

# ACT No. 743

2024 Regular Session

HOUSE BILL NO. 868

BY REPRESENTATIVE EGAN

1 AN ACT

2 To enact R.S. 40:2115.1, relative to standards for psychiatric hospitals and residential  
3 substance abuse facilities; to provide for a legislative declaration; to improve  
4 standards of quality; to require a review by the Louisiana Department of Health of  
5 current standards for psychiatric hospitals and residential substance abuse facilities;  
6 to provide for definitions; to require the submission of a report to the legislative  
7 committees on health and welfare; to require the department to review value-based  
8 financial incentives for certain psychiatric hospitals; to require a report of findings  
9 and recommendations; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 40:2115.1 is hereby enacted to read as follows:

12 §2115.1. Review of standards for licensed psychiatric hospitals and residential  
13 substance abuse facilities

14 A. The legislature hereby declares that promoting efficiency and productivity  
15 of psychiatric hospitals and residential substance abuse facilities within the  
16 healthcare system is vital to the improvement and overall welfare of the residents in  
17 this state.

18 B. The Louisiana Department of Health shall:

19 (1) Evaluate the current standards for psychiatric hospitals and residential  
20 substance abuse facilities and make recommendations to the legislature for new or  
21 revised standards to improve health outcomes and to provide for increased  
22 accountability.

23 (2) Explore potential value-based financial incentives for Medicaid-enrolled  
24 psychiatric hospitals that sustain or exceed quality of care criteria.

25 (3) Conduct a review and evaluation of the standards for psychiatric hospitals  
26 and residential substance abuse facilities in this state and submit a report of its  
27 findings to the House and Senate committees on health and welfare. The report shall

1           contain recommendations for new or revised standards to improve health outcomes  
2           and provide increased accountability, and also an evaluation and recommendations  
3           of accreditation requirements for psychiatric hospitals and residential substance  
4           abuse facilities in this state.

5                   (4) Explore potential value-based financial incentives for Medicaid-enrolled  
6           psychiatric hospitals that sustain or exceed quality of care criteria. Data,  
7           information, and recommendations on such potential value-based financial incentives  
8           and quality of care criteria shall be included in the report required by Paragraph (3)  
9           of this Subsection.

10                   C. The department may consult with any agency, department, board,  
11           commission, accreditation organization, or other healthcare group or association to  
12           conduct its review and evaluation and for preparation of its report.

13                   D. For purposes of this Section, the following definitions shall apply:

14                   (1) "Department" means the Louisiana Department of Health.

15                   (2) "Psychiatric hospital" means any freestanding inpatient psychiatric  
16           hospital licensed by the department.

17                   (3) "Residential substance abuse facility" means any licensed behavioral  
18           health service provider with a residential substance use disorder treatment facility  
19           module.

20                   E. The department shall submit the report required by this Section on or  
21           before March 31, 2025, and upon submission of the report this Section shall  
22           terminate.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.