



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

January 13, 2015

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. Kleckley, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

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

The Honorable Jack Donahue, Chairman
Louisiana State Senate
Senate Finance Committee
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. Revised Statute 24:772 also requires that the report be submitted to the President of the Senate and to the Speaker of the House.

Please accept this update that contains data for the first half of SFY 15.

Program Overview

The Medicaid Purchase Plan 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 provides full medical coverage that includes prescription drugs,

hospital care, doctor services, medical equipment and supplies, and medical transportation. Since the inception of MPP, 8,704 individuals have been enrolled in the program. Enrollment as of January 8, 2015 was 841.

Positive Impact of MPP

With increased earnings comes increased buying power to Louisiana's economy. MPP enrollees are tax paying citizens who contributed \$182,601 in federal taxes (includes FICA and federal income tax) and \$21,441 in state taxes thus far in SFY 15.

The Department recognizes that work is a fundamental part of adult life for people with and without disabilities. The Medicaid Purchase Plan 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 MPP. Mr. Edward Fowler 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. You may contact Mr. Fowler at (225) 342-7242 or by email to Edward.Fowler@la.gov.

Sincerely,



W. Jeff Reynolds
Undersecretary

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