

SENATE RESOLUTION NO. 194

BY SENATOR BARROW

A RESOLUTION

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

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

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

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

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

WHEREAS, although Louisiana is spending billions of dollars each year on Medicaid, after thirteen years of managed care, health outcomes have not improved, there is no meaningful management of recipient healthcare, there are fewer Medicaid providers and those who are participating are consistently paid at inadequate rates, and the Medicaid budget has never stabilized; and

WHEREAS, while some of the increased costs since the inception of Medicaid

managed care can be attributed to Louisiana expanding Medicaid in 2016 to provide coverage to low-income adults who were previously ineligible, the cost of the Medicaid program continues to increase significantly each year; and

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

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

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

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

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

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

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

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

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

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

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

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

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

PRESIDENT OF THE SENATE