

Medicaid Purchase Plan

Response to Act 207 of the 2003 Regular Session

State Fiscal Year 2026

Prepared by:

Louisiana Department of Health

Bureau of Health Services Financing

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Executive Summary

Act 207 (Senate Bill 305 of the 2003 Regular Session) requires the Louisiana Department of Health (LDH) to submit specific information semiannually about the Medicaid buy-in program, also known as the Medicaid Purchase Plan (MPP), to the Joint Legislative Committee on the Budget and the House and Senate Health and Welfare committees. This report includes the current status of MPP, the total estimated annual gross income of program participants, taxes paid by participants, and any suggestions for expanding coverage. Revised Statute 24:772 also mandates that the report be sent to the Senate President and the House Speaker.

This report covers data from July 1, 2025, to December 31, 2025, representing the first half of state fiscal year (SFY) 2026.

Program Overview

The MPP is an optional Medicaid program that offers healthcare coverage for employed individuals with disabilities who meet specific income criteria. Launched in January 2004, MPP provides comprehensive medical services, including prescription drugs, hospital stays, doctor visits, medical equipment and supplies, transportation to medical appointments, and other healthcare services. The costs for these services to members, which cover fee-for-service charges and capitation payments to managed care organizations (MCO), totaled \$56,623,292 for the first half of SFY 2026. Since its inception, the program has served 33,589 people. During the first six months of SFY 2026, the MPP provided benefits for 3,734 individuals.

To comply with Senate Concurrent Resolution 17 of the 2024 Regular Legislative Session, the Department raised the income limit from 100% to 200% of the federal poverty level (FPL) on July 13, 2025. It required premiums for workers earning above 150% of FPL. Additionally, the resource limit was increased from \$10,000 to \$25,000.

Positive Impact of MPP

Increased earnings strengthen Louisiana’s economy by boosting purchasing power. MPP enrollees are taxpayers with an estimated total gross annual income of \$75,303,202 for SFY 2026. They contribute approximately \$2,678,643 in federal taxes, \$5,760,695 in FICA taxes—covering Social Security and Medicare—and about \$1,413,735 yearly in state taxes. This income estimate is based on members' pay stubs and system checks with the Louisiana Department of Revenue. Tax figures are calculated using the 2025 federal and Louisiana state income tax tables.

The Department recognizes that work is an essential part of adult life for people with and without disabilities. The MPP plays a crucial role in supporting individuals with disabilities as they strive for self-sufficiency.

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