



January 30, 2023

LHA Update

Kevin Bridwell, VP of Healthcare Reimbursement
Kathryn Mount, Healthcare Reimbursement Analyst

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

2023 Regular Legislative Session

Fiscal Session: April 10, 2023 – June 8, 2023

- Occur on odd-numbered years with subject matter limited to the following three classes of bills:
 - **Class I:** Measure to enact a general appropriation bill: enact the comprehensive capital budget; make an appropriation; levy or authorize a new tax; increase an existing tax; levy, authorize, increase, decrease, or repeal a fee; dedicate revenue; legislate with regard to tax exemptions, exclusions, deductions, reductions, repeals, or credits; or legislate with regard to issuance of bonds
 - **Class II:** Local or special bills (those which are constitutionally required to be and have been advertised)
 - **Class III:** Any other subject matter not covered by Class I or Class II (Limit of 5 bills)
 - **Length of Session:** 45 legislative days during a 60 calendar-day period (Const. Art. III, §2(A)(4)(a))

State Political Climate



Current State Climate:

- Stable, Supportive Governor, Administration, & Legislative Leadership
- Medicaid Expansion
- Restoration of Healthcare Cuts
- Hospital Payment Increases
- Cooperation Throughout PHE

Looking Forward:

- Gubernatorial & Legislative Elections
 - Projected 10 Senate & 23 House Open Seats
- \$1.6B Budget Surplus
- -\$450M Projected Long-Term Shortfall When Sales Tax Expires

Current Healthcare Landscape



- **Financial Challenges**
- **Healthcare Workforce Shortages**
- **Supply Chain Disruption**
- **Administrative Burden**
- **Medicaid Enrollment & Expansion**
- **Payer Issues**
- **Workplace Violence**
- **Professional Boards & Licensure Issues**

