

Benefits of Medicaid Managed Care to Louisiana

Because the budget predictability, modernization, and the expansion of market-based services delivered through managed care organizations (MCOs) continue to benefit our state and its residents, it's easy to forget the fragmentation, service limitations, antiquated systems, inefficiency, and financial costs that defined the Medicaid program prior to the procurement of managed care organizations.

Saving \$1.15 Billion per Year in Improper Payments

CMS conducts ongoing reviews of improper payments and reports that Medicaid MCOs perform substantially better than fee-for-service at preventing improper paymentsⁱ. In Louisiana, \$9 billion in Medicaid spending is administered by managed care organizations,ⁱⁱ with Louisiana avoiding an estimated \$1.15 billion per year in improper payments, compared to spending administered under a fee-for-service model.

Improper Payments Rate:

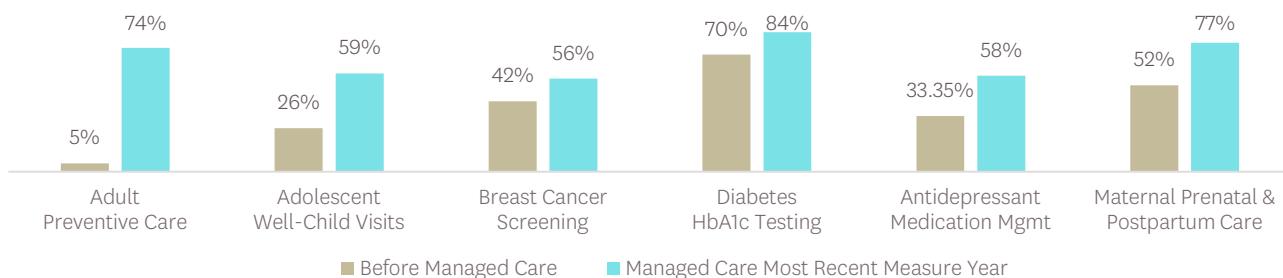
**PREVIOUS
Fee-for-Service Model
12.8%**

**CURRENT
MCO Model
0.05%**

Improper payments are payments that were made in error or should not have been made at all, including overpayments, payments made to ineligible beneficiaries, and duplicate payments.

Improving Access and Quality Measures

Health coverage is just one factor among many that influences a population's health, and many of the measures on which Medicaid has focused have significantly improved under managed care organizations.^{iii iv}



Expanding Core Coverage and Adding Benefits for Members

Through MCOs, the coverage, benefits, and programs provided to members greatly expanded. Over 90% of children and 75% of adults on Medicaid have an ambulatory or preventive care visit each year, further reducing costs associated with chronic or unmet health needs.

Louisiana Medicaid before Managed Care

- Limited to 12 doctor visits per year
- No Medicaid Case Management
- Crowded state-run charity hospital system
- 90-days claims payment period for providers
- No support for social drivers of health
- No health engagement / incentives

With Managed Care

- As many doctor visits as needed
- 25,700+ members receive case mgmt. services^v
- 30-day claims payment period for providers
- Tens of millions of dollars in expanded benefits provided at no cost to the state (e.g. adult hearing, dental, and vision; circumcision; etc.)
- Integrated, community-based support services
- Extensive health engagements and incentives

Other Managed Care Benefits to Louisiana

- MCO flexibility to develop innovative payment models with providers to improve quality outcomes
- Tens of millions of dollars of investment by MCOs in health care providers to create and expand access to care
- Tens of millions of dollars of investment by MCOs in community programs to improve health
- Saving additional direct costs to the state for technology systems and staffing
- Personal enrollee engagement in health – over 85% of members have chosen their health plan

Louisiana Healthcare Connections

The work of engaging members and investing in providers to improve health and wellness can never be completed – we will always strive to achieve more and better for those entrusted to our care.

470,389

Doctor
Visits

148,987

Cancer
Screenings

356,875

Behavioral
Health Visits

166,289

Addiction
Treatments

33,923

In-Network
Providers

518,237

Flu Shots and
Immunizations

258,315

Rides to
Health Services

58,783

Members Offered
Case Mgmt.

56,920

Identified Social Driver
of Health Needs

\$1.3 Billion

Economic Impact for Louisiana
(2012 – 2023)

\$316 million

Differentiated Impact Over Other
MCOs Due to Higher Ratio of
In-State Employees

673

Local Jobs across All
Regions of Louisiana

vi vii viii

ⁱ CM.S Payment Error Rate Measurement Program, Rolling National Medicaid Improper Payment Rates, average of 2019-2023 rates.

ⁱⁱ LDH, Medicaid Annual Report 2022 (most recent available), Figure 5: Expenditures by Budget Categories of Service.

ⁱⁱⁱ LDH, Medicaid Managed Care Quality Dashboard.

^{iv} LDH, "Making Medicaid Better Quick Facts," 2010, accessed via the Internet Archive.

^v LDH, Act 710 Healthy Louisiana Claims Reports, 2022 Q4 – 2023 Q3 (most recent 12-month period available), Exhibit V1 – total of individuals receiving CM services.

^{vi} Internal data on services to Louisiana Healthcare Connections members, July 1, 2022 – June 30, 2023.

^{vii} LDH, Medicaid Managed Care Transparency Report SFY 2022 (most recent available), Table 4.1. Unduplicated Count of Contracted Providers.

^{viii} Baton Rouge Area Chamber, Economic Impact Analysis of Louisiana Healthcare Connections, 2023.