

**House Committee on Appropriations
Subcommittee on Health and Human Services**

Minutes of Meeting
2017 Regular Session
April 5, 2017

I. CALL TO ORDER

Representative Scott M. Simon, Chairman of the Subcommittee on Health and Human Services, called the meeting to order at 9:00 a.m. in Room 5, in the State Capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative Scott M. Simon, Chairman
Representative Rick Edmonds
Representative Bob Hensgens
Representative Dustin Miller

MEMBERS ABSENT:

Representative Walt Leger, III

STAFF MEMBERS PRESENT:

Ms. Katie Andress, Secretary
Mr. Blake Ruiz, Budget Analyst

ADDITIONAL ATTENDEES PRESENT:

Representative Mark Abraham
Representative James K. Armes, III
Representative Tony Bacala
Representative Robert E. Billiot
Representative Charles R. Chaney
Representative Valarie Hodges
Representative Jack G. McFarland
Representative John M. Schroder, Sr.
Representative Patricia Haynes Smith
Representative Polly Thomas

Representative Jerome "Zee" Zeringue
Ms. Vivian Hurst, Sergeant at Arms
Ms. Faye Talbot, Sergeant at Arms

III. DISCUSSION

House Bill No. 1 by Representative Henry

The following agencies contained in House Bill No. 1 were presented and discussed:

Department of Health (LDH)

Mr. Chris Keaton, Deputy Director of the House Fiscal Division, 900 North Third Street, Baton Rouge, LA 70804, (225) 342-1964, presented an overview of the department and discussed the FY17-18 budget.

Mr. Keaton discussed LDH's State General Fund growth over the past ten years with Representative Simon. He also discussed the effects of changes to the Federal Medical Assistance Percentage (FMAP) rate on the department's State General Fund allocation with Representative Hensgens.

Ms. Nancy Keaton, Legislative Analyst for the House Fiscal Division, 900 North Third Street, Baton Rouge, LA 70804, (225) 342-8596, presented an overview of the Medicaid Program and discussed the FY17-18 budget.

Ms. Keaton discussed trends in the state's FMAP rating and supplemental payments with Representative Simon. She also discussed the amount of push payments for FY16-17 and FY17-18 with Representative Hensgens.

Mr. W. Jeff Reynolds, LDH Undersecretary, 628 North Fourth Street, Baton Rouge, LA 70802, (225)342-6725, discussed increases in supplemental payments to local hospitals with Representatives Billiot and Chaney. He also discussed base pay increases to local hospitals with Representative Miller.

Ms. Keaton discussed the total amount of mandatory costs to the department with Representative Abraham.

Mr. Reynolds discussed the impact of Medicaid expansion to local hospitals with Representative Bacala. He also discussed reductions to the hospital public-private partnerships through the Upper Payment Limit (UPL) Program with Representative McFarland.

Ms. Michelle Alletto, LDH Deputy Secretary, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed the four Table of Organization (T.O.) positions transferred from the Office of the Secretary to the Louisiana Commission for the Deaf with Representative Smith.

Mr. Keaton discussed the funding comparisons of the department's Human Services Districts with Representative Schroder.

Dr. Rebekah Gee, LDH Secretary, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, presented an overview of the department and the FY17-18 budget.

Dr. Gee and Mr. Reynolds discussed the increase in total state effort for the department's FY17-18 budget relative to Medicaid expansion, federal regulations on Managed Care Organization (MCO) payments, and the liability associated with moving to a higher base pay rate for hospitals, and optional programs within the Medicaid Program with Representative Hensgens.

Mr. Reynolds discussed the process used to build the department's budget with Representative Edmonds.

Ms. Alletto discussed the process the department used to assess and reduce professional services contracts with Representative Edmonds.

Dr. Gee and Mr. Reynolds discussed the department's list of priorities not funded in the FY17-18 executive budget with Representative Edmonds. (See Exhibit A)

Ms. Alletto and Mr. Reynolds discussed the total number of New Opportunities Waiver (NOW) recipients, the amount of state effort budgeted for the waiver program, and the structure and functions of the department's ten Local Governing Entities (LGE) contracts with Representative Edmonds.

Dr. Gee and Mr. Reynolds discussed the cost drivers of the department's budget projected growth with Representative Edmonds.

Mr. Andrew Tuozzolo, LDH Chief of Staff, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed audit findings pertaining to Medicaid fraud with Representatives Simon and Edmonds.

Mr. Wes Gooch, Assistant Director of LDH and Medicaid Audits, Office of the Legislative Auditor, 1600 North Third Street, Baton Rouge, LA 70802, (225) 339-3837, discussed the audit findings regarding fraud, waste, and abuse within the Medicaid Program with Representatives Simon and Edmonds.

Ms. Nicole Edmonson, Assistant Legislative Auditor of State Audit Services, and Mr. Thomas M. Cole, First Assistant Legislative Auditor, Office of the Legislative Auditor, 1600 North Third Street, Baton Rouge, LA 70802, (225) 339-3837, discussed the department's role in bringing national attention to Medicaid fraud, waste, and abuse with Representative Edmonds.

Mr. Gooch and Ms. Edmonson discussed the auditor's process to determine improper payments of Medicaid claims with Representative Miller.

Ms. Jen Steele, LDH Medicaid Director, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, and Mr. Reynolds, discussed the integrity of the Medicaid Program and fraud, waste, and abuse prevention within the Medicaid program with Representative Schroder.

Ms. Edmonson and Mr. Ellison C. Travis, Director of the Medicaid Fraud Unit, Louisiana Department of Justice, 1885 North Third Street, Baton Rouge, LA 70802, no telephone number provided, discussed the percentage of Medicaid fraud, waste, and abuse in Louisiana with Representative Schroder.

