

# Medicaid Purchase Plan

*SFY 2018 Mid-Year Report*

**Medicaid Purchase Plan (MPP)**

*Bureau of Health Services Financing*

*Damiane Ricks, Medicaid Communications*

*W. Jeff Reynolds, Undersecretary*

February 19, 2018





**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

February 19, 2018

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

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

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

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

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

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

Dear President Alario, Speaker Barras, and Honorable Chairs:

Senate Bill No. 305 of the 2003 Regular Session requires that the Louisiana Department of Health (LDH) 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 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 Federal Insurance Contributions Act (FICA) taxes paid by the program's participants, and any recommendations for expanding coverage in the program. Louisiana 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 six months of SFY 18.

### Program Overview

The 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 provides full medical coverage that includes prescription drugs, hospital care, doctor services, medical equipment and supplies, and medical transportation. Since the inception of MPP, 9,715 individuals have been enrolled in the program. Enrollment as of December 31, 2017 was 310 individuals.

### Positive Impact of MPP

With increased earnings comes increased buying power to Louisiana's economy. MPP enrollees are tax paying citizens who contributed approximately \$42,494.05 in federal taxes (includes FICA and federal income tax) and approximately \$5,575.49 in state taxes thus far in SFY 18.

The number of recipients enrolled in MPP is about 33 percent less than at this time one year ago, therefore the amount of taxes paid by MPP enrollees also is less (about 50 percent). Since Medicaid was expanded in July 2017 to include eligible adults from ages 19 and 64, more recipients who would otherwise receive MPP were likely certified in the new Adult Group.

The Department 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 Medicaid Purchase Plan. Damiane Ricks 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. Ricks at (225) 342-9828 or by email at [damiane.ricks@la.gov](mailto:damiane.ricks@la.gov).

Sincerely,



W. Jeff Reynolds  
Undersecretary

WJR:JS:DR

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

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