that the Senate of the Legislature of Louisiana does  
20 hereby request the Louisiana Department of Health to submit a report to the Senate outlining  
21 current efforts to improve healthcare outcomes and how the department intends to address  
22 the department's oversight of the managed care organizations, the number of managed care  
23 organizations, and improve the effectiveness of health quality measures incentives used by  
24 the department and managed care organizations.

25 BE IT FURTHER RESOLVED that the report shall be submitted no later than  
26 January 1, 2026.

27 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
28 secretary of the Louisiana Department of Health.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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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