

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

State of Louisiana
Department of Health and Hospitals
Office of the Secretary

April 20, 2010

The Honorable Joel T. Chaisson, II, President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Dear President Chaisson:

In response to Senate Bill No. 305 (SB 305) of the 2003 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to submit certain information regarding the Medicaid Buy-In Program to the legislature, including the status of the buy-in program, a report relative to the estimated value of the state, federal and FICA taxes paid by the participants in the buy-in program, and any recommendations for expanding coverage in the buy-in program.

DHH is available to discuss the enclosed report and recommendations with you at your convenience. Please contact Mr. Don Gregory, interim director of the bureau of health services financing (Medicaid), at (225) 342-3891 with any questions or comments you may have.

Sincerely,

Alan Levine
Secretary

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

State of Louisiana
Department of Health and Hospitals
Office of the Secretary

April 20, 2010

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

Dear Speaker Tucker:

In response to Senate Bill No. 305 (SB 305) of the 2003 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to submit certain information regarding the Medicaid Buy-In Program to the legislature, including the status of the buy-in program, a report relative to the estimated value of the state, federal and FICA taxes paid by the participants in the buy-in program, and any recommendations for expanding coverage in the buy-in program.

DHH is available to discuss the enclosed report and recommendations with you at your convenience. Please contact Mr. Don Gregory, interim director of the bureau of health services financing (Medicaid), at (225) 342-3891 with any questions or comments you may have.

Sincerely,

Alan Levine
Secretary

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

State of Louisiana
Department of Health and Hospitals
Office of the Secretary

April 20, 2010

The Honorable James R. "Jim" Fannin, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

Dear Chairman Fannin:

In response to Senate Bill No. 305 (SB 305) of the 2003 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to submit certain information regarding the Medicaid Buy-In Program to the legislature, including the status of the buy-in program, a report relative to the estimated value of the state, federal and FICA taxes paid by the participants in the buy-in program, and any recommendations for expanding coverage in the buy-in program.

DHH is available to discuss the enclosed report and recommendations with you and the members of the Joint Legislative Committee on the Budget. Please contact Mr. Don Gregory, interim director of the bureau of health services financing (Medicaid), at (225) 342-3891 with any questions or comments you may have.

Sincerely,

Alan Levine
Secretary

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

State of Louisiana
Department of Health and Hospitals
Office of the Secretary

April 20, 2010

The Honorable Willie L. Mount, Chairwoman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Dear Chairwoman Mount:

In response to Senate Bill No. 305 (SB 305) of the 2003 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to submit certain information regarding the Medicaid Buy-In Program to the legislature, including the status of the buy-in program, a report relative to the estimated value of the state, federal and FICA taxes paid by the participants in the buy-in program, and any recommendations for expanding coverage in the buy-in program.

DHH is available to discuss the enclosed report and recommendations with you and the members of the Senate Health and Welfare Committee. Please contact Mr. Don Gregory, interim director of the bureau of health services financing (Medicaid), at (225) 342-3891 with any questions or comments you may have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alan Levine".

Alan Levine
Secretary

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

State of Louisiana
Department of Health and Hospitals
Office of the Secretary

April 20, 2010

The Honorable Kay Katz, Chairwoman
House Health and Welfare Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

Dear Chairwoman Katz:

In response to Senate Bill No. 305 (SB 305) of the 2003 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The bill requires DHH to submit certain information regarding the Medicaid Buy-In Program to the legislature, including the status of the buy-in program, a report relative to the estimated value of the state, federal and FICA taxes paid by the participants in the buy-in program, and any recommendations for expanding coverage in the buy-in program.

DHH is available to discuss the enclosed report and recommendations with you and the members of the House Health and Welfare Committee. Please contact Mr. Don Gregory, interim director of the bureau of health services financing (Medicaid), at (225) 342-3891 with any questions or comments you may have.

Sincerely,

Alan Levine
Secretary

DEPARTMENT OF HEALTH AND HOSPITALS

MEDICAID PURCHASE PLAN

REPORT PREPARED IN RESPONSE TO SB 305
OF THE 2003 REGULAR SESSION

APRIL 2010

Contact:

Louisiana Department of Health and Hospitals
Don Gregory
Medicaid Director
628 N. 4th Street, Baton Rouge, LA 70821
225-342-3891
Don.Gregory @la.gov

EXECUTIVE SUMMARY

The Medicaid Purchase Plan (MPP) is an optional Medicaid program that provides health care coverage to individuals with disabilities who are employed. This new eligibility category was authorized by the federal Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA). The purpose of TWWIIA is to assist Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) beneficiaries who are disabled or blind with finding, entering and retaining self-supporting employment. Expanded employment opportunities for these individuals have been shown to increase the likelihood that they will reduce or eliminate their dependency on Social Security benefits.

After receiving approval from the Louisiana legislature to expand coverage to this group of residents in 2002, Louisiana was part of the second phase of TWWIIA implementation. The MPP provides full medical coverage that includes prescription drugs, hospital care, doctor services, medical equipment and supplies, and medical transportation. Since the inception of the MPP, 3,639 residents have been enrolled in the program.

