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HFMA Region 9
LHA Update

November 16, 2025

Medicaid Enrollment

- Louisiana Medicaid Enrollment ≈ 1.56M
  - For Context: LA Population ≈ 4.6M
- Medicaid MCO Enrollment ≈ 1.39M
- Medicaid Expansion ≈ 487K of Medicaid Population Covered through Expansion

Sources: LDH Enrollment Trends Report Aug. 2025; July 2019 U.S. Census Population Estimate for LA; Managed Care Enrollment by Plan & Parish Report Aug. 2025.

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LDH Activity/Update

- Medicaid Directed Payments
  - SFY 26 Hospital and LPR Directed Payment Programs remain under review at CMS.
- Medicaid Managed Care Contracts
  - LDH plans to extend the existing contracts to allow for continuity and the re-procurement process.
- LHA continues to highlight MCO-related issues and work with the Department.

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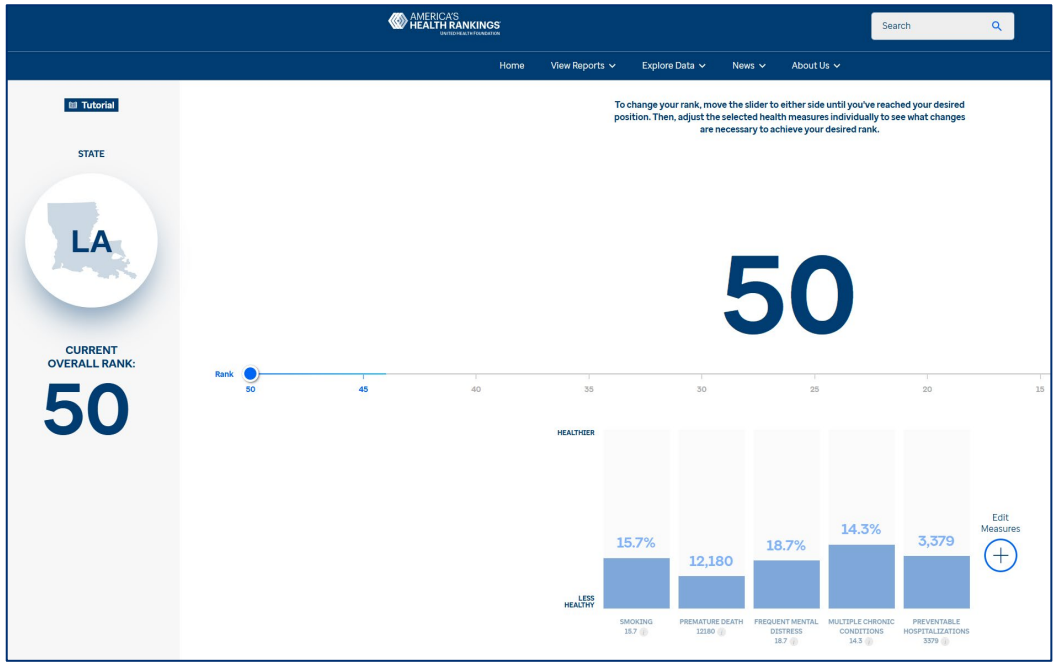
LDH Quality Value Convention

- LDH hosted event July 15-16 at LSU
- Address two main programs:
  - MCIP: $695M
  - Medicaid MCO Withholds: 2% of capitation ~$179M
- Organized work group discussions (Access, Behavioral Health, Maternal Health & Chronic Care)



Source: www.americashealthrankings.org/explore/states/LA

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Work Group Discussions

Behavioral Health

- Population Health Outcomes:
  - Reduce death from suicide
  - Reduce death from substance use disorder
  - Improve recovery rates from SUD
  - Improve rates of recovery from mental illness
- Priority Areas:
  - Induction/Maintenance of MOUD Across Settings
  - Improve Physical Health Integration
  - Decrease Preventable Hospitalization
  - Wrap Around/Care Coordination
  - Crisis Response System