Workforce Issues & Initiatives

- **Workforce Shortages:**

RNs: 4,566

MDs/Others: 1,090

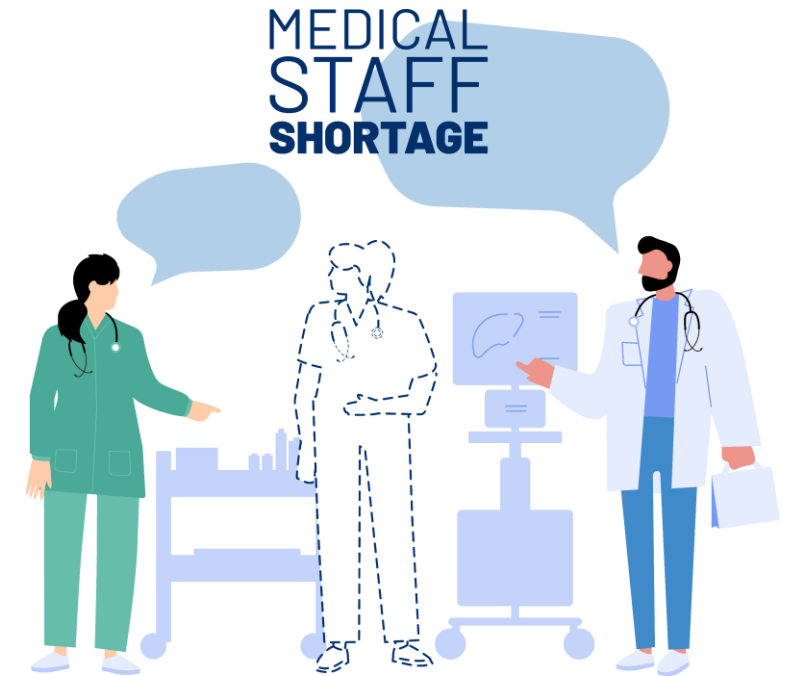
LPNs: 1,299

CNAs: 640

Source: Louisiana Workforce Commission Labor Market Analysis as of 01/16/23

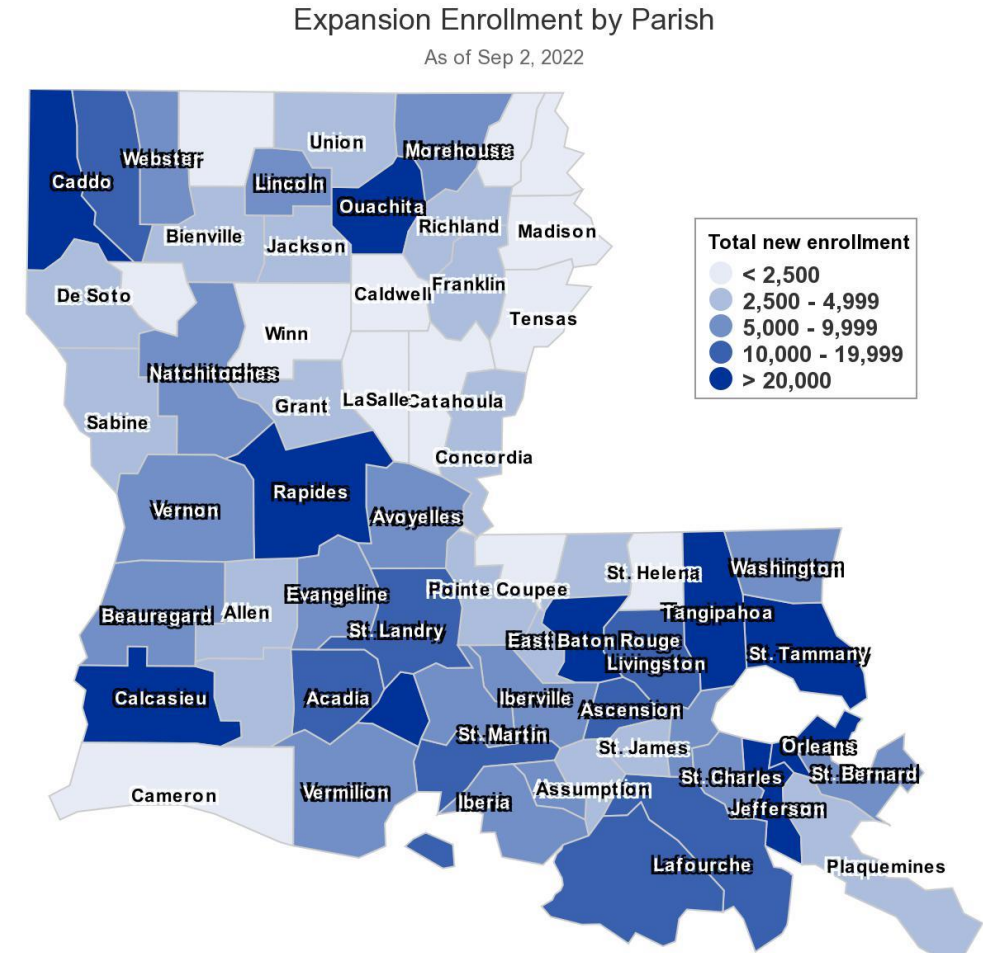
- **Recent Initiatives:**

- LCTCS Rapid Response Program to Expand Healthcare Workforce Training Programs
- Health Works Commission to Continue Nurse Capitation & Faculty Stipend Programs
- M.J. Foster Promise Program to Provide Tuition Assistance for Students in Numerous Healthcare Fields
- Board of Regent's Regional Healthcare Innovative Partnerships
- LSBN Nurse Educator BSN Faculty Exceptions
- Healthcare Workforce Training & Development Reform Study Group



Medicaid Update

- 7-Year Anniversary of Medicaid Expansion
- Medicaid Enrollment
 - Louisiana Medicaid Enrollment \approx 2.0 M
 - For Context: LA Population \approx 4.6 M
 - Medicaid MCO Enrollment \approx 1.83 M
 - Medicaid Expansion \approx 750 K of Medicaid Population Covered Through Expansion
- Six Recently-Awarded State Medicaid MCO Contracts
- Annual Hospital Stabilization Assessment
- Hospital & Physician Directed Payments



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

Medicaid Directed Payments

- **Year 1 Initial Payments:** Hospital tier and estimated utilization based on historical data (e.g., CY 2019 encounters)
- **Final Payments:** Calculated later using actual utilization during SFY 22-23 with sufficient time to allow for claims runout
- **Payment Reconciliation:** The difference between the final and initial payments will result in a reconciliation amount applied to future payments.