This report is being submitted pursuant to LA-R.S. 40:1299.78.5, which provides that, beginning January 1, 2004, and semiannually thereafter and not later than 60 days prior to the start of Regular Legislative Session, the Department shall submit a report to the Joint Legislative Committee on the Budget and to the Senate Committee on Health and Welfare and the House Committee on Health and Welfare.

REPORT TO THE LEGISLATURE

PROGRAM OVERVIEW

The Medicaid Purchase Plan (MPP) provides health care coverage for persons who have a severe disability according to Social Security standards, but who work and earn less than \$2,257 per month and have countable assets that are less than \$25,000. Those persons with incomes of \$1,354 per month or less do not pay a monthly premium for this plan. Those persons with incomes above \$1,354 per month pay co-payments of \$80 or \$100 per month. The \$25,000 resource limit was chosen to allow people who exceed the lower resource limits of SSI, as well as 1619a and 1619b programmatic amounts, to obtain coverage after they have lost coverage in the referenced programs.

Support for the MPP has been widespread through the agencies that provide services to individuals with disabilities. The following agencies have worked toward the implementation and sustainability of the MPP: Louisiana Federation of Families, Mental Health of America-Louisiana, Volunteers of America, Baton Rouge Mental Health Association, Louisiana Assistive Technology Access Network, Sickle Cell Foundation, Louisiana Association for the Deaf, Confident, Inc., Advocacy Center, Louisiana Rehabilitation Services, Mental Health Voices, Eastside Drop-in Center, Extra Mile, Tri-Star Therapy, Governor's Office of Disability Affairs, State Independent Living Centers, Developmental Disability Council, National Association on Mental Illness and Social Security Administration.

The Centers for Medicaid and Medicare have demonstrated ongoing support of programs like MPP by the funding of Medicaid Infrastructure Grants (MIG) to help states build and sustain infrastructure to support individuals with disabilities. Louisiana has received MIG funding since 2001, which has allowed DHH to support financially educational opportunities for staff and recipients related to the employment of persons with disabilities.

PROGRAM STATUS

As of December 31, 2009, 1,674 employed persons with disabilities were enrolled in the MPP. The average cost of this program per member, per month in 2009 was \$870.70.

Educating Louisiana residents about MPP is a priority to DHH. The Department participates in statewide job fairs, which are targeted to individuals with disabilities, each October in recognition of National Disability Employment Awareness Month. Medicaid staff is on-site to answer questions and ensure that job seekers understand the impact that working will have on their SSDI or SSI. During 2008 and 2009, 4,566 job seekers and 353 businesses attended job fairs targeted specifically at the employment of persons with disabilities in Louisiana.

Additionally, the Medicaid staff partners with governmental agencies, community-based organizations, medical providers, and employers to provide presentations and share information at events throughout the year. Between October 1, 2008 and September 30, 2009, the staff distributed more than 34,000 applications to potential enrollees. Some of these partners include St. Thomas Community Health Clinic, Social Security Administration, Iberville Medical Center, Louisiana Workforce Commission, Wal-Mart, Target, Lowe's, Teche Regional Medical Center, Walgreens and Families Helping Families Resource Centers.

In 2010, the staff participating in MPP outreach activities will focus on addressing the needs of businesses. Business owners benefit from healthy employees, but in many instances small business owners cannot afford to provide healthcare coverage for their employees. In medium and large businesses, employees with disabilities cannot qualify for health plans as a result of pre-existing conditions. The MPP allows employees with disabilities to gain health care coverage, allowing them to remain healthy and on the job. For these reasons, MPP coordinators will partner with their local chambers of commerce in their education efforts.

In addition to conducting direct outreach related to the MPP, MIG funding supports two Louisiana Work Incentives Planning Assistance (WIPA) projects. The WIPA projects are cooperative endeavors with the Social Security Administration to provide accurate work incentive information to people between the ages of 14 and 65 who receive SSI, SSDI, or both. This service provides comprehensive benefits counseling to help recipients make informed decisions on their road to economic self-sufficiency. Through this counseling, recipients learn of their potential eligibility for the MPP should they return to work, thereby addressing one of the largest barriers to employment for persons with disabilities—access to health care benefits.

ECONOMIC IMPACT OF PROGRAM

In addition to the buying power that employed individuals bring to Louisiana's economy, many enrollees are paying premiums that help to offset the program's cost. In 2009, \$142,930.00 worth of premiums was paid. Since the inception of the program, a total of \$527,291.00 in premiums has been collected.

As outlined above, the existence of the MPP provides individuals with disabilities the opportunity to become employed, thereby becoming tax-paying citizens. In 2009, these individuals contributed \$10,365.32 in federal taxes (includes FICA and federal income tax) and \$1,365.69 in state taxes.

