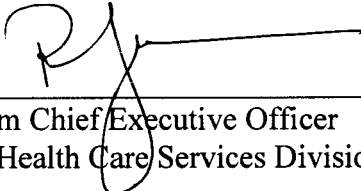
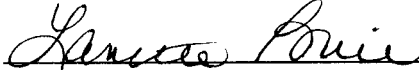


**LOUISIANA STATE UNIVERSITY HEALTH CARE SERVICES DIVISION  
BATON ROUGE, LOUISIANA**

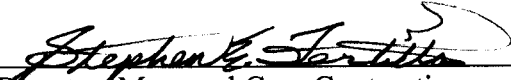
POLICY NUMBER: 6509-11  
CATEGORY: Other Hospital / Patient-Related Activity  
CONTENT: Managed Care Rate Agreements  
EFFECTIVE DATE: Issued: April 23, 1999  
Reviewed: August 14, 2008  
Reviewed: September 28, 2010  
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INQUIRIES TO: Managed Care Contracting  
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\_\_\_\_\_  
Interim Chief Executive Officer  
LSU Health Care Services Division

1.3.12  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Deputy Chief Executive Officer  
LSU Health Care Services Division

12/21/2011  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Director, Managed Care Contracting  
LSU Health Care Services Division

Dec. 19, 2011  
\_\_\_\_\_  
Date

Issued: April 23, 1999  
Reviewed: August 14, 2008  
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## **POLICY ON MANAGED CARE RATE AGREEMENTS**

### ***Introduction and Purpose***

The Louisiana State University Health Care Services Division encourages the development of managed care agreements with private payers as a means to assure collection of revenues from patients who have this form of coverage. While the principal mission of the hospital system has been and will remain to provide access to care for those without insurance coverage, LSU Health Care Services Division hospitals historically, and following an express legislative mandate, have provided care to a relatively small percentage of paying patients. Because of the evolution in forms of third party coverage, it is imperative the hospitals be prepared to accept payment under those forms of health coverage prevalent in the population, and to maximize collections from payers.

### ***Negotiation of Agreements***

Except as specifically delegated on a case by case basis, the Managed Care section of the LSU Health Care Services Division will be the principal party responsible for directing the negotiation of all managed care rate agreements for the HCSD facilities. The Managed Care section shall keep hospital administrators apprised of the substance of ongoing negotiations to the extent the administrator wishes. In the case of agreements specific to a single facility, the administrator may wish to participate more actively in the development of an agreement, and the Managed Care section shall facilitate this participation.

Administrators who become aware of the opportunity to develop a managed care agreement should immediately refer any potential contracting entity to the LSU HCSD Managed Care Contracting section.

Staff of the Managed Care Contracting section and each facility should work together to analyze existing and potential agreements and consider the financial impact of agreement terms. The agreed upon reimbursement rates must cover the costs of providing the services.

### ***Authority to Sign Managed Care Agreements***

All system level or multi-hospital managed care agreements shall be signed by the Director of Managed Care Contracting and the LSU HCSD Chief Executive Officer or designee. Agreements specific to a single facility shall also be signed by the Administrator, in addition to the Director of Managed Care Contracting and the LSU HCSD Chief Executive Officer or designee.

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### ***Monitoring the Performance of Managed Care Agreements***

After the execution of any managed care agreements covering a facility, it shall be each hospital's responsibility to monitor and review the performance and utilization of the agreement, including but not limited to, the extent to which reimbursement received is consistent with the terms of the agreement, the existence of any conditions that may cause reduced or denied payments, and any other issues or problems that might bear upon the renegotiation of the agreement. It will be the responsibility of the Managed Care Contracting section to assist in such monitoring and analysis of performance under the agreement, as necessary.

Each facility shall monitor the renewal date of the agreements that pertain to that facility alone. System level or multi-hospital agreement renewal dates should be monitored by the Managed Care Contracting section.

### ***Exceptions***

Any exception to this policy must be approved by the Chief Executive Officer of the HCSD. Requests for exception shall be submitted to the HCSD Director of Managed Care Contracting for review and forwarding to the CEO.

### ***Implementation***

This policy and subsequent revisions to the policy shall become effective upon approval signature and date of the HCSD Chief Executive Officer.