

LHA Update

January 24, 2022



Louisiana Hospital Association Overview

Established in 1926, the LHA is a not-for-profit association representing more than 150 hospitals and healthcare systems of all types throughout the state. Our mission is to support members through advocacy, education, and services.



Primary Roles:

- Representation and Advocacy
- Public Policy Leadership
- Education and Training
- Quality and Patient Safety
- Services and Information
- Relationships and Convener
- Influence and Reputation
- Coordination with Regional and National Associations

Presentation Topics

- 1) Legislative Update**
- 2) Medicaid Landscape**
- 3) Federal Update**



Legislative Update



Legislative Update



2022 Regular Legislative Session

- Convenes March 14 and runs through June 6
- No limit on the number of bills, but subject matter is limited
- Prefile deadline is March 4, 2022

Legislative Update



2022 Regular Legislative Session

- **Anticipated Major Topics**
 - State Budget
 - COVID-19
 - Ongoing disputes around branch powers
 - Federal relief money
 - Impacts from Hurricane Ida and Insurance

Legislative Update

2022 Regular Legislative Session

Revenue Estimating Conference (REC) recently recognized an additional \$1.6 B in revenue than previously expected for the upcoming budget cycle

- The proposed budget that will be taken up during the regular session is due Jan. 25.
- Of interest will also be the backdrop of 2025 when the state sales tax will revert from 4.45% to 4%.

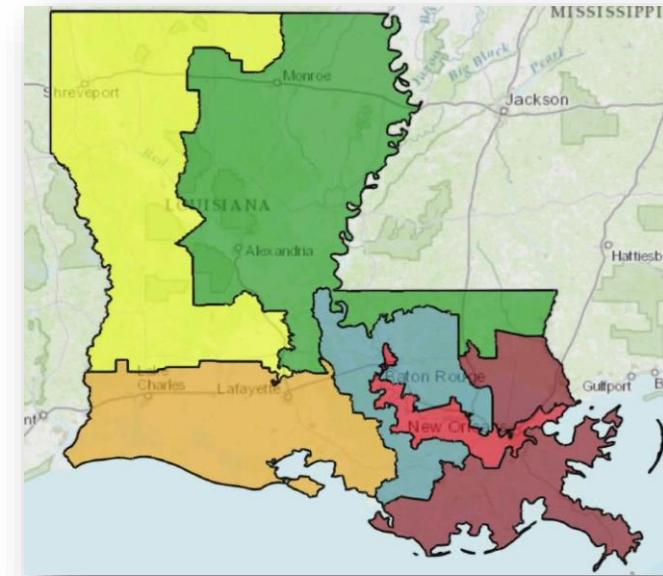


Legislative Update

2022 Regular Legislative Session

Environmental Factors:

- Redistricting
- 2023 Statewide Elections
 - Governor Term-Limited
 - 16 Representatives Term-Limited (15%)
 - 9 Senators Term-Limited (23%)