CONCLUSION

The MPP benefits all of Louisiana and is a pathway to prosperity, economic growth and a healthier citizenry. Currently, 1,674 people with disabilities have access to much-needed health care coverage and supports necessary for them to be independent and productive citizens. The businesses that employ these workers have access to a new pool of qualified, motivated and healthy employees. As more employers realize the benefits of hiring people with disabilities, they will find support and access to health care coverage as beneficial to their bottom line as the workers themselves. Louisiana's communities benefit from the increased wages earned by these employees as well as a more vibrant and inclusive environment for all.

ATTACHMENT

Act 207 (SB 305) of the 2003 Regular Session

ENROLLED

ACT No. 207

Regular Session, 2003

SENATE BILL NO. 305

BY SENATORS SCHEDLER, B. JONES AND BAJOE AND
REPRESENTATIVES DOERGE, DURAND, GUILLORY,
ILES, L. JACKSON, M. JACKSON, SCHWEGMANN,
SHAW, STRAIN, WALKER AND WELCH

AN ACT

To enact Part XXVI-A of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 40:1299.78 through 1299.78.5, relative to the Medicaid Buy-In Program for Persons with Disabilities; to provide for coverage for those receiving Social Security Disability Insurance benefits, but who desire to return to the workforce; to provide definitions; to provide for basic guidelines; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part XXVI-A of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, comprised of R.S. 40:1299.78 through 1299.78.5, is hereby enacted to read as follows:

PART XXVI-A. MEDICAID BUY-IN PROGRAM FOR PERSONS WITH DISABILITIES

Part XXVI-A is all new law.

§1299.78. Title

R.S. 40:1299.78 is all new law.

This Part may be referred to as the Louisiana Medicaid Buy-In Program for Persons with Disabilities Act.

§1299.78.1. Purpose

R.S. 40:1299.78.1 is all new law.

A. The purpose of this Part is to provide for a Medicaid Buy-In

Program for persons with disabilities in Louisiana. This program is intended to help working people with disabilities live above the poverty level by providing needed health care coverage. This program is also intended to enable some recipients of Supplemental Security Disability Insurance benefits to return to work and to receive Medicaid as a supplement to private or Medicare insurance.

B. This program is intended to help persons with severe mental illnesses who can work if they are on medication and those with severe physical disabilities who need medical supports in order to work.

§1299.78.2. Ticket to Work and Work Incentives Improvement Act Opportunities

R.S. 40:1299.78.2 is all new law.

In accordance with the authority granted the Department of Health and Hospitals pursuant to R.S. 36:254(A)(6) and (D)(1)(a)(i) and pursuant to the restrictions contained in this Part, the department shall avail itself of the provisions of the Ticket to Work and Work Incentives Improvement Act provisions to implement a buy-in program for the working persons with disabilities.

§1299.78.3. Definitions

R.S. 40:1299.78.3 is all new law.

As used in this Part, the following terms shall have the following meanings:

A. "Persons with Disabilities" means those citizens of Louisiana who meet the Social Security Disability criteria.

B. "Medicaid Buy-In Program" means the Louisiana Medicaid Optional program to provide the opportunity for working persons with disabilities to buy access to needed health care and support services.

§1299.78.4. Buy-In Program Appropriations

R.S. 40:1299.78.4 is all new law.

The provisions of this Part shall not be implemented by the department unless funding and performance standards, including a specified target for enrollment, are included in the General Appropriation Act enacted during the 2003 Regular Session of the Legislature. If included in that Act, the Medicaid Buy-In Program for Persons with Disabilities shall be implemented by the department no later than January, 2004.

§1299.78.5. Provisions

R.S. 40:1299.78.5 is all new law.

A. The Department of Health and Hospitals shall promulgate regulations governing the following:

- (1) Procedures for application, application forms and eligibility criteria for the disabled to obtain coverage.
- (2) A sliding scale for the buy-in amounts to be paid by the working disabled to maintain Medicaid coverage, while working.
- (3) A plan to publicize the eligibility criteria and where applications may be obtained.
- (4) Any standards or procedures necessary to properly implement a buy-in program for persons with disabilities.

B. The provisions of this Part shall not prohibit the department from exercising any and all authorities and responsibilities granted to the department under the Medical Assistance Program (Title XIX of the Social Security Act) in the event such authorities and responsibilities are concurrent with the provisions of this Part.

C. Any rules or regulations adopted under the provisions of this

Part shall be promulgated under the Administrative Procedure Act. Any rules or regulations shall be subject to review by the House Committee on Health and Welfare and the Senate Committee on Health and Welfare.

D. Beginning January 1, 2004, and semiannually thereafter and not later than sixty days prior to the beginning of the regular session of the legislature, the department shall submit the following information to the Joint Legislative Committee on the Budget and to the Senate Committee on Health and Welfare and the House Committee on Health and Welfare:

- (1) Status of the buy-in program, including the number of enrollees, the estimated cost of the program, and any other information the department deems pertinent to this buy-in program.
- (2) A report relative to the estimated value of the state, federal and FICA taxes paid by the participants in the buy-in program.
- (3) Any recommendations for expanding coverage in the buy-in program or any other recommendations relative to the requirements of this Part.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____