Medicaid Directed Payments

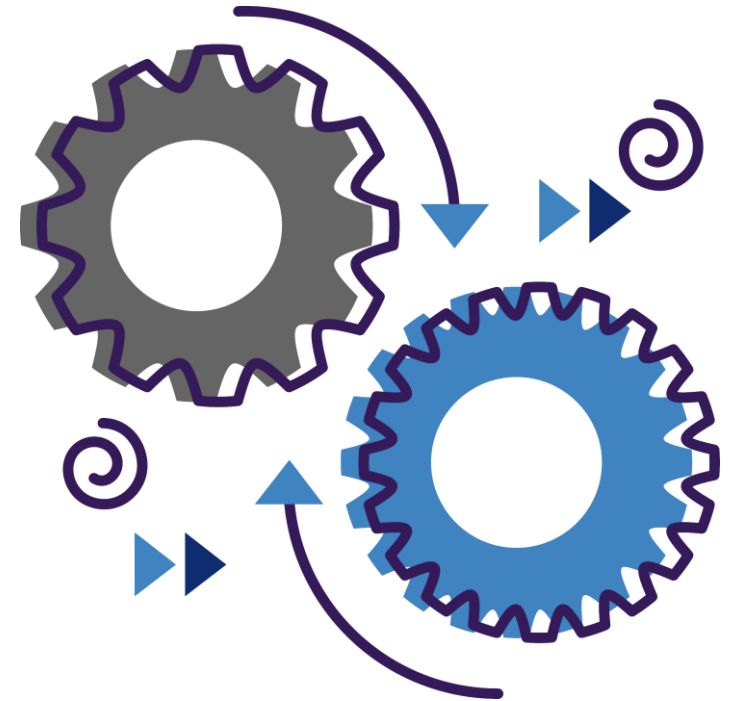
Reconciliation

- Will be based on actual utilization during the preprint period, SFY 22-23.
- LDH will scale the “Interim Payment Increase Percentages” by the same factor across the provider classes based on actual 2022 managed care payments to result in the total target statewide payment pools for inpatient and outpatient services.
- LDH will then calculate final directed payment amount for the MCO contract rating period for each qualifying hospital by multiplying the scaled Payment Increase Percentages against each hospitals’ actual 2022 managed care payments.

Medicaid Directed Payments

Year 2 Hospital Program

- LDH continues its work modeling Year 2
- Ongoing discussion with and input from industry
- Plans to submit Year 2 preprint to CMS in late March/early April 2023.
- Year 2 payment period encompasses July 1, 2023 through June 30, 2024.



CMS Rulemaking

CMS Issues Proposed Rule for CY 2024 Medicare Advantage, Prescription Drug Plans

- [Published](#) Dec. 27, 2022, would provide for increased oversight of MA plans through several new mechanics:
 - Clarifying that MA plans may only use PA processes to confirm whether a patient's care is medically necessary
 - Requiring MA plans adhere to traditional Medicare coverage policies versus alternative criteria
 - Proposes that a physician or appropriate healthcare professional reviewing a PA request/coverage denial have expertise in that field of medicine

CMS Rulemaking

CMS Issues Proposed Rule for CY 2024 Medicare Advantage, Prescription Drug Plans (continued)

- Proposes several provisions aimed at establishing access standards for behavioral health services
- Would add language clarifying that an emergency medical condition can be physical or mental
- Multiple changes to MA and Part D plan star rating program
- Clarifications/expansions aimed at health equity

CMS Rulemaking

CMS Issues Proposed Rule for CY 2024 Medicare Advantage, Prescription Drug Plans (continued)

- Restrict misleading marketing practices
- Several Part D provisions aimed at RX affordability and access
- [CMS Fact Sheet on Proposed Rule](#)
- Comments are due to CMS by Feb. 13, 2023.
 - Can be submitted at [Regulations.gov](#)

CMS Rulemaking

CMS Proposes Rule to Standardize PA Processes

- [Published](#) Dec. 13, 2022, would streamline and reduce administrative burden associated with certain health plan PA processes, as well as seek to improve the exchange of healthcare information electronically
 - As proposed and in most instances, would apply to state Medicaid FFS and managed care programs, Medicare Advantage plans, and qualified exchange plans
- Highlights of these proposed requirements include:
 - Requiring plans to implement and maintain capability for electronic exchange of information relative to completing PA requests/responses
 - Establishing timeframes for standard and expedited PA requests

CMS Rulemaking

CMS Proposes Rule to Standardize PA Processes (continued)