Medicaid Landscape

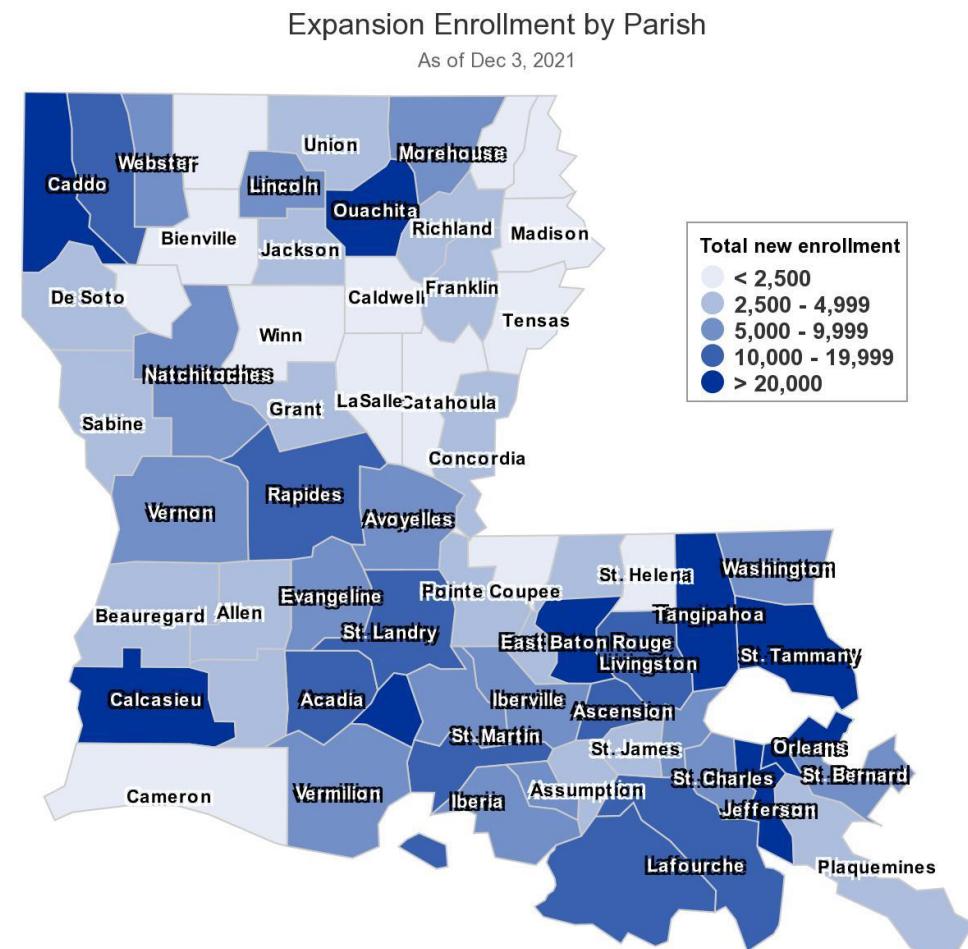


Current Medicaid Environment

Medicaid Enrollment:

- Louisiana Medicaid Enrollment \approx 1.9 M
 - For Context: LA Population \approx 4.6 M
- Medicaid MCO Enrollment \approx 1.76 M
- Medicaid Expansion \approx 705 K of Medicaid Population Covered through Expansion

Sources: LDH Enrollment Trends Report Oct. 2021; July 2021 U.S. Census Population Estimate for LA; Managed Care Enrollment by Plan & Parish Report Dec. 2021; and LDH Healthy Louisiana Dashboard

