

# **LHA Update**

## **HFMA Summer Institute**

**Aug. 29, 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) 2022 Legislative Session**
- 2) Medicaid Update**
- 3) Federal Update**



# 2022 Legislative Session



# Healthcare Workforce



- **Policy Goal:**
  - Support efforts to address healthcare workforce shortages
- **Continued investment in nursing and allied health training programs in Louisiana**
  - \$4.25M to the Health Works Commission from the HERO Fund to continue the nurse capitation program;
  - \$25M to the Louisiana Community and Technical Colleges for expanding healthcare workforce training programs; and
  - \$10.5M to the M.J. Foster Promise Fund for tuition assistance for students in fields including healthcare.

# Prior Authorization

## ACT 432 by Sen. Robert Mills (R-Minden)

- Requires every health insurance issuer authorized to do business in the state to implement and maintain a program allowing for the selective application of reducing PA requirements based on stratification of provider performance and adherence to evidence-based medicine.
- Criteria for participation will be at the discretion of the health insurance issuer.
- Programs are required to be filed with LDI each year and include a full description of the program, criteria for participation, listing of subject procedures and services, and the number of providers participating.
- Initial filings are required by July 1, 2023 and annually thereafter.

# Medicaid Managed Care

## **ACT 534 by Sen. Fred Mills (R-Parks) & Rep. Larry Bagley (R-Stonewall)**

- Limits the application of prepayment review by Medicaid managed care plans and is only allowed when ordered directly by LDH pursuant to the Medical Assistance Program Integrity Law (MAPIL).
- Effective Aug. 1, 2022

## **ACT 143 by Rep. Chris Turner (R-Ruston)**

- Exempts healthcare professionals who maintain hospital privileges or membership on a hospital medical staff from Medicaid managed care plan credentialing requirements.
- Effective Aug. 1, 2022

# Coordination of Benefits

## ACT 166 by Rep. Jean-Paul Coussan (R-Lafayette)

- Prohibits a health plan from pending, delaying, or denying payment to a healthcare provider for rendered healthcare services solely on the basis of the insured's failure to provide the health insurance issuer notice of the existence of an additional plan or lack thereof.
- Effective Jan. 1, 2023



# Medicaid Update

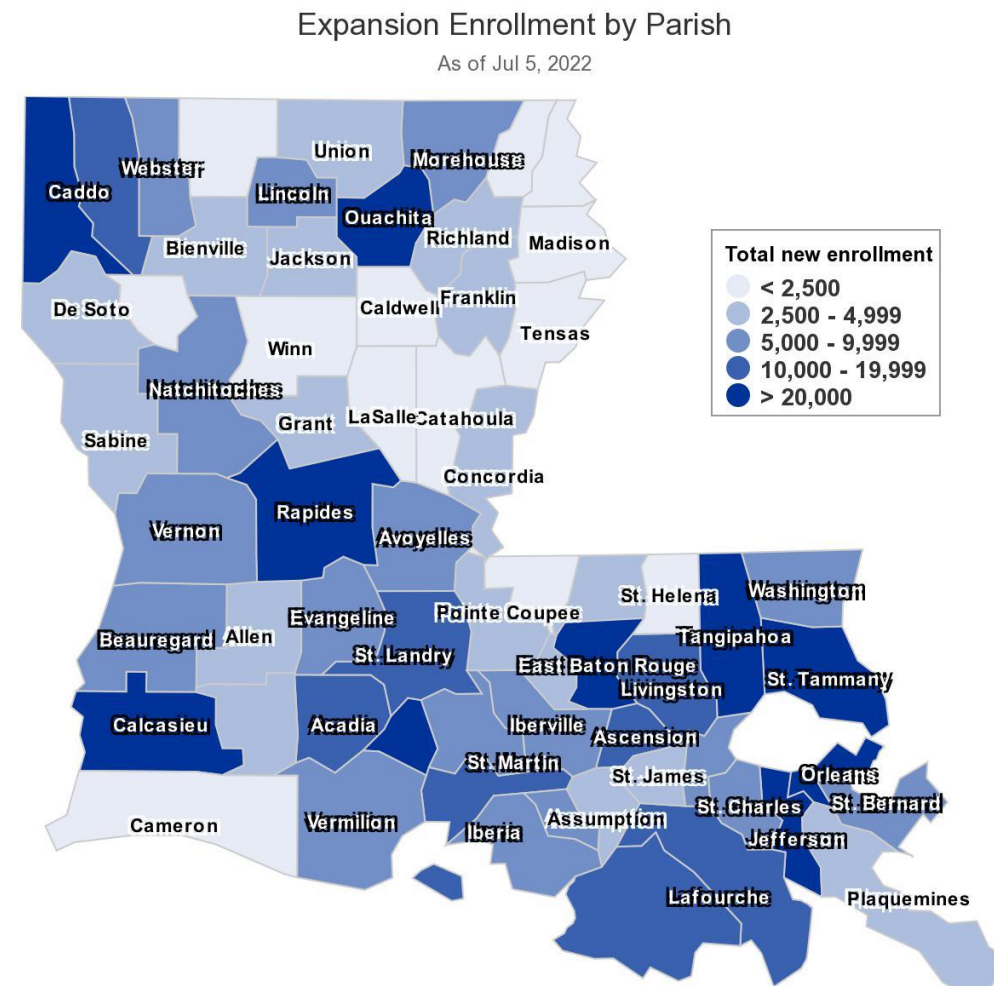


# Current Medicaid Environment

## Medicaid Enrollment:

- Louisiana Medicaid Enrollment  $\approx$  1.98 M
  - For Context: LA Population  $\approx$  4.6 M
- Medicaid MCO Enrollment  $\approx$  1.82 M
- Medicaid Expansion  $\approx$  739 K of Medicaid Population Covered through Expansion