- Proposed requirement to provide a specific reason for denial, as well as information about what is required for approval
- Proposal to add a new measure titled “Electronic Prior Authorization” to the Medicare Promoting Interoperability Program and MIPS.
- Public reporting relative to certain PA metrics

Comments on the proposed rule are due to CMS by March 13, 2023

- Can be submitted at [Regulations.gov](https://www.regulations.gov)



Hospitals and the Louisiana Economy, 2023

Prepared by Dr. James A. Richardson Professor Emeritus, Louisiana State University

Healthcare in Louisiana

- Healthcare is the **largest employer** in the state.
- Healthcare accounts for **16.8% of total state employment**.
- The healthcare sector employs **300,038 people** with an **annual payroll of \$15.3 billion**.



Louisiana Industry Employment & Payroll Rankings

Industry	Employment	Annual Payroll (In Billions)
Healthcare (Including Hospitals)	300,038	\$15.3
Wholesale and Retail Trade	285,809	\$12.8
Manufacturing	130,691	\$11.5
Construction	133,006	\$8.5
Leisure and Hospitality	210,287	\$5.1
Oil and Gas/Mining	27,627	\$3.1
Utilities	12,429	\$1.1

Source: Louisiana Workforce Commission, Second Quarter 2022

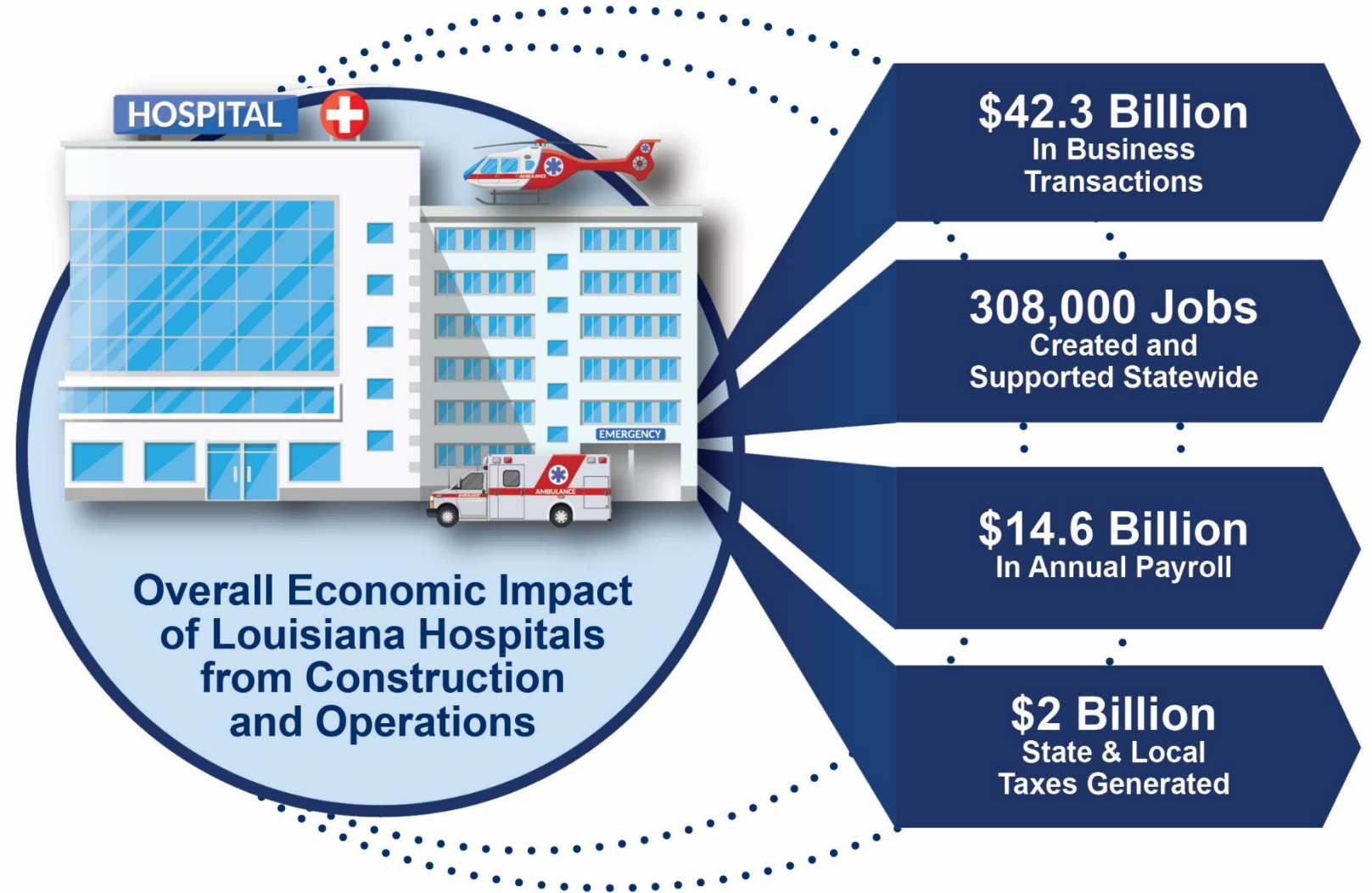
Hospital Industry's Economic Impact



101,906

Hospital Employees
in Louisiana

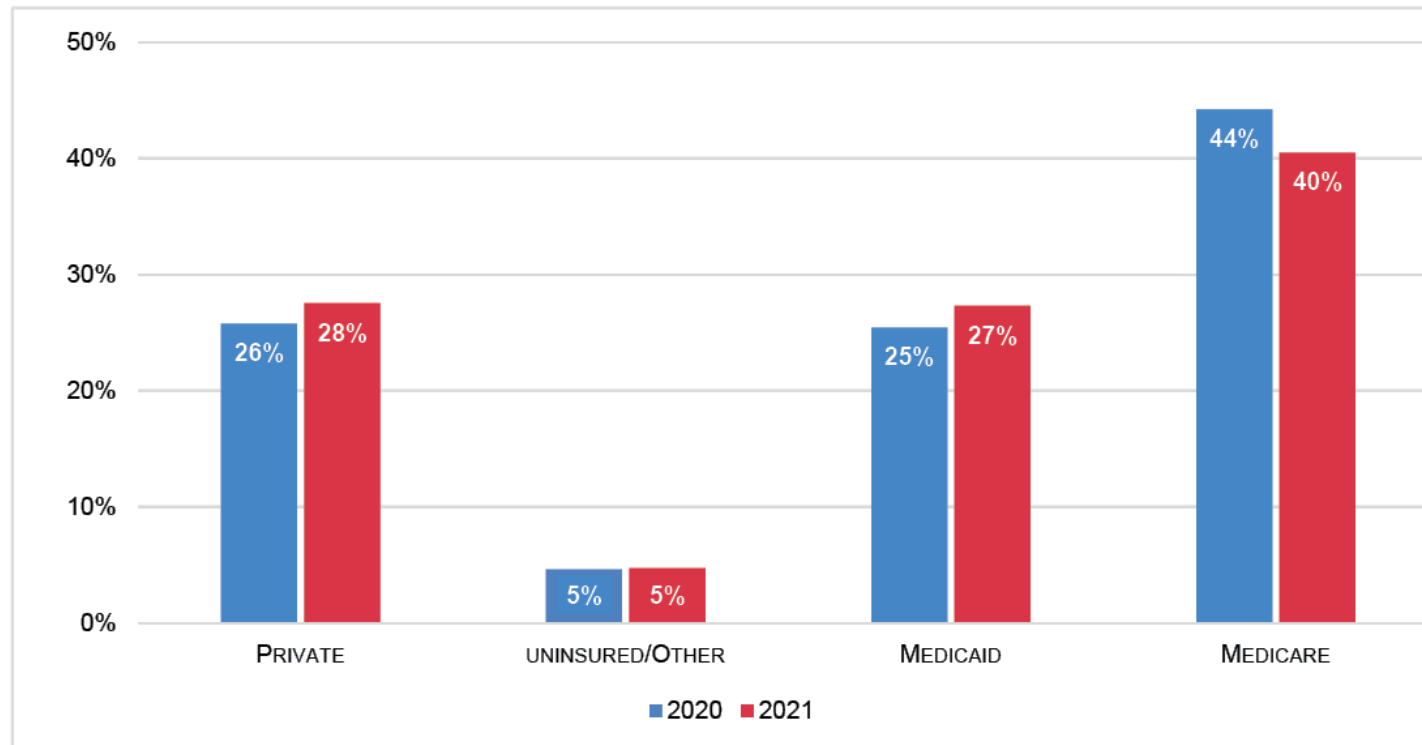
With An Annual
Payroll Of
\$6.6 Billion



Hospital Revenue by Source

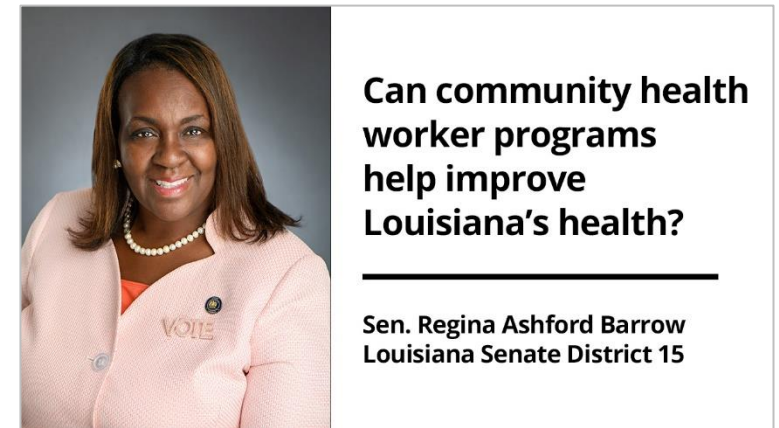
Hospital Revenue in 2021: 40% from Medicare; 28% from Private Insurers; 27% from Medicaid; and 5% from Self-Pay/Uninsured.

Louisiana Hospital Revenue by Source