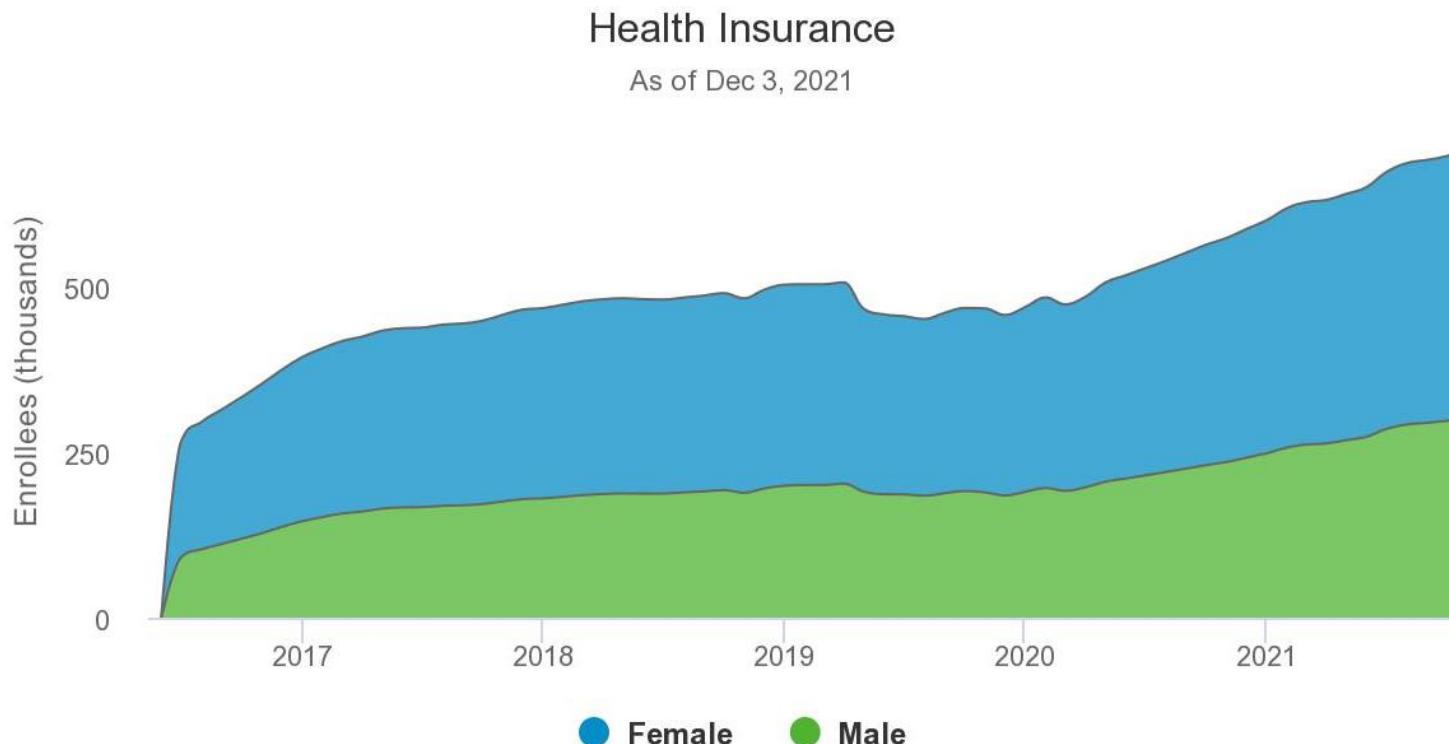


Current Medicaid Environment

Medicaid Expansion:

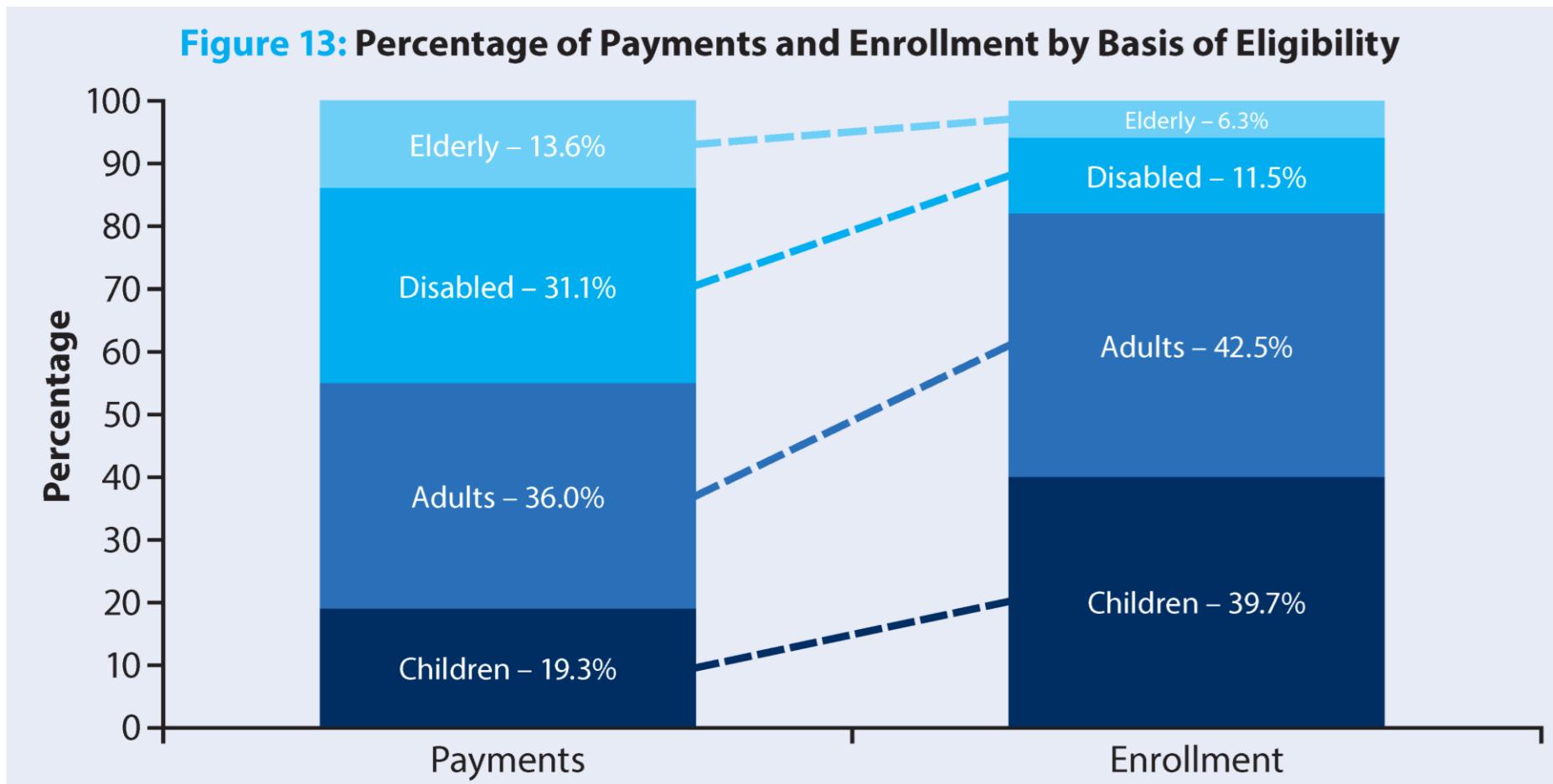
- Medicaid Expansion \approx 685 K of Medicaid Population Covered Through Expansion

