



# Medicaid Managed Care Organization Contract Extension Request

## JLCB – November 2025

### LDH LEGISLATIVE FACT SHEET

#### Overview

- LDH is requesting to extend its existing contracts with the six Healthy Louisiana Managed Care Organizations (MCOs) for an additional 12 months (1/1/26 through 12/31/26).
  1. Aetna Better Health of Louisiana
  2. AmeriHealth Caritas Louisiana
  3. Healthy Blue
  4. Humana Healthy Horizons in Louisiana
  5. Louisiana Healthcare Connections
  6. UnitedHealthcare Community Plan
- This will utilize part of the two-year extension period built into the existing MCO contracts; the Department is currently in year three of the original contract term.
- Ensures continued coverage for approximately 1.5 million Medicaid enrollees statewide.

#### Background

- Managed care has allowed LDH to expand access to primary and preventive care, behavioral health integration, and care coordination.
- It has also supported initiatives such as reducing early elective deliveries and increasing prenatal visit adherence, opioid response, and chronic disease management.
- 2019–2022: LDH rebid the managed care contracts through a competitive procurement process. Contracts were awarded to six MCOs beginning January 1, 2023, marking the current procurement cycle.
- 2025: LDH is preparing for the next generation of managed care contracts, focusing on value, transparency, and improved health outcomes.

#### Impact

- LDH is not operating under a “business as usual” approach.
- The Department’s goal is to deliver a better, more responsive and a more accountable managed care program that better serves Louisiana’s citizen and providers.
- The extension period allows LDH to strengthen contract design and increase transparency/accountability, which ultimately helps improve health outcomes.
- Changes to the MCO contracts, effective January 1, 2026 aim to:
  - Enhance care coordination and member engagement
  - Strengthen behavioral health parity and oversight
  - Expand population health and chronic disease focus
  - Improve administrative clarity and provider relations
  - Modernize clinical and case management standards
  - Reinforce transparency, accountability, and quality improvement



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#### Detail of Contract Extension Changes (Amendment 12)

##### 1. Improved Clarity and Definitions

- Expanded and clarified definitions of Care Coordination, Care Management, Case Management, and Case Manager — adds specific outreach methods (e.g., text, email, telephonic contact) and integrates social determinants of health (SDOH).
- Updated definition of Enrollees with Special Health Care Needs (SHCN) to include broader, person-centered language that reflects functional, behavioral, and social needs.

##### 2. Enhanced Mental Health Parity Oversight

- Strengthened requirements for Mental Health Parity compliance (42 CFR Part 438, Subpart K).

##### 3. Modernized Population Health Priorities

- Expanded list of population health focus areas to include obesity, asthma, COPD, sickle cell disease, and cancer.

##### 4. Strengthened Case Management and Care Integration

- Major restructuring of Section 2.7 (Care Management) to:
  - Clarify timelines for health needs assessments and case management assessments.
  - Use standardized tools approved by LDH.
  - Require in-person plan-of-care development and regular updates.
- Added clearer expectations for transitional case management (e.g., post-discharge follow-up within 7 days, housing coordination).

##### 5. Expanded Flexibility and Member Support

- New flexibility for MCOs to contact recently disenrolled members (within 60 days) to assist with re-enrollment or coverage transitions.

##### 6. Administrative and Oversight Improvements

- Adjusted timelines (e.g., performance review submissions extended from 2 to 5 business days) for feasibility and quality.
- Clarified newborn enrollment and disenrollment procedures to prevent retroactive adjustments and provider payment confusion.  
Refined Value-Added Benefits (VAB) submission timelines.
- Requires the establishment of a Gold Card Program to recognize and incentivize high-performing providers who demonstrate consistent quality of care, compliance with clinical guidelines, and efficiency in service delivery.



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## 7. Focus on Quality and Outcomes

- Updated withhold portion of the Contractor’s monthly Capitation Payments to incentivize quality and health outcomes from 2% to 3%.