Sources: LDH Enrollment Trends Report, July 2022; July 2021 U.S. Census Population Estimate for LA; Managed Care Enrollment by Plan & Parish Report July 2022; and LDH Healthy Louisiana Dashboard



# Medicaid Managed Care

- In June 2022, LDH announced that it was awarding Medicaid MCO contracts to:
  - Aetna Better Health of Louisiana
  - AmeriHealth Caritas of Louisiana
  - Healthy Blue
  - Humana
  - Louisiana Healthcare Connections
  - United Healthcare Community Plan Louisiana
- LDH and MCOs are working toward a Jan. 1, 2023 effective date for the new contracts.

# LDH Directed Payment Initiative

During the last two years, LDH has been working through a variety of mechanics to make changes to Medicaid supplemental payments.

- As 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.

# Medicaid Directed Payment Initiative

LDH continues its work toward implementing Medicaid Directed Payments.

- Preprints have been approved by CMS.
  - Acute and post acute preprints approved by CMS on Aug. 19, 2022 with an effective date of July 1, 2022.
  - LDH is working through a managed care rate certification approval process with CMS, as well as MCO contract amendments.
- Pending completion of all remaining steps, LDH anticipates payments beginning in October 2022.

# Federal Update



# FFY 2023 IPPS Final Rule

CMS has finalized the FFY 2023 IPPS Rule:

- After all the adjustments, net aggregate effect for Louisiana is an approximate 2.5% increase, resulting in an estimated \$34.6 M in additional payments.
- Some other highlights include, but are not limited to:
  - Use of FFY 2018 and 2019 S-10 data for DSH and adoption of the use of a three-year average for FFY 2024 and forward;
  - Permanent application of a 5% cap on any decrease in a hospital's wage index; and
  - Addition of 10 new measures to the inpatient quality reporting (IQR) program.

# CY 2023 OPPS Proposed Rule

CMS has proposed the FFY 2023 OPPS Rule:

- After all the adjustments, net aggregate effect for Louisiana is an approximate \_\_\_\_% increase, resulting in an estimated \$\_\_\_\_ M in additional payments.
- Other highlights include, but are not limited to:
  - 340B court decision and anticipation of paying those hospitals at ASP + 6%;
  - Exemption of rural SCHs from site-neutral clinic visit cuts;
  - Revision of the IPO list to remove 10 services and add 8; and
  - Provisions relative to the proposed Rural Emergency Hospital model.



# Rural Emergency Hospital Proposed Regs

- CMS currently has two regulatory proposals relative to the Rural Emergency Hospital model.
- Proposed Conditions of Participation/Updates for CAHs would:
  - Implement CAA 2021 provisions for REH designation;
  - Provide a path to conversion for eligible hospitals; and
  - Seek to align REH with certain CAH and ASC CoPs such as governing body, organizational structure, and certain services.
- CMS is also seeking comment on several REH-specific provisions, such as ability to provide certain L&D services, OP surgical services, and call coverage.

# Rural Emergency Hospital Proposed Regs

Additionally, the proposed CAH CoP updates include:

- adding a definition of primary roads to the location and distance requirements;
- establishing a patient's rights CoP; and
- allowing for unified and integrated systems for infection control and prevention and antibiotic stewardship program; medical staff; and quality assessment and performance improvement program (if the CAH is part of a health system containing more than one hospital or CAH).

# Rural Emergency Hospital Proposed Regs

In the FY 2023 OPPS Proposed Rule, CMS added some other relative provisions including, but not limited to:

- Proposes REH payment at 105% of the OPPS rate for covered services in addition to a CY 2023 facility payment (estimated at \$3.2 M annually) and updated via marketbasket for CY 2024 and beyond;
- Proposes to consider all covered OP services as REH services subject to the applicable OPPS rate and solicits comments as to whether it should adopt a more narrow definition;
- Seeks comment on updating the enrollment process so that conversion to REH could be done through a change of information application;
- Seeks comment on proposals/updates to physician self-referral law; and
- Includes quality reporting and comment solicitation on potential measures.

# No Surprises Act /Regulatory Activity

## Recent Federal Regulatory Activity:

- HHS/Labor/Treasury issued a final rule updating several components of the No Surprises Act regulation.
- Information IDR entities must consider when making a payment determination:
  - Resulted from court rulings vacating certain portions of the interim final rule;
  - Patient protections remain intact; and
  - Provides guidance and establishes new requirements for instances where a payer downcodes a claim.

# No Surprises Act /Regulatory Activity

## Agencies Issued:

- Frequently Asked Questions, which include:
  - Applicability of regulations relative to reference-based pricing plans;
  - How QPA should be calculated for services rendered by multiple specialties; and
  - Timeliness of payer payments.
- IDR Process Status Report
  - More than 46,000 disputes initiated since April 2022

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