Sources: LDH Healthy Louisiana Dashboard



Current Medicaid Environment

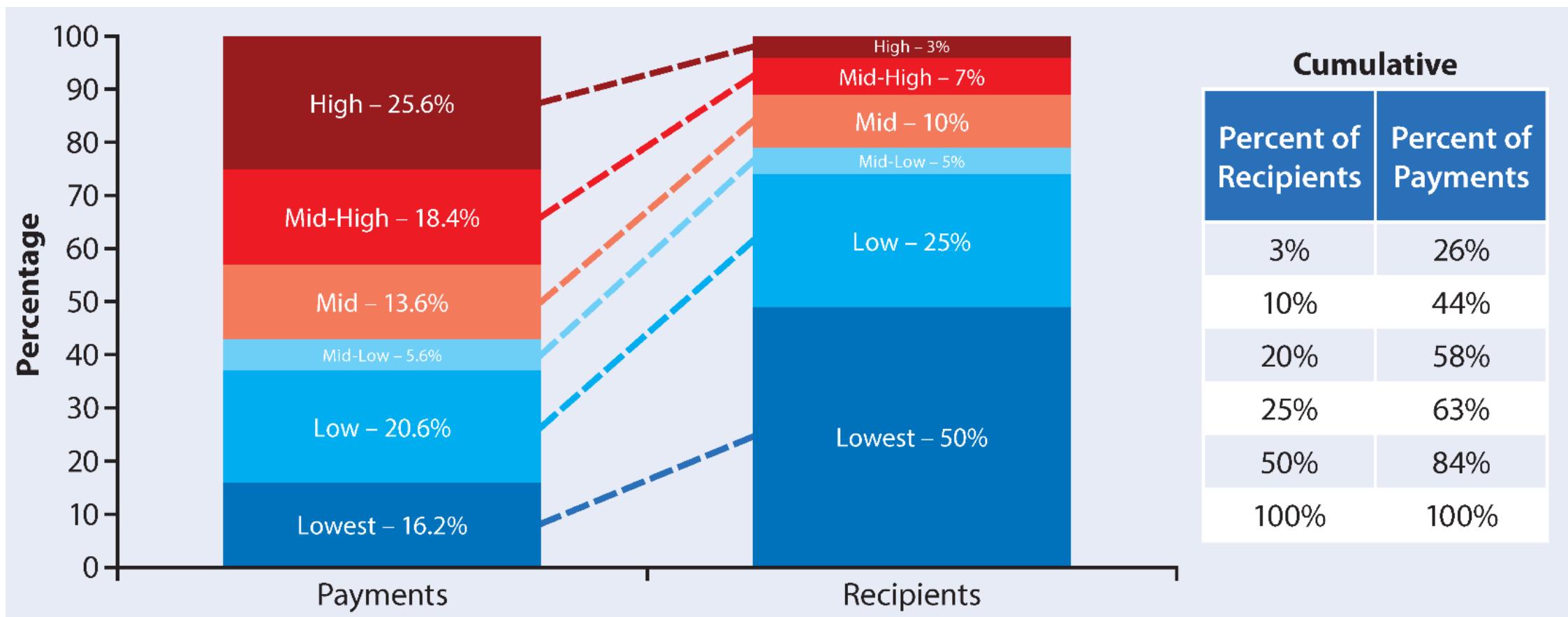
Percentage of Payments and Enrollment by Basis of Eligibility