## 8. Program Integrity and Compliance

- Updated fraud definition to reference Louisiana’s Medical Assistance Programs Integrity Law and the federal False Claims Act.
- Updates the length of time allowed for MCOs to complete an audit from 10 months to one year
- Removes the 5-year lookback limitation on LDH provider audits.
- Provides clarification regarding:
  - The False Claims Act and MAPIL law including applicable monetary penalties;
  - 42 CFR 438.608 updated reporting frequency,
  - Expectations on compliance with existing language to withhold payments when providers fail to respond to record requests; and
  - Expectations on seeking approval to extrapolate provider overpayments.

## 9. Behavioral Health

- Compliance with the ASAM 4th Edition standards,
- Removes the Specialty Care provider type to improve tracking and GeoAccess mapping.
- Licensed Mental Health Specialists and other provider types added due to behavioral health workforce expansion efforts consistent with the Behavioral Health Services Provider Manual.
- Distance standards consolidated.
- Behavioral Health Rehab Provider Agency type being eliminated, as it is outdated; all MHRs now fall under the Mental Health Rehabilitation Agency category.
- Adjustments made to the claim submission requirements and the distance threshold from enrollees’ residences to network providers to a more realistic standard.

## **Partnering for Progress in Medicaid Managed Care**

- LDH truly appreciates the feedback and engagement of legislators in helping to shape the future direction of the Medicaid managed care program.
- The Department continues to reach out to legislative members, providers, and stakeholders to schedule meetings and gather additional feedback and suggestions on how to improve the program and shape the next procurement.
- This ongoing collaboration reflects LDH’s commitment to transparency and partnership throughout both the current extension and the upcoming procurement process.



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## **SFY 25 Statewide Average PMPM payment:**

- MCO Capitation Rate = \$ 513.76
- Directed Payments = \$ 227.57
- Total Expected Payment PMPM = \$ 741.33

## **SFY 26 Statewide Average PMPM payment:**

- MCO Capitation Rate = \$ 562.98
- Directed Payments = \$ 320.94
- Total Expected Payment PMPM = \$ 883.92

## **SFY 26 Key Capitation Rate Updates:**

- 3.7% - Increased Medical and Pharmacy Trend related to higher claim costs
- 2.2% - Senate Bill 190 – Increasing rates to 85% of Medicare
- 0.9% - Increased acuity resulting from Medicaid disenrollments related to the expiration of the continuous eligibility provision

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**Fiscal Responsibility**

- The extension supports efficient use of Medicaid funds while ensuring program stability and continuity of services.

Managed Care Organization	12 month extension (projections)	PMPMs	Directed Payments	MCIP	Current Membership	Percentage of Membership
Aetna Better Health of Louisiana	\$1,898,869,809	\$1,154,410,156	\$654,037,281	\$90,422,372	165,163	12%
AmeriHealth Caritas Louisiana	\$1,889,246,301	\$1,148,559,584	\$650,722,608	\$89,964,109	155,884	11%
Healthy Blue	\$3,335,252,821	\$2,027,653,350	\$1,148,777,908	\$158,821,563	260,167	18%
Humana Health Horizons in Louisiana	\$1,077,923,310	\$655,319,080	\$371,274,549	\$51,329,681	119,690	8%
Louisiana Healthcare Connections	\$4,626,670,059	\$2,812,765,193	\$1,593,587,244	\$220,317,622	376,817	26%
United Healthcare Community Plan	\$4,205,634,244	\$2,556,798,187	\$1,448,567,760	\$200,268,297	344,614	24%
Total	\$17,033,596,544	\$10,355,505,550	\$5,866,967,350	\$811,123,644	1,422,335	100%

**Link to LDH's website for the original contracts and previously adopted amendments to the contracts:**

[https://ldh.la.gov/resources?  
cat=0&d=0&y=0&s=0&q=Executed%  
20Contracts&pn=1](https://ldh.la.gov/resources?cat=0&d=0&y=0&s=0&q=Executed%20Contracts&pn=1)