Access

- Domains:
  - Transportation/Referral Access
  - Data Consolidation, Bidirectional Data, and Scheduling
  - Maternal Health/Pediatric Care
  - Prior Authorization/Telehealth
- Priority Areas:
  - Reduce Unnecessary ED Visits
  - Family Planning
  - After Hours/Same Day Appt
  - PCP/OB Visit in Past 12 Months for Women
  - % ED Visits with PCP Follow Up
  - Prenatal Care in First Trimester
  - Cervical Cancer Screening
  - PCP Attribution/Auto Assignment

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Work Group Discussions

Maternal Health

- Population Health Outcomes:
  - Reduce severe maternal morbidity related to hypertension
  - Reduce preterm delivery
  - Increase SUD screening and treatment
  - Strengthen early identification of maternal health risks and referral to resources for timely and coordinated care
- Priority Areas:
  - Screening and Referral (Act 437)
  - Aspirin for Pregnant Women
  - Early Enrollment in Medicaid for Prenatal Care
  - Tobacco Cessation

Chronic Care

- Population Health Outcomes:
  - Decrease number of adults who smoke
  - Decrease age adjusted cancer mortality rate
  - Reduce rate of diabetes, hypertension, and obesity
  - Increase BP control
  - Increase diabetes A1c control
- Priority Areas:
  - Engage with PCP or Preventative Care
  - Divert from Acute Care
  - Care Navigators
  - Initiation of Cancer Treatment

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Next Steps: LDH Quality Initiative

- Analyze Feedback from Work Groups and Surveys
- Finalize MCIP & MCO Withhold Measures
- Tentative In-Person Follow Up
- January 2026 MCIP Implementation

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HERO Fund Update

- **2021:** Established Health Care Employment Reinvestment Opportunity Fund to expand training, increase student enrollment, and support career pathways for high-demand providers
- **2024:** Additional funding allocated through Act 607 by Rep. Brach Myers
- **April 2025:** First Funding Round > $7M
- Second Funding Round ≈ $5M to $7M
  - **Oct. 17:** LDH Stakeholder Survey Deadline
  - **Nov. 3:** Applications Opened
  - **TBD:** LDH to Host Technical Assistance Calls
  - **Jan. 5, 2026:** Grant Application Deadline
  - **Spring 2026:** Evaluations/Awards
  - **April-July 2026:** Contracts Developed and Finalized
- Katie Hebert, LDH HERO Program Project Advisor; katherine.hebert@la.gov

OBBBA Provisions Timeline

- **Effective 2025**
  - State Directed Payments – New SDP Payment Cap: (110% Medicare for Non-Expansion States; 100% of Medicare for Expansion States)
  - Rural Health Transformation Program
  - Moratorium on Rule Relating to Long-Term Care Staffing Standards

- **Effective 2026**
  - Temporary Payment Increase Under the Medicare Physician Fee Schedule to Account for Exceptional Circumstances
  - Provider Taxes – Hold Harmless Threshold limited to the rate a state had in place as of July 4, 2025

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OBBBA Provisions Timeline

- **Effective 2027**
  - Medicaid Community Engagement Requirements
  - Eligibility Redeterminations (Every 6 Months)
  - Provider Taxes – Hold Harmless Reduction (Expansion States)

- **Effective 2028**
  - State Directed Payments – Phased Reduction for Grandfathered SDPs
  - Modifying Cost-Sharing Requirements for Certain Expansion Individuals Under the Medicaid Program

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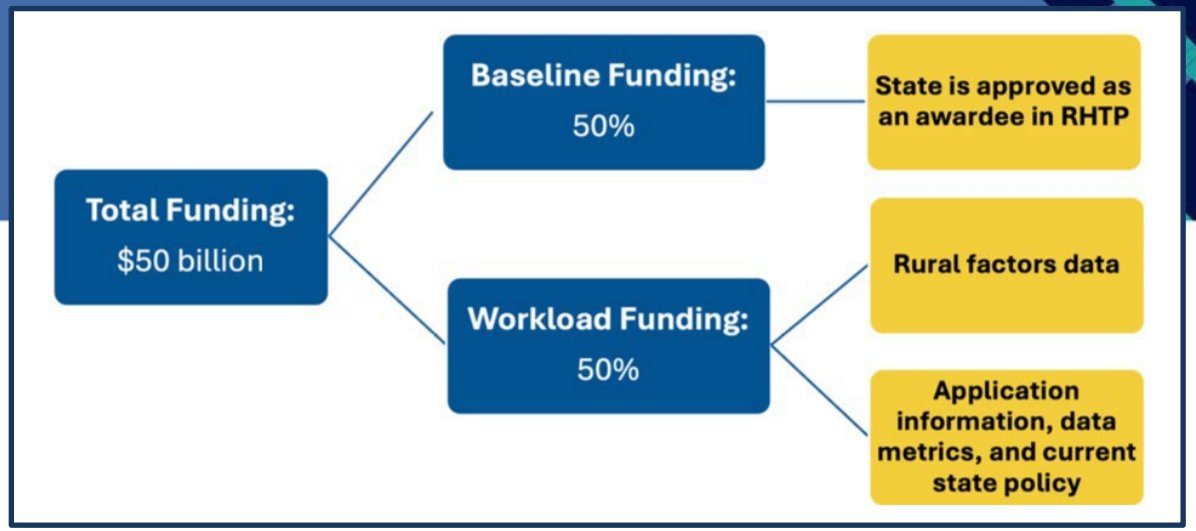
Rural Transformation Fund Background Information

RURAL HEALTH TRANSFORMATION FUND:

Funding Distribution



50% BASELINE FUNDING:

Distributed equally among all approved states

50% WORKLOAD FUNDING:

Half of the total funding available each budget period; funding factors as follows:

- **Data-driven metrics**: Points awarded based on value of metrics compared to other states
- **Initiative-based:** Points awarded based on qualitative assessment of programmatic initiatives outlined and subsequent follow-through
- **State policy actions:** Points awarded based on current State policy, proposed policy action you commit to by accepting the award, and subsequent follow-through toward meeting commitments

EST. AWARD DATE: 12/31/2025

Funding is provided in five budget periods, 10 months for the first budget period and 12 months for each subsequent period.

- CMS will re-calculate each approved State's technical score and corresponding Workload funding amount for each subsequent budget period based on information and data provided in annual reporting. Funding appropriate for FY 2027, to be determined by 10/31/2026 and so forth through fiscal year 2030.

FEDERAL UPDATES:

Use of RHT Program Funds

1. **Prevention and Chronic Disease:** Promoting evidence-based, measurable interventions to improve prevention and chronic disease management.
2. **Provider Payments:** Providing payments to healthcare providers for the provision of healthcare items or services, subject to restrictions. Cannot exceed 15% of total funding.
3. **Consumer Tech Solutions:** Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases.
4. **Training/Technical Assistance:** For the development and adoption of technology-enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, AI, and other.
5. **Workforce:** Recruiting and retaining clinical workforce talent to rural areas, with commitment to serve rural community for a minimum of 5 years.
6. **IT Advances:** Providing TA, software, and hardware for significant IT advances designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes.

FEDERAL UPDATES:

Use of RHT Program Funds

7. **Appropriate Care Availability:** Assisting rural communities to right size their healthcare delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines.
8. **Behavioral Health:** Supporting access to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services.
9. **Innovative Care:** Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate.
10. **Capital Expenditures and Infrastructure:** Investing in existing facility buildings and infrastructure, subject to restrictions; Cannot exceed 20%.
11. **Fostering Collaboration:** Initiating, fostering, and strengthening local and regional strategic partnerships between rural facilities and other healthcare providers to promote quality improvement, improve financial stability of rural facilities, and expand access to care.

FEDERAL UPDATES:

Application Requirements

1. **Project Summary: (1 Page)**
   Summary of the proposed project, including purpose and outcomes.

2. **Project Narrative: (Up to 60 pages)**
   Address proposed goals, measurable objectives, and milestones
   - Rural health needs and target population: Current landscape and challenges plan seeks to address.
   - Rural health transformation plan: Goals and strategies: Present vision, goals, and strategies
   - Proposed initiatives and use of funds
   - Implementation plan and timeline
   - Stakeholder engagement
   - Metrics and evaluation plan
   - Sustainability plan

3. **Budget Narrative: (Up to 20 pages)**
   Includes added detail and justifies the costs asked for

Key Dates	Action
9/19/25, 9/25/25	Program Webinars
9/30/25	Optional Letter of Intent
11/5/25	Application Submission
12/31/25	Expected Award Date

LDH RHT Program Application/Abstract

- LDH submitted its application on Nov. 4.
  - According to the agency, it requested the maximum allocation to implement six proposed initiatives:
    1) Build a resilient, integrated rural health and emergency system by expanding and stabilizing the workforce through targeted incentives, continuous training, and technology-enabled care coordination;
    2) Modernize rural health technology infrastructure and expand interoperability by combining a state-managed, CMS-aligned EHR system with a tech catalyst fund to invest in innovative digital tools and mobile care platforms;
    3) Implement value-based payment and care models that reward outcomes, support innovative services, and ensure sustainable, high-quality care for rural communities;

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LDH RHT Program Application/Abstract

- Six Proposed Initiatives Continued:
  4) Expand prevention and nutrition-based interventions to address chronic disease, maternal health, and behavioral health challenges;
  5) Strengthen care integration for high-needs populations through coordinated, multi-modal care infrastructure models; and
  6) Provide capital investment support to strengthen sustainable access to essential health services.
- LDH intends to provide information in the coming weeks about the initiatives and strategies, including the details on each opportunity for funding.

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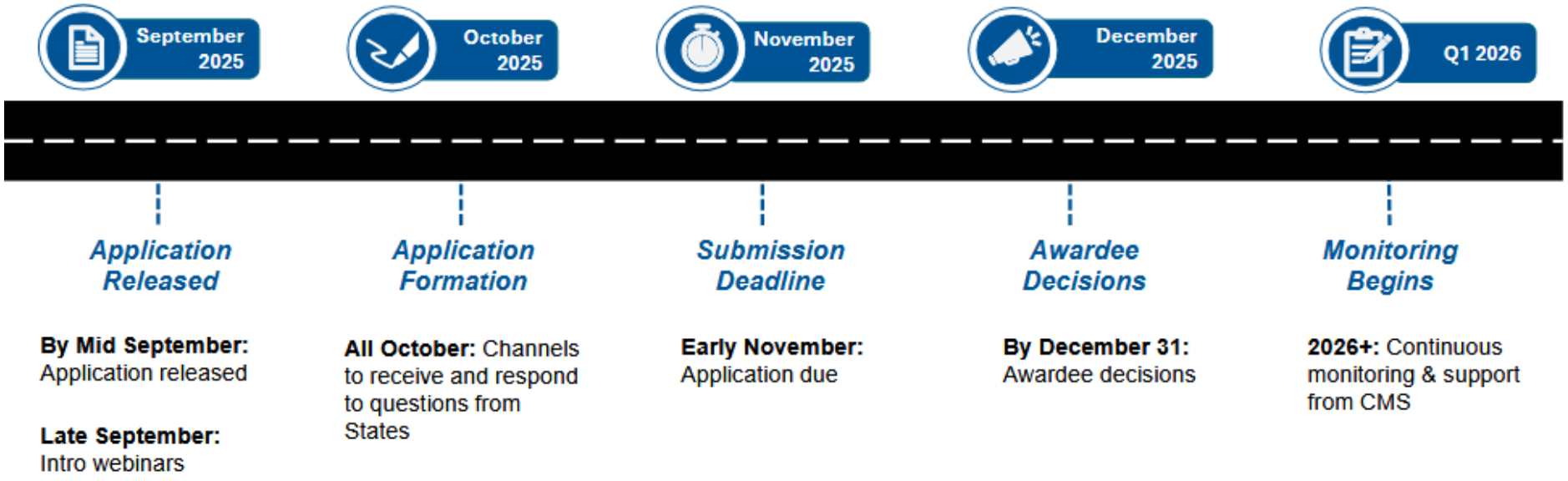
What Is the Expected Timeline?



LHA Engagement:

- **Aug. 20:** Attended Rural Health Transformation Task Force Kick-off Meeting
- **Aug. 21 & Sep. 16:** Held virtual meeting with rural hospital members & LDH representative to discuss scope of work for the Task Force and to request suggestions and feedback for potential inclusion in the state application.
- **Sep. 29:** Held second virtual meeting with LDH and rural hospital leaders.

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State Legislative Update

Medicaid Claims & Third-Party Liability

- **Act 293 by Rep. Annie Spell (R-Lafayette)**
- **Effective June 11, 2025:** Medicaid MCOs strictly prohibited from **"amending, modifying, or changing in any manner a claim submitted by a healthcare provider or adjusting, down-coding, or paying a claim at a lower level of service…"**
- **Effective Aug. 1, 2025:** Medicaid MCOs shall:
  1) Notify LDH within 2 days of verification or knowledge of third-party liability
  2) Be prohibited from denying, pending, or rejecting a claim solely on the basis of third-party liability unless the TPL information is reflected in the Medicaid Eligibility Verification System
  3) Notify providers within 5 days of receipt of any payment from a liable third party.
- Penalty for violation is not less than $25K or if repeated pattern of violations not less than $100K

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Auto Insurance/Tort Reform

Act 466 by Sen. Reese (R-Leesville)

- Amended statutory collateral source rule by removing the ability of courts to award up to 40% of the difference between billed and paid amounts.
- Allowed any party to introduce evidence of the amount billed and amount paid to establish the basis for the award of medical expenses. Previous law only allowed for introduction of billed amounts.

HR 252 by Rep. Bamburg (R-Bossier City)

- Directs the Louisiana Law Institute to study the use of reversionary trusts. Report due to the legislature prior to the beginning of the upcoming session.

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Behavioral Health

Act 417 by Sen. McMath (R-Covington)

- Requires Medicaid to cover Partial Hospitalization Programs at a Medicare equivalent rate.

Act 421 by Sen. Selders (D-Baton Rouge)

- Allows the use of a PEC when a patient is otherwise willing to seek voluntary admission upon arrival at the treating facility.

Act 148 by Rep. Carlson (R-Lafayette)

- Authorized psychologists and medical psychologists to evaluate a patient via telehealth for emergency certificates.

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Minor Consent

HB 400 by Rep. Chenevert (R-Baton Rouge)

- Sought to prohibit any person under the age of 17 to provide medical consent except for limited situations.
- Proposed law would have required a parent, legal guardian, or person acting in loco parentis to provide consent.

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Food Safety

Act 463 by Sen. McMath (R-Covington)

- Prohibits schools beginning in 2028 from serving any food or beverage containing a prohibited ingredient from a list in the legislation.
- Requires food manufacturers to add notices to the food labeling if the product contains any of the prohibited ingredients.
- Requires food service establishments to display on the menu whether the establishment uses seed oils in the preparation of the menu items.
- Requires physicians to obtain one hour of CME every four years related to nutrition.

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Healthcare Providers

Act 65 by Rep. Stagni (R-Kenner)

- Increases the number of physical therapy personnel who can be supervised by a physical therapist from 5 to 6 individuals.

Act 362 by Rep. LaCombe (R-Livonia)

- Strengthens existing law for the advertising using the term “Doctor” or “Dr.” by requiring professionals to display proper licensure in any advertisement.

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Hospitals

Act 77 by Rep. Miller (D-Opelousas)

- Repealed an exception to the hospital licensing law for Level III birthing facilities located in a parish with less than 250,000 from the requirement of having anesthesia services available at all times.

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Insurance

Act 227 by Rep. Freeman (D-New Orleans)

- Requires coverage for integrative cancer treatments, including acupuncture, cryotherapy, and scalp cooling.

Act 190 by Rep. Bayham (R-Chalmette)

- Requires coverage for home visiting services for newborns.

Act 360 by Rep. Dickerson (R-Denham Springs)

- Requires coverage for pediatric acute-onset neuropsychiatric syndrome and related conditions.

Act 367 by Rep. Hilferty (R-Metairie)

- Requires coverage for amino acid-based elemental formulas.

Act 112 by Sen. Pressly (R-Shreveport)

- Requires coverage for proton therapy for cancer patients.

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Maternal Health

Act 437 by Sen. Jackson-Andrews (D-Monroe)

- Requires healthcare providers to test for HIV, syphilis, chlamydia, and gonorrhea at the first prenatal visit.
- Requires the same testing at the time of delivery.
- Requires providers to also screen for substance use disorder during the first trimester.

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Medicaid

Act 196 by Rep. Turner (R-Ruston)

- Expands the use of the Local Provider Participation Program by allowing parishes with fewer than two hospitals to use the program; removes the requirement that the local assessments be uniform; and increases the amount local governments may retain for performing administrative functions.

Act 322 by Sen. Myers (R-Lafayette)

- Expands Medicaid coverage for remote patient monitoring to include pregnant and post-partum patients and infants who have been recently discharged from the NICU.

Act 427 by Sen. Cloud (R-Turkey Creek)

- Makes changes to the processes used by LDH to determine eligibility. Prohibits the state from relying on a federal exchange to determine eligibility.

Act 440 by Sen. Talbot (R-River Ridge)

- Requires LDH to suspend utilization management requirements in Medicaid during a declared emergency.

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Medical Malpractice

Act 342 by Sen. Pressly (R-Shreveport)

- Amends the Medical Malpractice Act to clarify that management companies are covered under the Act.
- Amends definitions to clarify that the law applies to “all acts associated with the medical treatment of an individual, whether directly related to clinical care or performed for in an administrative or managerial capacity necessary for the delivery of such care.”

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Prescription Drugs

Act 464 by Sen. Fesi (R-Houma)

- Authorizes a pharmacist to dispense Ivermectin to any person over the age of 18 pursuant to a standing order issued by the Louisiana Department of Health.

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Tax

Act 339 by Sen. Reese (R-Leesville)

- Clarifies and strengthens existing law that exempts from state and local sales tax prescription drugs paid for by the Medicaid program.

ACT 384 by Rep. Emerson (R-Carencro)

- Strengthens the exemption from the application of sales and use tax “digital products” used for the diagnosis and treatment of a medical condition or for the transmission of storage of healthcare information.

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Legislative Task Forces and Workgroups

- **ACT 267:** Human Trafficking in Emergency Department Task Force
- **ACT 205:** Uterine Fibroids Commission
- **HCR 55:** Health Inequities and Disparities in Rural Areas Task Force
- **HR 338:** Task force to study impact of auto insurance rates when bodily injury claimants seek medical care from out-of-network providers
- **HR 374:** Youth Tobacco and Nicotine Cessation Task Force
- **SR 170:** Task force to study the feasibility of forming an independent review board to assist patients and providers with prior authorizations for cancer related care
- **SR 186:** Task Force on Alternative Therapies for Veterans

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