



State of Louisiana
Department of Health and Hospitals
Bureau of Health Services Financing

September 4, 2012

The Honorable John A. Alario, Jr., President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Charles E. Kleckly, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

The Honorable James R. Fannin, Chairman
House Appropriations Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

The Honorable Jack Donahue, Chairman
Senate Finance Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Scott M. Simon, Chairman
House Health and Welfare Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

The Honorable David Heitmeier, Chairman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Dear President Alario, Speaker Kleckley, and Honorable Chairs:

Senate Bill No. 305 of the 2003 Regular Session requires that the Department of Health and Hospitals (DHH) submit certain information on a semi-annual basis regarding the Medicaid buy-in program, the Medicaid Purchase Plan (MPP), to the Joint Legislative Committee on the Budget and to the House and Senate health and welfare committees. The report is to include the status of MPP, the estimated value of the state, federal, and FICA taxes paid by the program's participants, and any recommendations for expanding coverage in the program. La-R.S. 24:772 also requires that the report be submitted to the President of the Senate and to the Speaker of the House.

The last report submitted to the legislature on January 17, 2012, contained data from the first half of SFY 12. Please accept this update that contains data for the entire SFY 12.

Program Overview

The Medicaid Purchase Plan (MPP) is an optional Medicaid program that provides health care coverage to individuals with disabilities who are employed and meet specific income requirements. MPP was implemented in January 2004 and it provides full medical coverage that includes prescription drugs, hospital care, doctor services, medical equipment and supplies, and medical

transportation. Since the inception of MPP, 6,803 individuals have been enrolled in the program. Enrollment as of June 30, 2012 was 2,306.

Informing Louisiana citizens of the existence of MPP is a priority of DHH and partner agencies. DHH accomplishes this through job fairs specifically targeted to people with disabilities, partnering with government agencies such as the Louisiana Workforce Commission and Louisiana Economic Development, community-based organizations, medical providers and employers. DHH attends community events to promote the availability and benefits of the program. In SFY 12, over 4,700 MPP applications were given out across the state at schools and universities, businesses, other government agencies, and job and health fairs.

Positive Impact of MPP

In addition to the buying power that employed individuals bring to Louisiana's economy, many enrollees are paying premiums that help to offset the cost of the program. In SFY 12, \$200,830 in premiums were paid to DHH for enrollment in MPP. The enrollees are tax paying citizens who contributed \$3,249,749 in federal taxes (includes FICA and federal income tax) and \$543,298 in state taxes during SFY 12.

DHH recognizes that work is a fundamental part of adult life for people with and without disabilities. The MPP is an essential component of supporting individuals with disabilities as they strive to become self-sufficient.

Thank you for allowing us the opportunity to present information regarding the MPP. Ms. Lesli Boudreaux with the Bureau of Health Services Financing/Medical Vendor Administration (Medicaid) is available to discuss this letter with you should you have any questions or comments. Please contact Ms. Boudreaux at (225) 219-1783 with any questions or comments you may have.

Sincerely,


Jerry Phillips
Undersecretary

Cc: The Honorable Members of the House Health and Welfare Committee
The Honorable Members of the Senate Health and Welfare Committee
The Honorable Members of the Joint Legislative Committee on the Budget
David R. Poynter Legislative Research Library