

Joint Medicaid Oversight Committee

Minutes of Meeting
2021 Interim
November 29, 2021

I. CALL TO ORDER

Representative Rick Edmonds, chairman of the Joint Medicaid Oversight Committee, called the meeting to order at 9:38 a.m. in Room 5, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Rick Edmonds, chairman
Representative Tony Bacala
Representative Thomas A. Pressly
Senator Regina Ashford Barrow
Senator Heather Miley Cloud
Senator J. Cameron Henry, Jr., vice chairman
Senator Bob Hensgens

MEMBERS ABSENT:

Representative Dustin Miller
Representative Patricia "Pat" Moore
Representative William "Bill" Wheat, Jr.
Senator Jimmy Harris
Senator Patrick McMath

STAFF MEMBERS PRESENT:

Meah Johnson, House attorney
Chas Nichols, House budget analyst
Nevonda Reed, House division director
Kristy Neubrandner, House committee administrative assistant

ADDITIONAL ATTENDEES PRESENT:

Faye Talbot, House sergeant at arms
Anthony Lumbard, Senate sergeant at arms
Edna Buchanan, Senate sergeant at arms

Stephanie Little, House attorney
Heather McKnight, Senate senior budget analyst

III. DISCUSSION

Consideration of draft content for the annual report required by Joint Rule 11(E)

Chairman Edmonds announced that the committee will meet again in December 2021 with the single purpose of taking the annual report under consideration.

Update from LDH on plans for instituting hospital payment reform through a directed payment model and discussion of the following aspects of the model:

Chairman Edmonds announced that the discussion on instituting hospital payment reform through a directed payment model will be broken down into separate aspects.

a. Compliance of the proposed payment model with the Rural Hospital Preservation Act (R.S. 40:1189.1 et seq.)

Ruth Johnson, Louisiana Department of Health (LDH), 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only. She stated that LDH has maximized funding to the rural hospitals as required by the Act.

Steve Russo, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only. He explained that the act is a payment or a guarantee of a payment of 110% of costs for the rural hospitals, essentially guaranteeing reimbursement levels to the rural hospitals.

Senator Hensgens asked if Jerry Phillips, executive director of the Rural Hospital Coalition of Louisiana (RHC), is comfortable with LDH's current position on the issue. Ruth Johnson replied that he is. Chairman Edmonds suggested that he would like to have Jerry Phillips and others from RHC come to the committee's meeting in January 2022.

b. Placement of rural hospitals within the tiered system proposed in the directed payment model

Ruth Johnson, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only. She stated that LDH uses a two-step model that was presented to them by Milliman. She then explained how this two-step model functions. She also added that in Louisiana there are forty-nine hospitals in Tier 2 and one hospital in Tier 4.

Chairman Edmonds requested that LDH provide to the committee a detailed breakdown of what percentages almost all of the rural hospitals are receiving, with a focus on Tier 2. Ruth Johnson stated that she will be able to provide that.

Steve Russo, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only.

c. Compliance of the proposed payment model with House Concurrent Resolution No. 2 of the 2021 Regular Session, particularly the requirements of Section III of the Resolution

Chairman Edmonds provided the members with a copy of House Concurrent Resolution No. 2 of the 2021 Regular Session in a handout, Exhibit A, which is included in the committee records.

Ruth Johnson, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only. She responded to questions relative to House Concurrent Resolution No. 2 of the 2021 Regular Session.

Steve Russo, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only. He responded to questions relative to House Concurrent Resolution No. 2 of the 2021 Regular Session.

Chairman Edmonds requested that LDH submit to the members of the committee a copy of the plan, titled "LDH Directed Payments Options Analysis." Ruth Johnson confirmed that LDH had already submitted the plan to the Joint Legislative Committee on the Budget (JLCB) in compliance with Senate Concurrent Resolution No. 27 of the 2020 First Extraordinary Session but had not yet presented it to the JLCB in an official capacity. Chairman Edmonds stated that the committee will review the plan prior to discussing it in the January 2020 meeting.

Ruth Johnson and Steve Russo explained the requirements stipulated by Centers for Medicare & Medicaid Services (CMS).

d. Compliance of the proposed payment model with Const. Art. VII, §14 prohibiting the donation of public funds

Steve Russo, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only. He explained what is known as the *Cabela's Test* and how that is related to the proposed payment model. He concluded by offering his legal opinion that LDH is in compliance with Article VII.

Ruth Johnson, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only.

e. Compliance by LDH with the provisions of Senate Concurrent Resolution No. 27 of the 2020 First Extraordinary Session requiring the department to seek independent consultant opinions and alternative options for a hospital payment reform model

Ruth Johnson, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, stated that LDH has fully complied with Senate Concurrent Resolution No. 27 of the 2020 First Extraordinary Session.

Witness cards submitted by individuals who did not speak are as follows: 1 for information only. Witness cards are included in the committee records.

Discussion of an increase in the assessment levied pursuant to Const. Art. VII, §10.13(A)(2)(b) as a means of financing hospital payment reform

Ruth Johnson, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only.

Witness cards submitted by individuals who did not speak are as follows: 1 for information only. Witness cards are included in the committee records.

Consideration of principles to guide the LDH hospital payment reform plan

This is a continuation of the discussion on the Medicaid hospital finance update from October 29, 2021. Please check for this agenda item to complete the record of discussion.

Representative Bacala announced that he would like to withdraw this item from the discussion.

Ruth Johnson, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only.

Steve Russo, LDH, 628 North 4th Street, Baton Rouge, LA 70802, (225) 342-1400, spoke for information only.

IV. ANNOUNCEMENTS

There were no announcements.

V. ADJOURNMENT

The meeting was adjourned at 11:23 a.m.

Respectfully submitted,

Chairman Rick Edmonds
Joint Medicaid Oversight Committee

Date adopted: