LOUISIANA HOSPITAL ASSOCIATION

HFMA Summer Institute

LHA Update, August 28, 2023

Regular Session Legislative Initiatives

Rep. Jack McFarland
(R-Jonesboro)
District 13

HB 434: Medicaid Transparency & Accountability:

- Update and strengthen current “Healthy Louisiana Claims Report” created by Act 710 of the 2018 Regular Session
- New and expanded reporting requirements for:
  - Hospital inpatient denials;
  - Number of claim denial reconsiderations and appeals processed by each health plan;
  - Services subject to prior authorization and the approval percentages of these requests; and
  - Case management services.
- Act 233; Effective 10/1/23

LHA
LOUISIANA HOSPITAL ASSOCIATION

Regular Session Legislative Initiatives

Rep. Chris Turner
(R-Ruston)
District 12

HB 548: Prohibiting Discrimination in the 340B Program:

- Prohibit discriminatory practices by manufacturers, health plans, and PBMs, including:
  - Reimbursing a 340B contract pharmacy differently than non-340B pharmacies for the same drug;
  - Assessing any fee, chargeback, or other adjustment, such as the use of modifiers, on the basis that the pharmacy participates in the 340B program;
  - Preventing or interfering with any patient's choice to receive such drugs from the 340B entity, including the administration of such drugs; and
  - Excluding any 340B entity from the health insurance issuer, PBM, or other third-party payor's network, solely on the basis that the pharmacy participates in the 340B program.
- Act 358; Effective 8/1/23

LHA
LOUISIANA HOSPITAL ASSOCIATION

2023 Regular Legislative Session

Rep. Thomas Pressly
(R-Shreveport)
District 6

HB 468: Health Insurance Issuer Prior Authorizations

- Requires plans to meet certain minimum standards and timeframes in the administration of UR process, including:
  - Timing of UR/PA requests;
  - provision of clinical criteria;
  - time for conducting reviews and notification;
  - peer-to-peer review requirements; and
  - PA/payment provisions.
- **Act 312; Effective 1/1/24**

LHA
LOUISIANA HOSPITAL ASSOCIATION

2023 Regular Legislative Session

SB 188: Health Plan Prior Authorizations

- As filed, provides relative to prior authorizations and annual reporting
  - Would require health insurance issuers to submit annual reporting to LDI regarding certain PA statistics
  - Would require LDI to submit an annual report to the Insurance Committees
- Act 333; Effective 1/1/24

Sen. Jeremy Stine
(R-Lake Charles)
District 27

LHA
LOUISIANA HOSPITAL ASSOCIATION

2023 Regular Legislative Session

Sen. Kirk Talbot
(R-River Ridge)
District 10

SB 110: Requires health plans to comply with new requirements related to PAs of cancer-related services

- Health plans are:
  - Required to make PA decisions for the treatment or diagnosis of cancer within two business days for expedited requests and within five business days for standard requests;
  - Prohibited from denying a PA request if the procedure, pharmaceutical, or diagnostic test is recommended by nationally-recognized clinical practice guidelines;
  - Prohibited from denying coverage for any imaging service ordered for the purpose of diagnosis, treatment, or ongoing monitoring of any individual's cancer if the imaging being requested is recommended by nationally-recognized clinical practice guidelines; and
  - Required to provide coverage for outpatient services while a patient is admitted to an inpatient facility.
- Act 254; Effective 8/1/2023

LHA
LOUISIANA HOSPITAL ASSOCIATION

Medicaid Directed Payments

HCR 2: Hospital Assessment & Directed Payments

- Annual resolution for hospital assessment
- Also contains mechanics for hospital directed payments
- Passed both chambers unopposed and subsequently enrolled
- Provisions of HCR 2 in effect for SFY 2023-24

Speaker Clay Schexnayder (R-Gonzales)
District 81

LHA
LOUISIANA HOSPITAL ASSOCIATION

Medicaid Directed Payments

Year 1 Hospital Directed Payments

- As a refresher, the hospital directed payment program:
  - Replaced Hospital 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

LHA
LOUISIANA HOSPITAL ASSOCIATION

Medicaid Directed Payments

Year 1 Hospital Directed Payments

- Year 1 concluded at the end of the 2022-23 SFY (June 30, 2023), and reconciliation will be forthcoming:
  - Initial payments were based on CY 2019 claims data.
  - Reconciliation will be based on actual utilization during the timeframe of July 1, 2022 – June 30, 2023.
  - Payments are recalculated using actual SFY 2023 experience and the uniform increase percentages outlined in the preprint.
  - Payments are adjusted uniformly across all tiers to maintain the composite payment pool size from the approved preprint.
  - The difference between the adjusted final payment and the total quarterly payments paid during SFY 2023 will be calculated. Additional required payments or recoupments will be made as an adjustment to the next quarterly payment (anticipated application to SFY 2025 payments).

