HLS 17RS-2801 REENGROSSED

2017 Regular Session

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HOUSE CONCURRENT RESOLUTION NO. 86

BY REPRESENTATIVES THOMAS, BAGLEY, BILLIOT, CONNICK, HENRY, HOFFMANN, HORTON, MARINO, DUSTIN MILLER, POPE, STAGNI, STOKES, AND TALBOT

HOSPITALS: Urges and requests the La. Dept. of Health to finalize plans for implementing hospital payment reform within the Medicaid program

A CONCURRENT RESOLUTION

2 To urge and request the Louisiana Department of Health to finalize plans for implementing 3 hospital payment reform within the Medicaid program and to make a report to the 4 legislature by a certain date concerning the payment reform effort. 5 WHEREAS, it is imperative as a matter of fiscal and public health policy that 6 Louisiana address the structural problem of over-reliance on supplemental payments in lieu 7 of base rate payments within the Medicaid hospital program; and 8 WHEREAS, in 2014, over twenty percent of this state's entire Medicaid budget was 9 expended on supplemental payments to hospitals, representing the highest rate of such 10 spending in the nation; and 11 WHEREAS, supplemental payments such as those made through the Medicaid 12 disproportionate share hospital program, upper payment limit programs, and full Medicaid 13 pricing programs are expended pursuant to special arrangements with individual hospitals 14 or groups of hospitals; and 15 WHEREAS, relative to the alternative of funding hospital care predominantly 16 through base rate payments, our state's over-reliance on supplemental payments essentially 17 favors some hospitals at the expense of others in funding of care for Medicaid enrollees and 18 the medically indigent; and 19 WHEREAS, this hospital financing practice has evolved over many years in 20 Louisiana; the longstanding neglect of Medicaid base rates for hospitals in this state is 21 illustrated by the fact that the current base rates are derived from hospital cost reports from 22 the year 1994; and

1	WHEREAS, according to an outline of a plan for hospital payment reform published
2	by the Louisiana Department of Health in November 2016, current spending in the Medicaid
3	hospital program overall is comprised of thirty-nine percent base rate payments and sixty-
4	one percent supplemental payments; and
5	WHEREAS, inverting these figures and causing at least the majority of hospital
6	funding to flow through base rate payments would lead to greater transparency, fairness, and
7	stability in the Medicaid hospital program; and
8	WHEREAS, if this state begins to utilize base rate payments for the majority of its
9	Medicaid hospital program spending, then supplemental payments could be used
10	increasingly as true supplements for purposes such as creating incentives for quality in care,
11	implementing a "money follows the patient" system for indigent care, or providing for a
12	combination of these and any other innovative programs for hospitals; and
13	WHEREAS, leaders at the Louisiana Department of Health are aware of the
14	implications of payment reform for the hospital industry, and have actively engaged
15	participants in that industry in developing a payment reform plan that achieves mutually
16	agreeable goals and is in the best interest of the public.
17	THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
18	urge and request the Louisiana Department of Health to finalize plans for implementing
19	hospital payment reform within the Medicaid program.
20	BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby urge
21	and request the governing bodies of the licensed hospitals of this state to continue to
22	cooperate with the Louisiana Department of Health in this vitally important matter of public
23	policy as the hospital payment reform plan is finalized.
24	BE IT FURTHER RESOLVED that the Louisiana Department of Health shall
25	provide full transparency of payments to providers, including all payments from state and
26	federal funds and rates for individual services and aggregate payments to each provider, for
27	all services provided to beneficiaries of health programs funded through the state of
28	Louisiana. A record of payments shall be made available on the Louisiana Department of
29	Health website and updated quarterly.

- BE IT FURTHER RESOLVED that on or before October 1, 2017, the Louisiana
- 2 Department of Health shall submit a report addressing its progress in finalizing the hospital
- 3 payment reform plan to the House Committee on Appropriations, the Senate Committee on
- 4 Finance, the House Committee on Health and Welfare, and the Senate Committee on Health
- 5 and Welfare.
- 6 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
- 7 secretary of the Louisiana Department of Health and the president and chief executive
- 8 officer of the Louisiana Hospital Association.

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)]

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Thomas

Urges and requests the Louisiana Department of Health (LDH) to finalize plans for implementing hospital payment reform within the Medicaid program.

Urges and requests the governance bodies of La. hospitals to continue to cooperate with LDH in this initiative.

Requires LDH to provide full transparency of payments to providers, including all payments from state and federal funds and rates for individual services and aggregate payments to each provider, for all services provided to beneficiaries of state-funded health programs. Provides that a record of such payments shall be made available on the LDH website and updated quarterly.

Requires LDH to submit a report addressing its progress in finalizing the hospital payment reform plan to the House Committee on Appropriations, the Senate Committee on Finance, and the legislative committees on health and welfare on or before Oct. 1, 2017.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Health and Welfare</u> to the <u>original</u> bill:

1. Make technical changes.

The House Floor Amendments to the engrossed bill:

- 1. Provide that LDH shall provide full transparency of payments to providers, including all payments from state and federal funds and rates for individual services and aggregate payments to each provider, for all services provided to beneficiaries of state-funded health programs.
- 2. Provide that a record of payments shall be made available on the LDH website and updated quarterly.