Sources: Louisiana Medicaid 2020 Annual Report

Current Medicaid Environment

Percentage of Recipients & Payments Ranked by Payments



Sources: Louisiana Medicaid 2020 Annual Report

Medicaid Managed Care RFP

- **June 23:** LDH issued its MCO RFP for the contract period beginning July 2022.

Event:	Date:
Deadline for receipt of proposals	Friday, Sept. 10, 2021
Notice of Intent to award announcement, and 14-day protest period begins, on or about	Friday, Nov. 5, 2021
Contract execution, on or about	Friday, Dec. 10, 2021
Readiness reviews/implementation begins, on or about	Monday, Dec. 13, 2021
Operational start date, on or about	Friday, July 1, 2022

LDH Directed Payment Initiative

Over the last year, LDH has been working through a variety of mechanics to make changes to Medicaid supplemental payments.

- As presently proposed:
 - Replaces FMP and most of DSH with 438.6 Directed Payments
 - 5 hospital tiers with 4 base provider types and 4 add-on service categories
 - Type: Teaching, Urban Public, Rural, Other Urban
 - Add-On Services: NICU, PICU, DPP, Trauma
 - Quarterly directed payments reflective of tier and estimated utilization based on prior history reconciled to actual utilization after sufficient claims run-out has occurred.

LDH Directed Payment Initiative



- LDH continues to work with industry and the legislature to solicit feedback and work through modeling.
- There are additional legislative and regulatory steps that the state will have to undertake prior to implementation.
- Estimated implementation at present would be July 1, 2022.

Medicaid Provider Enrollment

Deadline Approaching

- To comply with federally-mandated enrollment requirements, all providers that deliver services to Louisiana Medicaid members must be enrolled by **March 31, 2022** through the [Louisiana Medicaid Provider Enrollment Portal](#) to continue being reimbursed.
 - This requirement applies to **all** Medicaid providers.
 - Visit the [Medicaid Provider Enrollment Portal webpage](#) for additional details, FAQs, and resources about enrollment.
 - Any existing Medicaid provider that does not complete the enrollment and screening process through the new portal within the established timelines will have their claims denied.

National & State Hospital Trends



AHA COVID-19 National Snapshot

BY THE NUMBERS: COVID-19 IN THE U.S.

3,737,027

cumulative confirmed COVID-19 hospital admissions
(August 1, 2020 – January 2, 2022)

Source: CDC | COVID Data Tracker

338%

increase in the rate of COVID-19 hospital admissions for children ages 0-17 over the last two months
(as of 1/2)

Source: CDC | COVID Data Tracker

19.5%

increase in hospital labor expenses per adjusted discharge in November 2021 compared to pre-pandemic levels in 2019.

Source: Dec. 2021 Kaufman Hall National Hospital Flash Report

57,763,446

total COVID-19 cases in the U.S.
(as of 1/6)



(4,023,525 increase over the last 7 days)

Source: JHU | COVID-19 Dashboard

832,158

total COVID-19 deaths in the U.S.
(as of 1/6)



(8,561 increase over the last 7 days)

Source: JHU | COVID-19 Dashboard

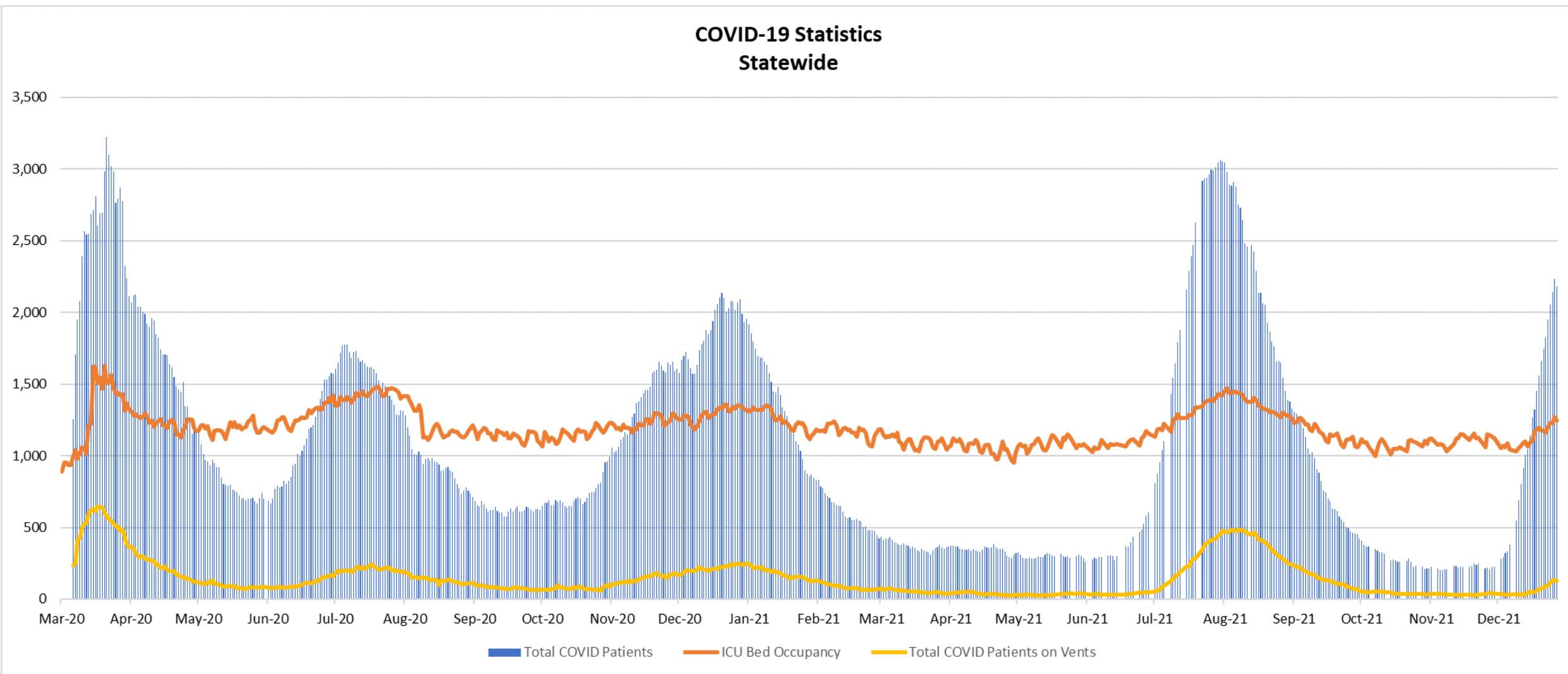
States with the highest percent increase in COVID-19 admissions from the prior week:

(as of 1/3)

1. FL – 135%	4. MS – 130%
2. GA – 132%	5. AL – 125%
3. LA – 132%	

Source: COVID-19 Community Profile Report | beta.HealthData.gov

COVID-19 in Louisiana



Source: LDH Hospital Census Report, Based on Data Entered by Hospitals into the ESF-8 Portal