LHA
LOUISIANA HOSPITAL ASSOCIATION

Medicaid Directed Payments

Year 1 Hospital Directed Payments

- Year 1 Reconciliation Timeline
  - LDH and Milliman have been working to develop quarterly reporting to assist hospitals in modeling projected impacts.
  - CMS requires reconciliation be completed within 12 months of the payment year; thus Year 1 will be reconciled by June 30, 2024.
  - Additional information will continue to be developed and distributed relative to reconciliation as the program matures.

Medicaid Directed Payments

Year 2 Hospital Directed Payments

- Year 2 preprint submitted to CMS in March 2023
  - Tiers and ACR Factors locked in based on Year 1
  - Updated active Medicaid/licensure requirement to Dec. 31, 2022
  - Initial payments to be based on CY 2021 claims data
  - Additional funding/assessment
- Timeline/Status
  - Managed care rate certification has been filed
  - CMS/LDH have exchanged questions/answers
  - Awaiting CMS approval
  - LDH will post material in similar fashion to Year 1 info

LHA
LOUISIANA HOSPITAL ASSOCIATION

Medicaid Redeterminations

Medicaid Annual Renewals Restarted April 1

- In March 2020, Louisiana Medicaid changed some of its eligibility rules in response to the federal COVID-19 PHE.
- In April 2023, Louisiana Medicaid restarted eligibility reviews and will close anyone who is not eligible.
- Louisiana Medicaid is able to complete some renewals without contacting the member. This is achieved through access to other electronic databases.
- Many renewals, however, will require members to respond to mail from Louisiana Medicaid.

LHA
LOUISIANA HOSPITAL ASSOCIATION

FFY 2024 Medicare Rulemaking

FFY 2024 IPPS Final Rule Issued Aug. 1

- Aggregate impact to Louisiana of approximately 1.1% increase
- Some highlights include, but are not limited to:
  - Continuation of low wage index policy for FFY 2024
  - Add 15 and delete 16 MS-DRGs
  - New health equity adjustment and sepsis bundle measure added to VBP program
  - Permit web-based surveys for HCAHPS

LHA
LOUISIANA HOSPITAL ASSOCIATION

FFY 2024 Medicare Rulemaking

FFY 2024 OPPS Proposed Rule Issued Aug. 1

- Aggregate impact to Louisiana of approximately 2.73% increase
- Some highlights include, but are not limited to:
  - Creation of standardized format for price transparency files and additional enforcement mechanisms
  - Expansion of BH coverage through IOP
  - 340B adjustment
  - Requests comments on possible revisions to Inpatient Only list

LHA
LOUISIANA HOSPITAL ASSOCIATION

340B Activity

OPPS 340B Proposed Remedy

- CMS recently issued its proposed remedy to the unlawful payment cuts in the 340B Drug Pricing Program following the Supreme Court's unanimous decision in *American Hospital Association v. Becerra, 142 S. Ct. 1896 (2022).*
- The proposed remedy would:
  - Repay hospitals that were unlawfully underpaid from 2018 to 2022 in a single lump sum payment; and
  - Recoup funds from those hospitals that received rate increases for non-drug services from 2018 to 2022 through adjusting the conversion factor by 0.5% beginning in CY 2025 until the full amount is offset (CMS estimates 16 years).
- Comments due Sept. 5

LHA
LOUISIANA HOSPITAL ASSOCIATION

THANK YOU

Kevin Bridwell
VP of Healthcare Reimbursement, LHA
Executive Director, LHA Solutions
kbridwell@lhaonline.org

@LAHospitals **@LAHospitalAssn**

LHA
LOUISIANA HOSPITAL ASSOCIATION