



State of Louisiana
Louisiana Department of Health
Office of the Secretary

July 22, 2016

Jay Dardenne, Commissioner
Division of Administration
PO Box 94095
Baton Rouge, LA 70804

Dear Commissioner Dardenne:

Per House Concurrent Resolution 25 of the 2016 Regular Legislative Session outlined below are the Louisiana Department of Health initiatives for efficient operations implemented for fiscal year 2016-2017 and beyond. These initiatives include efficiencies from the LDH Agencies as well as the Human Service Districts and Authorities. They are as follows:

- **Pediatric Day Health Care Centers (PDHC):** Effective September, 2016 the Department will implement changes to the PDHC program to better align the program with the Department's intent for these services. It previously added PDHCs to the Facility Need Review Program to ensure that the services delivered are appropriate for the population they were designed to meet the needs of. Prospectively, it will comply with State law which imposes a one-year moratorium on new PDHC provider enrollment.
- **Program Integrity Reorganization:** Reorganization of the existing Program Integrity structure to focus on Managed Care, and to enable a more aggressive pursuit of fraud, waste and abuse in the Medicaid Program. This reorganization will include Recovery Audit Contractor activities within the Medicaid Management Information Systems (MMIS) third-party liability contract in order to reduce the overall number of contracts, and reduce opportunity for duplicative efforts.
- **Electronic Visit Verification (EVV) expansion:** EVV was successfully implemented for HCBS direct care services delivered outside of the home in March, 2016. These include the center-based, vocational and transportation services. The web-based EVV solution for these services is accessed and utilized from any device that is able to access the internet including PCs, smart phones and tablets of all types and carriers. This solution allows us to detect when two providers claim to provide services to the same client at the same time. In FY17,

the Department intends to seek approval through the Office of State Procurement to expand EVV to the remaining services which are in home Personal Care Assistant services through the current prior authorization data contractor, Statistical Resources, Inc. Program Office monitoring of HCBS services includes data-mining, field monitoring, and policy changes that have resulted in reduced provider-driven applications for services; improved accuracy of the assessments on which program eligibility and resource allocation decisions are based; and resulted in over 300 referrals to the state's Attorney General Medicaid Fraud Control Unit and to Medicaid Program Integrity for potential fraud.

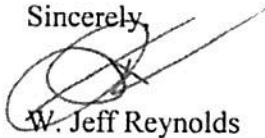
- **Single Point of Entry for Clinical Reviews/Inquiries for Medicaid Programs/Services:** A single point of entry exists for providers and vendors to request that Louisiana Medicaid consider coverage of a new service, technology or other benefit. Services that are experimental, non-FDA approved, investigational or cosmetic will not be considered for coverage. Medicaid Clinical Policy Staff are not conducting extensive research but conducting a review of relevant evidence-based literature, free from industry sponsorship (publications, bibliography or other documents). The burden of proof falls on the vendor or provider making the request. Once the request for consideration form, including supporting documents are received, the Medicaid Medical Director should have a complete packet of necessary documentation to make an informed decision based on current industry standards.
- **Medicaid Systems Modernization:** To meet federal mandates for a modular approach to Medicaid Management Information Systems (MMIS), the agency has reallocated existing employees to the design, development, and implementation of updated MMIS functionality. This reallocation of resources achieved project staffing without an increase in total expenditures and with State funds savings by leveraging a 90/10 match rate rather than the regular 50/50.
- **LDH Fiscal Division Reorganization:** The accounts payable unit in the New Orleans Office was reorganized to yield a more cost effective efficient operation. This reorganization eliminated accounts payable activities in the New Orleans office, several positions were eliminated, and critical duties were absorbed in the Baton Rouge office by current staff.
- **Office of Adult and Aging Services (OAAS), Adult Protective Services Division (APS) Facility Section Review:** OAAS is assessing the operations of this section to include an evaluation of current policies and procedures, investigation timeliness, quality, and staff productivity to identify opportunities for improvement. One measure being considered is the utilization of the APS Centralized Intake System and on-call services to handle abuse reports in LDH operated facilities. This would eliminate over-time costs for facility specialists who currently perform intake and on-call services after regular business hours.

Another recommendation is to redefine investigation response times for facility investigations to eliminate overtime costs associated with after-hours investigations. Both recommendations will eliminate a significant number of hours of staff over-time/compensatory earned which limits the agency's future liability.

- **Pharmacy Service Review:** Savings related to Pharmacy Services will be realized through a combination of efforts by OPH, OBH, and several of the local governing entities (JPHSA, FPHSA, MHSD, and SCHSA). Medicaid expansion will allow for some pharmacy expenses to be billed to Medicaid which will relieve the reliance on SGF. In addition, the privatization of some pharmacy services, efforts to ensure that prescribing patterns reflect the least costly effective medications, and utilizing pharmacy assistance programs to increase the availability of sample medication will yield savings to the state.
- **Enhanced Utilization of Technology:** LDH agencies as well as all Human Service Districts have identified that an increased reliance on technology will produce efficiencies by decreasing routine travel when face to face meetings are not required, reducing printed material when electronic documents can be substituted, and utilizing online job postings to decrease advertising expense.
- **Administrative Function Efficiencies:** LDH Office of the Secretary, other LDH agencies, as well as Local Governing Entities (JPHSA, MHSD, AAHD, and NLHSA) have identified a more cost effective delivery of Administrative Services. Some of these initiatives include downsizing the number of copiers in units, reducing the reliance on multiple equipment rentals when multi-function equipment can be substituted, eliminating telecommunication services that are duplicative or non-critical, reducing offsite document storage, downsizing fleet, and conversion of lighting to more cost efficient alternatives.
- **Contract Efficiencies:** Throughout the 2016 Legislative Session LDH agencies as well as the Local Governing Entities conducted a thorough review and assessment of contracts. The entire department was able to realize contract efficiencies through these efforts. The Office of Behavioral Health moved the administrative management of behavioral health services in-house rather than relying on external contracts. OCDD was able to discontinue three psychiatric contracts due to behavioral health integration and a Dental Hygiene and support contract reduction was possible due to dental services being available through Healthy Louisiana plans. Other LDH agencies, LERN, and several Local Governing Entities (JPHSA, CAHSD, MHSD, SCHSA, NEDHSA, and NLHSD) eliminated contracts that were duplicative in nature or that no longer met the needs of the department. The renegotiation and right sizing of many contracts has yielded professional and social service contracts that are more cost efficient and effective.

- Personnel and Facility Restructure: A review of personnel and facility needs was conducted resulting in a more efficient utilization of human and capital resources for all LDH Agencies. Several Local Governing Entities (ICHSA, NLHSA, CLHSA and MHSD) have retooled duties of some positions to facilitate a more productive and efficient delivery of service. Personnel and facility restructuring efforts eliminated the need to fill some of the vacancies throughout the LDH. In some instances, this restructuring resulted in licensed professionals having more available hours to perform needed services that are billable in nature. In addition, the consolidation of personnel into centralized facilities where possible has decreased rent and the associated expenditures of maintaining and operating facilities at multiple locations.

Sincerely



W. Jeff Reynolds
Undersecretary

Cc: Patrick Goldsmith, House Fiscal Division
Sherri Hymel, Senate Finance Committee
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Task force on Structural Changes Budget and Tax Policy