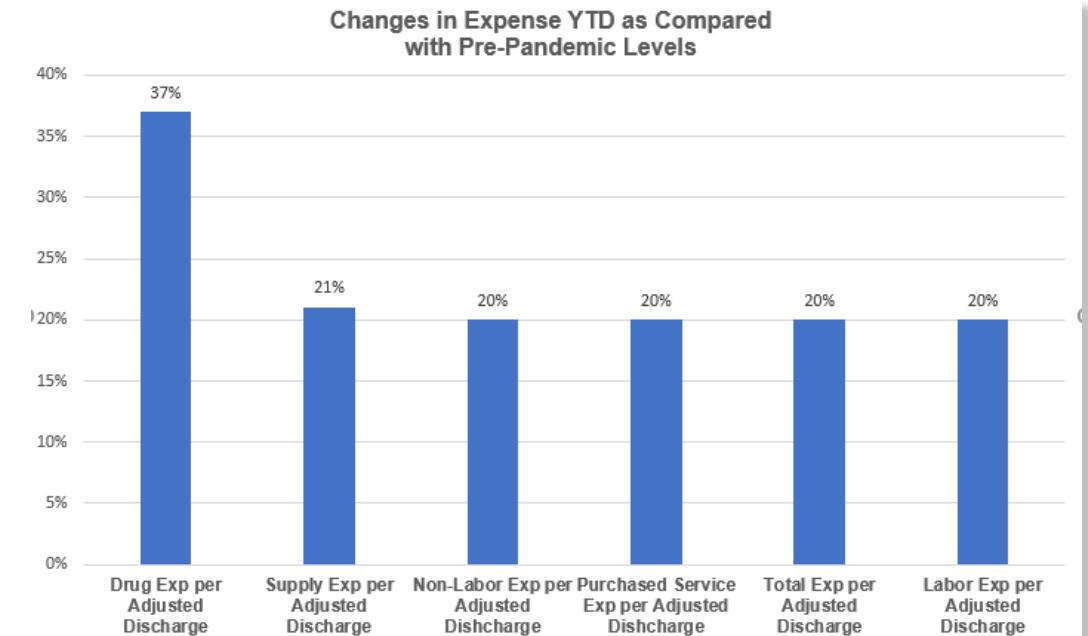
Ongoing Effects of COVID-19

AHA Financial Impact Report:

- COVID-19 expected to drive continued hospital losses throughout 2022:
 - Sicker patients;
 - Higher expenses; and
 - Fewer outpatient visits.

Recent CMS Vaccine Requirement

- Effective Jan. 4, 2022, through the CMS Conditions of Participation, employees of healthcare organizations are required to be vaccinated.



Source: Kaufman, Hall & Associates, LLC

Federal Update



Federal Update

- **No Surprises Act**
 - Provisions of “No Surprises Act” went into effect on Jan. 1, 2022.
 - Continuing to evaluate impacts to hospitals/patients
 - AHA and AMA, along with hospitals and physicians, filed a lawsuit in Dec. 2021 regarding how the government implemented the independent dispute resolution process.
 - Suit argues that the regulations are a deviation from the law as written and unfairly advantages insurers in that process.
 - Additionally, industry continues advocacy at the congressional level, and a bipartisan group of 152 lawmakers recently urged the Administration to fix the provisions in question.

Federal Update

- **Provider Relief Fund (PRF)**
 - Reporting Period 2 opened on Jan. 1, 2022.
 - Providers that received aggregate PRF payments exceeding \$10,000 from July 1, 2020 to Dec. 31, 2020 must report on their use of funds during “Reporting Period 2.”
 - The reporting portal for Reporting Period 2 is open Jan. 1 through March 31.
 - Upcoming reporting periods:
 - Reporting Period 3 opens July 1, 2022.
 - Reporting Period 4 opens Jan. 1, 2023.

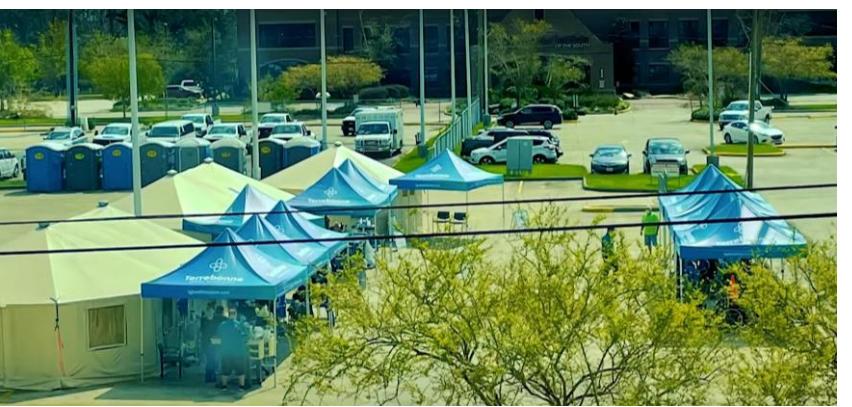
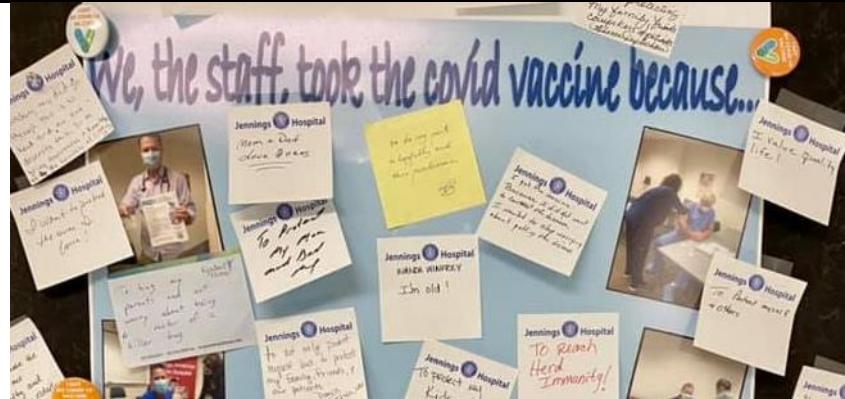
Federal Update

