

Regular Session, 2014

HOUSE BILL NO. 571

BY REPRESENTATIVE STOKES

MEDICAID: Provides relative to contracts for managed long term supports and services within the Medicaid program

1 AN ACT

2 To enact Part LXXV of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, to  
3 be comprised of R.S. 40:1300.381 through 1300.383, relative to managed long term  
4 supports and services; to provide for contracting by the Department of Health and  
5 Hospitals for certain managed care services; to provide relative to long term care  
6 services for certain Medicaid enrollees; to require remittance of payment by the  
7 Department of Health and Hospitals to certain health plans in specific circumstances;  
8 and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Part LXXV of Chapter 5 of Title 40 of the Louisiana Revised Statutes of  
11 1950, comprised of R.S. 40:1300.381 through 1300.383, is hereby enacted to read as  
12 follows:

13 PART LXXV. MEDICAID MANAGED LONG TERM

14 SUPPORTS AND SERVICES

15 §1300.381. Definitions

16 As used in this Part, the following terms have the meaning ascribed to them  
17 in this Section:

18 (1) "Department" means the Department of Health and Hospitals.

19 (2) "Louisiana HMO" means a health maintenance organization that meets

20 all of the following criteria:

1           (a) Offers fully insured commercial or Medicare Advantage products.

2           (b) Is domiciled, licensed, and has been operating within the state for a  
3 period of at least ten years.

4           (c) Maintains its primary corporate office and at least seventy percent of its  
5 employees in the state.

6           (d) Maintains within the state its core business functions including, without  
7 limitation, utilization review services, claims payment processes, customer service  
8 call centers, enrollment services, information technology services and provider  
9 relations.

10       §1300.382. Medicaid managed long term supports and services; contracts with  
11 health maintenance organizations

12           A. The secretary of the department is hereby authorized to issue a request for  
13 proposals, or initiate any other competitive process allowed by law, to identify and  
14 contract with health maintenance organizations to provide for a comprehensive  
15 managed care program for Louisiana residents who are eligible for Medicaid and  
16 receive long term care supports and services provided for in the Medicaid state plan.

17           B. If a Louisiana HMO submits a competitive proposal in response to the  
18 request for proposals or other competitive process provided for in Subsection A of  
19 this Section, the department shall include that Louisiana HMO in the managed care  
20 program for Louisiana residents who are eligible for Medicaid and receive long term  
21 care supports and services provided for in the Medicaid State Plan. However, if  
22 more than three different Louisiana HMOs submit competitive proposals, the  
23 department shall select at least three Louisiana HMOs for inclusion in the program.

24       §1300.383. Medicaid enrollees participating in Medicare Advantage plans;  
25 safeguards

26           The secretary of the department shall take all such actions as may be  
27 necessary to ensure that no Medicaid enrollee participating in a Medicare Advantage  
28 plan is forced to leave his plan in the event that he needs long term supports and  
29 services and his plan is not selected to participate in the managed long term supports

1 and services program of the department. In such instances, the department shall  
2 provide payment to the recipient's plan for the long term care supports and services  
3 he needs.

4 Section 2. This Act shall become effective upon signature by the governor or, if not  
5 signed by the governor, upon expiration of the time for bills to become law without signature  
6 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
7 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
8 effective on the day following such approval.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Stokes

HB No. 571

**Abstract:** Provides relative to contracts for managed long term supports and services within the Medicaid program.

Proposed law defines "Louisiana HMO" as a health maintenance organization (HMO) that meets all of the following criteria:

- (1) Offers fully insured commercial or Medicare Advantage products.
- (2) Is domiciled, licensed, and has been operating within the state for a period of at least ten years.
- (3) Maintains its primary corporate office and at least seventy percent of its employees in the state.
- (4) Maintains within the state its core business functions including, without limitation, utilization review services, claims payment processes, customer service call centers, enrollment services, information technology services and provider relations.

Proposed law authorizes the secretary of the Department of Health and Hospitals (DHH) to issue a request for proposals, or initiate any other competitive process allowed by law, to identify and contract with HMOs to provide for a comprehensive managed care program for La. residents who are eligible for Medicaid and receive long term care supports and services provided for in the Medicaid state plan.

Proposed law stipulates that if a Louisiana HMO submits a competitive proposal in response to the request for proposals or other process provided for in proposed law, DHH shall include that HMO in the managed care program for La. residents who are eligible for Medicaid and receive long term care supports and services provided for in the Medicaid State Plan. However, provides that if more than three different Louisiana HMOs submit competitive proposals, DHH shall select at least three Louisiana HMOs for inclusion in the program.

Proposed law requires the secretary of DHH to take such actions as may be necessary to ensure that no Medicaid enrollee participating in a Medicare Advantage plan is forced to leave his plan in the event that he needs long term supports and services and his plan is not selected to participate in the managed long term supports and services program of the department. Provides that in such instances, DHH shall provide payment to the recipient's plan for the long term care supports and services he needs.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 40:1300.381-1300.383)