Ms. Steele and Mr. Tuozzolo discussed the department's Payment Error Rate Measurement (PERM) ranking for 2016 with Representatives Simon and Schroder.

Ms. Steele and Ms. Edmonson discussed the issues with Medicaid eligibility determination requirements with Representative Bacala. Ms. Steele also discussed how Medicaid payments are made with Representative Thomas.

Mr. Reynolds discussed audit findings regarding the department's reporting errors with Representative Bacala.

Mr. Reynolds and Dr. Gee discussed the FY17-18 budget allocations for and the return on investment of the hospital public-private partnerships with Representative Simon. (See Exhibit B)

Dr. Gee and Ms. Alletto discussed the department's efforts to improve MCO efficiencies, to improve access to care for mental health patients, and the Louisiana Children's Health Insurance Program (LaCHIP) with Representative Smith.

Dr. Gee discussed Louisiana opioid addiction statistics, the department's efforts to improve the epidemic, and the "money follows the patient" model for hospital funding; Dr. Gee, Ms. Steele, and Mr. Reynolds discussed the effects of budget reductions to local hospitals with Representative Miller.

Mr. Steve Russo, LDH Executive Counsel, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed the lawsuit pertaining to treating mental health patients in nursing home facilities with Representative Miller.

Ms. Steele, Dr. Gee, and Mr. Reynolds discussed the department's process to adjust hospital base reimbursement rates with Representative Simon. They also discussed the proposed funding in FY17-18 for MCOs contracted with the Medicaid Program with Representative Simon. Ms. Steele and Representative Simon discussed statistics regarding the health outcomes of Medicaid patients from using the MCO model.

Dr. Gee discussed the ramifications of the FY17-18 budget to the hospital public-private partnerships and the overall growth of LDH with Representative Schroder. Mr. Keaton, Mr. Reynolds, and Ms. Cindy Rives, LDH Deputy Undersecretary, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed the budgeted amount for procurement and the increase in the Other Charges category, and Ms. Alletto discussed structural improvements within the state's Human Services Authorities and Districts with Representative Schroder. Ms. Lisa E. Rhoden, Executive Director of Jefferson Parish Human Services Authority, 3616 South I-10 Service Road West, Metairie, LA 70001, (504) 838-5215, discussed the agency's FY17-18 budget and their efforts to streamline processes in order to produce a cost savings for the state with Representative Schroder. Dr. Gee discussed the effects of criminal justice reform on the department's FY17-18 budget and she and Ms. Alletto discussed types of personal care service programs provided by the department with Representative Schroder.

Ms. Steele and Mr. Reynolds discussed the types of services provided by MELINA and the issues with the company's contract with Representative Bacala. Dr. Gee and Ms. Steele also discussed the department's efforts to reduce the cost of pharmaceuticals for Medicaid patients and eligibility income requirements under Medicaid expansion with Representative Bacala.

Dr. Gee discussed the benefits of Medicaid expansion to the state's economy with Representative Billiot.

Ms. Alletto and Mr. Reynolds discussed the FY17-18 budget reductions to the Northeast Delta Human Services Authority and the Northwest Louisiana Human Services District in comparison to the other human services districts with Representative Chaney.

Ms. Alletto discussed the FY17-18 budget reduction to the Early Steps Program with Representative Smith. She and Ms. Rives also discussed increases to employee salaries and related benefits with Representative Smith.

Department of Children and Family Services (DCFS)

Mr. Blake Ruiz, Budget Analyst for the House Fiscal Division, 900 North Third Street, Baton Rouge, LA 70804, (225) 342-0474, presented an overview and discussed the department's FY17-18 budget.

Mr. Ruiz and Ms. Marketa Garner Walters, DCFS Secretary, 627 North Fourth Street, Baton Rouge, LA 70802, (225) 342-6930, discussed the department's request for a new data entry system to help streamline the department's child welfare system with Representatives Simon and Thomas.

Ms. Terri Ricks, DCFS Deputy Secretary, 627 North Fourth Street, Baton Rouge, LA 70802, (225) 342-6930, discussed the department's actual salary expenditures for FY16-17 compared to the projected FY17-18 budget with Representative Simon.

Ms. Walters presented an overview of the department and the FY17-18 budget. (See Exhibit C)

Ms. Walters and Ms. Ricks discussed, with Representative Simon, the reason for moving disaster relief efforts to the second priority of the department.

Ms. Ricks discussed, with Representative Billiot, the department's partnership with MoneyGram International Inc. to pay child support payments.

Ms. Walters and Ms. Ricks discussed the department's budget reduction in FY17-18, the department's turn-over rate, funded vacancies, and employee salaries with Representatives Edmonds and Schroder.

Health Care Services Division

Mr. Daniel Waguespack, Budget Analyst for the House Fiscal Division, 900 North Third Street, Baton Rouge, LA 70804, (225) 342-7477, presented an overview and discussed the division's FY17-18 budget.

Dr. Wayne Wilbright, Chief Executive Officer of the Louisiana State University Health Care Services Division, 5429 Airline Highway, Baton Rouge, LA 70805, (504) 568-2259, discussed the division's budget reduction for FY17-18 and the division's clinical redesign efforts to reduce emergency room visits with Representative Simon.

Mr. Chad Thompson, Chief Financial Officer of Lallie Kemp Regional Medical Center, (985) 878-1350, discussed the cost savings associated with the division's clinical redesign model at Lallie Kemp Regional Medical Center with Representative Miller.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Edmonds offered a motion to adjourn. Without objection, the motion passed by a vote of 4 yeas and 0 nays. Representatives Simon, Dustin Miller, Edmonds, and Hensgens voted yea.

The meeting was adjourned at 4:06 p.m.

Respectfully submitted,

Chairman Scott M. Simon
Subcommittee on Health and Human Services