- **CMS Proposed Rule**
 - Contract Year 2023 Policy and Technical Changes to the Medicare Advantage and Medicare Prescription Drug Benefit Programs
 - The agency proposes several policy changes to increase MA oversight including, but not limited, the below highlights:
 - Network adequacy
 - Consideration of past performance as relative to future participation/expansion
 - Marketing/communication
 - MLR reporting
 - Comments are due March 7, 2022.

Federal Update

- **CMS Proposed Rule (Continued)**
 - Two extremely important RFIs contained within the proposed rule:
 - PA for hospital transports to post-acute during the PHE
 - CMS is seeking stakeholder input on how MA plan policies, as well as waivers of those policies, have impacted patient access to care and health system capacity during the PHE.
 - Agency also mentions other metrics related to PA.
 - Building behavioral health specialties in MA networks
 - The Agency notes MA plan challenges relative to adequate networks of behavioral health providers.
 - Welcomes and requests insight/recommendations on a list of those challenges.

LHA Overview

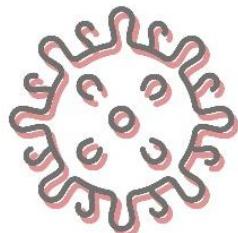


Emergency Preparedness



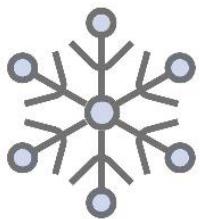
\$8.1 MILLION IN GRANT FUNDING:

Distributed more than \$2.9M in HPP 2020-2021 Grant funds and \$1.96M in HPP COVID Supplemental Funding; Secured \$3.29M in ASPR 2020-2025 Hospital Association COVID-19 Grant funds



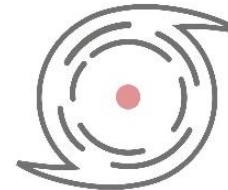
COVID-19 RESPONSE:

Worked with state and federal agencies and members on COVID-related staffing support, regulations, preparedness, data reporting, vaccination distribution, and communications



WINTER WEATHER EVENT:

Coordinated daily calls with 9 regions and assisted 17 hospitals with securing supplemental water



HURRICANE IDA RESPONSE:

Provided 24-hour support to hospitals; Assisted with securing and deploying federal and state medical teams; Aided in the evacuation of 16 hospitals and supported 51 hospitals that experienced power loss; Maintained situational awareness and coordination of requested resources, such as generators and fuel for staff, during severe communication outages



LOUISIANA CARE FUND:

Raised \$140,000 through the Louisiana Care Fund to assist hospital heroes who experienced significant damage to their homes from the storm

Workforce Initiatives

- **Historical LHA Advocacy Successes Addressing Workforce:**
 - **2019:** Reconfiguration of Health Works Commission + \$2.5M SGF
 - **2020:** Per state budget, Louisiana Board of Regents required to maintain historical funding levels for the Health Works Commission
 - **2021:** Creation of the HERO Fund; \$5M SGF appropriation into the fund; \$3.5M SGF included in Board of Regents' budget for Health Works Commission; support for the creation of the M.J. Foster Promise Program
- **Strategy Moving Forward:**
 - Continue to secure investment into the HERO Fund to support the initiatives of the Health Works Commission
 - Create synergies between education and industry partners to identify new and innovative ideas to address workforce shortages



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The mission of the LHA is to support its members through advocacy, education, and services.

