

2024 Regular Session

HOUSE BILL NO. 868

BY REPRESENTATIVE EGAN

MENTAL HEALTH: Provides relative to standards for psychiatric hospitals and residential substance abuse facilities

1 AN ACT

2 To enact R.S. 40:2115.1, relative to standards for psychiatric hospitals and residential  
3 substance abuse facilities; to provide for a legislative declaration; to improve  
4 standards of quality; to require a review by the Louisiana Department of Health of  
5 current standards for psychiatric hospitals and residential substance abuse facilities;  
6 to provide for definitions; to require the submission of a report to the legislative  
7 committees on health and welfare; to require the department to review value-based  
8 financial incentives for certain psychiatric hospitals and residential substance abuse  
9 facilities; to require a report of findings and recommendations; and to provide for  
10 related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 40:2115.1 is hereby enacted to read as follows:

13 §2115.1. Review of standards for licensed psychiatric hospitals and residential  
14 substance abuse facilities

15 A. The legislature hereby declares that promoting efficiency and productivity  
16 of psychiatric hospitals and residential substance abuse facilities within the  
17 healthcare system is vital to the improvement and overall welfare of the residents in  
18 this state.

19 B. To achieve such promotion, the legislature shall look to the Louisiana  
20 Department of Health to evaluate the current standards for psychiatric hospitals and

1        residential substance abuse facilities and to make recommendations to the legislature  
2        for new or revised standards to improve health outcomes and to provide for increased  
3        accountability. Further, the legislature shall look to the Louisiana Department of  
4        Health to explore potential value-based financial incentives for Medicaid-enrolled  
5        psychiatric hospitals and residential substance abuse facilities that sustain or exceed  
6        quality of care criteria.

7                C. For purposes of this Section, the following definitions have the meanings  
8        ascribed to them:

9                (1) "Department" means the Louisiana Department of Health.

10               (2) "Psychiatric hospital" means any freestanding inpatient psychiatric  
11        hospital licensed by the department.

12               (3) "Residential substance abuse facility" means any freestanding substance  
13        abuse facility that is certified to provide such services.

14               D. The department shall conduct a review and evaluation of the standards for  
15        psychiatric hospitals and residential substance abuse facilities in this state and submit  
16        a report of its findings to the House and Senate committees on health and welfare.  
17        The report shall contain recommendations for new or revised standards to improve  
18        health outcomes and provide increased accountability, an evaluation, and  
19        recommendations of accreditation requirements for psychiatric hospitals and  
20        residential substance abuse facilities in this state.

21               E. The department shall explore potential value-based financial incentives  
22        for Medicaid-enrolled psychiatric hospitals and residential substance abuse facilities  
23        that sustain or exceed quality of care criteria. Data, information, and  
24        recommendations on such potential value-based financial incentives and quality of  
25        care criteria shall be included in the report required by Subsection D of this Section.

26               F. The department may consult with any agency, department, board,  
27        commission, accreditation organization, or other healthcare group or association to  
28        conduct its review and evaluation and for preparation of its report.

1 Section 2. The report required by R.S. 40:2115.1 as enacted by Section 1 of this Act  
2 shall be due on or before March 31, 2025.

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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 868 Original

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Egan

**Abstract:** Requires the La. Dept. of Health (LDH) to conduct a review and evaluation of the standards for psychiatric hospitals and residential substance abuse facilities and submit a report of its findings.

Proposed law declares that promoting efficiency and productivity of psychiatric hospitals and residential substance abuse facilities within the healthcare system is vital to the improvement and overall welfare of the residents in Louisiana.

Proposed law defines "department", "psychiatric hospital", and "residential substance abuse facility".

Proposed law requires LDH to conduct a review and evaluation of the standards for psychiatric hospitals and residential substance abuse facilities and to submit a report of its findings. Proposed law further requires certain content for the report, which includes but is not limited to recommendations for new or revised standards to improve health outcomes, increase accountability, and recommend requirements for accreditation of psychiatric hospitals and residential substance abuse facilities.

Proposed law requires LDH to submit its report and recommendations to the House and Senate committees on health and welfare by March 31, 2025.

Proposed law requires LDH to explore potential value-based financial incentives for Medicaid-enrolled psychiatric hospitals and residential substance abuse facilities that sustain or exceed quality of care criteria.

Proposed law allows LDH to consult with any agency, department, board, commission, accreditation organization, or other healthcare group or association to conduct its review and prepare its report

(Adds R.S. 40:2115.1)