
DIGEST

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HB 390 Original

2019 Regular Session

White

Abstract: Requires the La. Department of Health to Relative to develop Medicaid reimbursement rates paid to providers of disability services according to certain guidelines.

Proposed law provides that its purpose is to provide for a reliable legal framework to guide the La. Department of Health (LDH) in setting reimbursement rates for providers of disability services for persons with developmental, intellectual, age-related, or physical disabilities.

Proposed law requires LDH to design all processes and methodologies for setting Medicaid reimbursement rates for providers of disability services to ensure that service recipients have adequate access to services that satisfy all applicable standards and requirements of federal and state law for efficiency, economy, and quality of care. Requires LDH to consider innovative rate and payment structures designed to promote improvements in quality, adequacy, access, and sufficiency, and to develop measures to assess the effectiveness of such rate and payment structures.

Proposed law requires LDH to establish all rates by a methodology that specifies and describes all factors, procedures, methods, and data used or considered in developing the respective rates, including but not limited to sources and methods of data collection, staff-to-recipient ratios, standards of reliability, formulas, calculations, assumptions, and variables. Stipulates that all data used or relied on in the methodology shall be reliable in accordance with standard principles of data reliability, and that no cost data that is more than two years old shall be deemed reliable.

Proposed law requires LDH to ensure that its methodology results in rates that satisfy all of the following conditions:

- (1) The rates allow for all recipients to have a choice of quality providers for each service offered.
- (2) The rates allow all recipients to access services in a timely manner.
- (3) The rates allow services to be provided in the most integrated setting for recipients, consistent with the holdings of the Supreme Court in *Olmstead v. L.C.* and the Americans with Disabilities Act.
- (4) The rates can be incorporated consistently in both fee-for-service Medicaid and Medicaid managed care programs, and under both Medicaid waiver and Medicaid state plan authorities.

- (5) The rates are sufficient to enlist a range of willing providers who are able to retain a qualified and stable workforce.
- (6) The rates are subject to a review process that includes input from stakeholders and assesses the adequacy of access to services financed by the rates.

Proposed law provides that in connection with its design and implementation of the rate methodology required in proposed law, LDH shall develop a reporting system that disaggregates data by geography and demography and features specific information on access to services for population subgroups including, without limitation, people with developmental, intellectual, age-related, or physical disabilities.

Proposed law requires all rates to be set based on reliable data of the actual or reasonably estimated costs of providing the service to be reimbursed. Provides that such costs shall include, as applicable to the rate, all employee wages, benefits, qualifications, and training costs; staff-to-recipient ratios; equipment and vehicle costs; and costs of operating, maintaining, and managing a residential setting including taxes, administrative costs, and overhead costs, but excluding unreimbursed room and board costs.

Proposed law provides that rates for similar services and supports shall be uniform in order to ensure that all providers receive the same rate for the same service for individuals with the same or similar needs, subject to reasonable adjustments for documented geographic variations in cost data.

Proposed law requires LDH to maintain reliable data in a form that permits ongoing monitoring of factors that may be indicators of the adequacy of access to and quality of services that are subject to reimbursement rates. Provides that such factors shall include all of the following:

- (1) The numbers of individuals on wait lists who are eligible for services.
- (2) The frequency and duration of delays in recipient placement with providers.
- (3) The number and suitability of vendor responses to calls for recipient placements.
- (4) The compiled number and character of unmet needs documented by personal planning processes for all recipients.
- (5) The frequency and levels of crisis service usage and critical incident reporting.
- (6) The frequency and character of recipient grievances and complaints filed.
- (7) The levels of provider enrollment and participation.
- (8) The turnover and vacancy rates of direct support professionals.
- (9) The frequency and character of provider appeals and complaints filed.

Proposed law requires LDH to maintain reliable data in a form that permits ongoing monitoring of trending factors that may affect the sufficiency of rates such as trends in cost of living and other economic indexes, wage rates, and changes in regulatory and policy requirements affecting provider costs.

Proposed law authorizes LDH to require reasonable, periodic financial reports from providers as needed to ensure the availability of reliable cost data. Requires LDH to consult and collaborate with providers to develop reasonable financial reporting requirements.

Proposed law requires LDH to conduct annual reviews of all rates by service category and make a determination of the level of sufficiency of each rate based on a review of all pertinent data.

Proposed law requires LDH to rebase rates at least once every two years using the most recent audited cost report data available per the prescribed reimbursement methodology calculations for each covered service. Requires LDH to trend reimbursement rates forward annually for all years between rate rebasing using the appropriate health market basket inflation index.

Proposed law requires LDH to provide an annual report to the House Committee on Appropriations, the Senate Committee on Finance, and the legislative committees on health and welfare which encompasses all determinations of sufficiency or insufficiency of rates made under its most recent annual review.

(Adds R.S. 40:1250.1-1250.41)