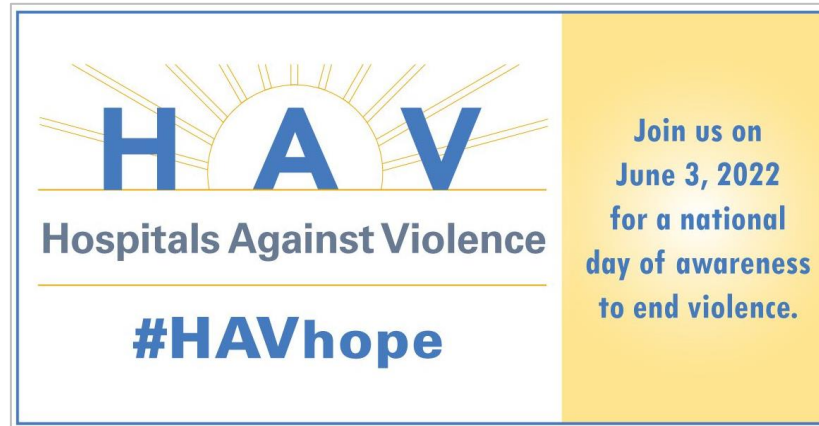


Source: Louisiana Health Information Network

LHA Social Media Highlights



LHA Social Media Highlights



LHA Social Media Highlights



Stop Harmful Care Denials in Medicare Advantage
a week ago · 1.6K views



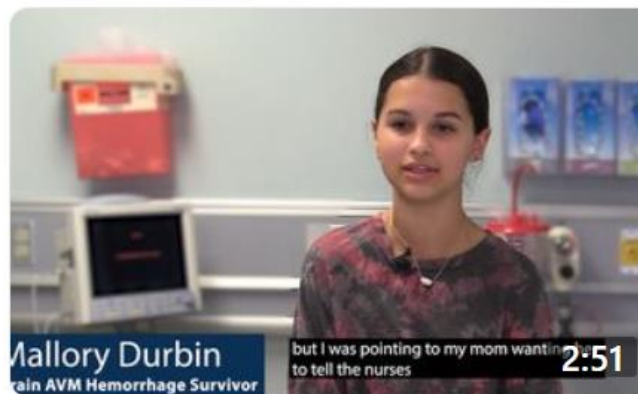
Celebrating National Rural Health Day – Lady of the Sea General Hospital
9 weeks ago · 591 views



Speaker Clay Schexnayder with St. James Parish Hospital (Improving Care in Our...
10 weeks ago · 2.3K views



#WeAreHealthcare: C.J. Marbley, RN
41 weeks ago · 1.4K views



Student's Life Saved After Brain Hemorrhage: Sen. Jeremy Stine Thanks...
41 weeks ago · 4.6K views



Questions



Contact:

Kevin Bridwell

VP of Healthcare Reimbursement

Louisiana Hospital Association

kbridwell@lhaonline.org