

2023 Regular Session

HOUSE BILL NO. 582

BY REPRESENTATIVE IVEY

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

MEDICAID: Provides relative to Medicaid

1 AN ACT

2 To enact R.S. 46:460.89.1 and 460.89.2, relative to the state's Medicaid program; establishes  
3 an electronic data interchange for the state's Medicaid program; to provide for  
4 patient-focused treatment; to maximize the quality of care; to improve provider  
5 communication and processes; to create a data repository; and to provide for related  
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 46:460.89.1 and 460.89.2 are hereby enacted to read as follows:

9 §460.89.1. Medicaid; Electronic Data Interchange

10 A. The Louisiana Department of Health shall develop and implement an  
11 Electronic Data Interchange, hereinafter referred to as "EDI", that will serve to  
12 adjudicate all fee-for-service claims for Medicaid reimbursement and process all  
13 managed care encounter claims.

14 B. The EDI shall address all of the following:

15 (1) Transition claims, encounters, financial processing, management, and  
16 recipient and reference data from the current fiscal agent to a modern, modular  
17 solution.

18 (2) Reduce the number of claim resubmissions by improving  
19 communications of claim status.

20 (3) Improve the reliability of plan encounter data.

1                   (4) Reduce claim validation processing costs in agency systems.

2                   (5) Reduce agency financial staff time on manual data reentry and  
3                   processing.

4                   (6) Separate business rules, edit, and audit processing capabilities for claims  
5                   and encounters.

6                   (7) Eliminate remaining paper claims and associated manual processes.

7                   (8) Implement an accessible and efficient unemployment insurance with  
8                   enhanced visibility to claim detail.

9                   (9) Improve data quality and management and increase automation to  
10                  reconcile and update recipient information.

11                  §460.89.2. Medicaid; Provider Services Module

12                  A. The Louisiana Department of Health shall create and implement a  
13                  Provider Services Module, hereinafter referred to as "PSM", that will serve to  
14                  consolidate provider licensure and Medicaid enrollment and plan credentialing  
15                  processes into a single source.

16                  B. The PSM shall include an automated tool for screening activities and  
17                  primary source verification to be completed in accordance with state and federal  
18                  statutes, policies, mandates, and the National Committee for Quality Assurance  
19                  guidelines, as well as industry standards.

20                  C. The PSM shall perform all of the following:

21                   (1) Provider application processing, which is a centralized and consolidated  
22                   approach to enrollment for all Medicaid provider applicants and providers desiring  
23                   participation in programs operated by the agencies within the Louisiana Department  
24                   of Health, including but not limited to fee-for-service and managed care.

25                   (2) Provider eligibility, screening, and credentialing consisting of highly  
26                   automated and streamlined eligibility determination processes, including but not  
27                   limited to screening, certification, and credentialing conducted based on the  
28                   applicant's requested program participation.

1           (3) Provider enrollment processing, which is a highly automated process to  
2           associate eligible providers to their requested programs and the services that they are  
3           authorized to provide within the program.

4           (4) Provider management and oversight activities consisting of highly  
5           automated and self-service processes to monitor and support the network of  
6           providers servicing Louisiana programs, including but not limited to provider  
7           communications, provider performance monitoring, processing of potentially adverse  
8           information regarding providers, and ongoing monitoring of providers for continued  
9           enrollment.

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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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HB 582 Original

2023 Regular Session

Ivey

**Abstract:** Establishes an electronic data interchange for the state's Medicaid program.

Proposed law requires the La. Dept. of Health (LDH) to develop and implement an Electronic Data Interchange (EDI) that will serve to adjudicate all fee-for-service claims for Medicaid reimbursement and process all managed care encounter claims.

Proposed law requires the EDI to address all of the following:

- (1) Transition claims, encounters, financial processing, management, and recipient and reference data from the current fiscal agent to a modern, modular solution.
- (2) Reduce the number of claim resubmissions by improving communications of claim status.
- (3) Improve the reliability of plan encounter data.
- (4) Reduce claim validation processing costs in agency systems.
- (5) Reduce agency financial staff time on manual data reentry and processing.
- (6) Separate business rules and edit or audit processing capabilities for claims and encounters.
- (7) Eliminate remaining paper claims and associated manual processes.
- (8) Implement an accessible and efficient unemployment insurance with enhanced visibility to claim detail.
- (9) Improve data quality and management, increase automation to reconcile, and update recipient information.

Proposed law requires LDH to create and implement a Provider Services Module (PSM) that will serve to consolidate the provider licensure and Medicaid enrollment and plan credentialing processes into a single source.

Proposed law requires the PSM to include an automated tool for screening activities and primary source verification that must be completed in accordance with state and federal statutes, policies, mandates, and the National Committee for Quality Assurance guidelines as well as industry standards.

Proposed law requires the PSM to perform all of the following:

- (1) Provider application processing.
- (2) Provider eligibility, screening, and credentialing.
- (3) Provider enrollment processing.
- (4) Provider management and oversight activities.

(Adds R.S. 46:460.89.1 and 460.89.2)