

## House Committee on Appropriations

Minutes of Meeting  
2020 Regular Session  
May 26, 2020

### I. CALL TO ORDER

Representative Jerome "Zee" Zeringue, chairman of the House Committee on Appropriations, called the meeting to order at 9:52 a.m. in Room 1, in the state capitol in Baton Rouge, Louisiana. The committee administrative assistant called the roll.

### II. ROLL CALL

#### MEMBERS PRESENT:

Representative Jerome "Zee" Zeringue, chairman  
Representative Roy Daryl Adams  
Representative Tony Bacala  
Representative Barbara W. Carpenter  
Representative R. Dewith Carrier  
Representative Gary M. Carter, Jr., vice chairman  
Representative Raymond J. Crews  
Representative Daryl Andrew Deshotel  
Representative Mary DuBuisson  
Representative Rick Edmonds  
Representative Aimee Adatto Freeman  
Representative Lance Harris  
Representative John R. Illg, Jr.  
Representative Frederick Douglass Jones  
Representative Timothy P. Kerner  
Representative Rodney Lyons  
Representative Tanner D. Magee  
Representative C. Denise Marcelle  
Representative Jack G. McFarland  
Representative Blake Miguez  
Representative Dustin Miller  
Representative Troy D. Romero  
Representative Francis C. Thompson  
Representative Christopher Turner  
Representative William "Bill" Wheat, Jr.  
Representative Clay Schexnayder, ex officio

**MEMBERS ABSENT:**

None

**STAFF MEMBERS PRESENT:**

Katie Andress, committee administrative assistant  
Stephanie Little, attorney  
Amanda Trapp, legislative analyst

**ADDITIONAL ATTENDEES PRESENT:**

Faye Talbot, sergeant at arms

**III. DISCUSSION****Discussion of the Louisiana Department of Health's proposed Money Follows the Patient (MFP) hospital payment reform methodology for Fiscal Year 2020-2021**

Mr. James E. Gjerset, partner, and Ms. Shauna L. Lorenz, partner, Gjerset & Lorenz, LLP, 2801 Via Fortuna, Suite 500, Austin, TX 78746, (512) 899-3995, discussed the types of compensation received for the development of the proposed Money Follows the Patient (MFP) hospital repayment model and the time line for the initial development of the model with Representative Zeringue.

Mr. Gjerset and Ms. Lorenz discussed the initial development of the MFP model, provided statistics regarding the success of similar repayment models in other states, the funding mechanism for the model, and the ramifications of the proposed Medicaid Fiscal Accountability Rule (MFAR), and accountability for certain hospital funding distribution methods with Representative Harris.

Ms. Lorenz and Mr. Gjerset discussed compliance issues with the financing portion of the proposed MFP model with Representative Zeringue.

Mr. Gjerset and Ms. Lorenz discussed the challenges related to the state's current healthcare system funding model compared to other states and the guidance related to the development of the proposed MFP hospital repayment model with Representative Miller.

Mr. Gjerset and Ms. Lorenz discussed funding concerns for certain hospitals within the state under the MFP model, the state's physician repayment plan, and certain intergovernmental transfers within the proposed MFP model with Representative Bacala. Mr. Gjerset and Ms. Lorenz also provided statistics to Representative Bacala regarding Arizona's hospital funding program and the average commercial pay for hospitals.

Ms. Lorenz and Mr. Gjerset discussed the compensation differences between specialty hospitals and general hospitals with Representative Carter.

Mr. Gjerset and Ms. Lorenz discussed financing the MFP model in future years and issues with the fair distribution of funding to certain hospitals with Representative Wheat. Ms. Lorenz also discussed the funding for certain specialty categories under the proposed MFP model with Representative Wheat.

Ms. Lorenz provided information regarding the timeline of discussions between LDH and Gjerset and Lorenz, LLP to create the MFP model and the compensation associated with working on the proposed model to Representative Magee.

Mr. Gjerset and Ms. Lorenz discussed the benefits of the proposed MFP model to rural hospitals and the funding mechanism used in the proposed model with Speaker Schexnayder.

Mr. Gjerset and Ms. Lorenz provided information to Representative Freeman regarding the partnership's efforts to consult with certain hospital associations to discuss the proposed model.

Ms. Lorenz discussed the comparison of the goals of the federal MFP model to the state's proposed MFP model with Representative Bacala. Ms. Lorenz and Mr. Gjerset also discussed the amount of intergovernmental transfer funds necessary to fund the proposed model, the implementation of the proposed model, the partnership's influence on the state's current hospital reimbursement model, and the need for higher hospital base rate reimbursements with Representative Bacala.

Mr. Gjerset discussed the potential delay of submitting the proposed MFP model for approval from the Centers for Medicare and Medicaid Services with Representative Zeringue. Ms. Lorenz also provided to Representative Zeringue reimbursement rates for certain hospitals in the state.

Ms. Lorenz and Mr. Gjerset provided information regarding certain hospitals that the partnership represents and discussed the benefits of the MFP model to rural hospitals with Representative McFarland.

Ms. Lorenz and Mr. Gjerset discussed the funding formula for Category 1 in the MFP model with Representative Wheat.

Mr. Gjerset and Ms. Lorenz discussed certain transparency issues with the proposed MFP model with Representative Bacala.

Mr. Jerry Phillips, executive director, Rural Hospital Coalition, 301 Main Street, Suite 1600, Baton Rouge, LA 70802, (225) 910-7242, spoke in support of the proposed MFP model.

Mr. Warner Thomas, president and chief executive officer, Ochsner Health, no address or telephone number provided, discussed reimbursement rates for commercial pay patients versus Medicaid patients with Representative Bacala and the importance of optimizing federal funding with Representatives Freeman and Kerner.

Witness cards submitted by individuals who did not speak are as follows: 8 in support and 3 for information only. Witness cards are included in the committee records

#### **IV. BUSINESS**

COMMITTEE ROOM 2 TO BE USED FOR OVERFLOW

#### **V. ANNOUNCEMENTS**

Persons who do not feel comfortable giving testimony in person at this time may submit a prepared statement in accordance with House Rule 14.33 in lieu of appearing before the committee:

A. Any interested person or any committee member may file with the committee a prepared statement concerning a specific instrument or matter under consideration by the committee or concerning any matter within the committee's scope of authority, and the committee records shall reflect receipt of such statement and the date and time thereof.

B. Any person who files a prepared statement which contains data or statistical information shall include in such prepared statement sufficient information to identify the source of the data or statistical information. For the purposes of this Paragraph, the term "source" shall mean a publication, website, person, or other source from which the data or statistical information contained in the prepared statement was obtained by the person or persons who prepared the statement.

NOTE: Only statements mailed to [andressk@legis.la.gov](mailto:andressk@legis.la.gov) and received prior to Sunday, May 24<sup>th</sup>, at noon, will be included in the record for this committee meeting. All persons desiring to participate in the meeting shall utilize appropriate protective health measures and observe the recommended and appropriate social distancing.

#### **VI. ADJOURNMENT**

Representative Harris offered a motion to adjourn. Without objection, the motion passed by a vote of 25 yeas and 0 nays. Representatives Zeringue, Adams, Bacala, Carpenter, Carrier, Gary Carter, Crews, Deshotel, DuBuisson, Edmonds, Freeman, Harris, Illg, Jones, Kerner, Lyons, Magee, Marcelle, McFarland, Miguez, Dustin Miller, Romero, Thompson, Turner, and Wheat voted yea.

The meeting was adjourned at 11:49 a.m.

Respectfully submitted,

Chairman Jerome "Zee" Zeringue  
House Committee on Appropriations