

POLICY AND PROCEDURE

DEPARTMENT: All	REFERENCE NUMBER:
EFFECTIVE DATE: 04/01/21	P&P NAME: Act 421- Children's Medicaid Option
REVIEWED/REVISED DATE: 2/21	RETIRED DATE:
BUSINESS UNIT:	PRODUCT TYPE: Medicaid
REGULATOR MOST RECENT APPROVAL DATE(S):	

SCOPE:
This policy applies to all directors, officers, and employees of Centene Corporation, its affiliates, health plans, and subsidiary companies (collectively, the "Company").

PURPOSE:
The purpose of this policy is to ensure compliance with Act 421.

Local Governing Entity (LGE) an integrated human services delivery system with local accountability and management, which provides behavioral health and developmental disabilities services.

POLICY:
Act 421 of the 2019 Regular Legislative Session provides for a program through which children with disabilities that meet institutional level of care requirements can access Medicaid-funded services regardless of their parents' income. This program furnishes Medicaid benefits to children with disabilities who are otherwise ineligible for such benefits because the income of their household exceeds state-established limits for Medicaid eligibility.

Act 421 is modeled after The Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982, which is a United States federal law that can help families with children younger than 19 years' old who have a disability receive care in their homes rather than an institution.

In Louisiana, this Medicaid eligibility program is the Act 421 Children's Medicaid Option. This optional Medicaid eligibility proposal is an 1115 demonstration waiver subject to approval by the Centers for Medicare and Medicaid Services (CMS).

In order to be eligible for the Act 421 Children's Medicaid Option, a child must meet all of the following eligibility criteria:

- Louisiana resident and United States citizen or qualified non-citizen.
- Under the age of nineteen.
- Has a disability that is recognized under the definition of disability utilized in the Supplemental Security Income program of the Social Security Administration, regardless of whether the child is eligible to receive benefits
- Otherwise ineligible for Medicaid coverage.
- Excluding the assets of parents, the child does not have total assets exceeding two thousand dollars in value.
- Due to disability, the child requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility; however, care provided outside of such an institution may be appropriate.
- The cost of care provided at home is less than the cost of institutional care.

Enrollees have access to Medicaid State Plan services

- Children enrolled in Act 421 – CMO will be eligible for services covered by the Early and Periodic Screening, Diagnostic, and Testing (EPSDT) program.
- EPSDT provides comprehensive and preventive health care services for children under age 21 who are enrolled in Medicaid.
- Services include but are not limited to:
 - Doctor visits Hospital services
 - Pharmacy
 - Dental
 - Speech, occupational, physical therapy
 - Durable medical equipment
 - Case management (if medically necessary) (EPSDT service)
 - Skilled nursing and home health (if medically necessary)
 - Applied behavioral analysis (if medically necessary)

Enrollees will not have access to home- and community-based waiver services (HCBS).

- Examples of HCBS waiver services not in the Act 421 – CMO include, but are not limited to:
 - Home modifications
 - Substitute family care
 - Housing stabilization
 - Center-based respite
 - Art or music therapy
 - Day habilitation
 - Supported employment

Private Insurance Requirement

- Families will be required to keep existing private major medical health insurance coverage for the enrolled child.
- Hardship exceptions will apply for families that meet the following criteria:
 - Health insurance premiums for family coverage would exceed 9.5% of the household income for Medicaid eligibility purposes (i.e. considering household composition and size);
 - Health insurance premium for coverage of the child exceeds 5% of the household income;
 - There is a change in household composition, i.e., death of a parent or divorce;
 - New employment does not offer dependent coverage;
 - The child's parent is determined eligible for advance payment of the premium tax credit (APTC) for enrollment in a qualified health plan through the Federally-facilitated Marketplace (FFM) because the employer-sponsored insurance the family was enrolled in is determined unaffordable in accordance with 26 CFR 1.36B-(c)(3)(v);
 - Unemployment resulted in loss of employer-sponsored private insurance; or
 - The break in coverage is due to the 90-day period for transition to new employment.
- A 6-month look back period will be applied for pre-existing health insurance coverage before enrollment into Act 421-CMO.
- For those not meeting a hardship exception that voluntarily drop their private insurance coverage after enrollment in Act 421-CMO, a 6-month lock out period from services will apply until private insurance coverage is resumed. However, the child will not lose their Act 421-CMO enrollment/slot if private insurance coverage is resumed

within the 6-month lock out period or the family newly qualifies for a hardship exception.

- If private major medical health coverage is resumed or the hardship exception/good cause reason verified within the first ninety days of the lock out period, coverage will resume retro back to the start of the lock out period without a break in coverage.
- If private major medical health coverage is resumed or the hardship exception/good cause reason verified within the second ninety days of the lock out period, coverage will resume the start of the month in which coverage is resume or good cause established.

Families will be able to apply for the Louisiana Health Insurance Premium Payment (LaHIPP) program, which pays premiums and Medicaid costs not covered by commercial insurance for eligible Medicaid recipients.

• Families are eligible for LaHIPP when the overall cost of the enrollee’s private insurance premiums, copays/deductibles, and cost of services not covered by private insurance is less than Medicaid would pay if the enrollee did not have private insurance.

REFERENCES: [Act 421 Children's Medicaid Option \(421-CMO\) | Department of Health | State of Louisiana \(la.gov\)](#)

ATTACHMENTS:

SUPPORT/HELP:

Resources available to support users of the P&P. Phone numbers, training programs, classes, and/or offices available to help with carrying out the procedure/work process.

EXAMPLE:

<u>If you need help with:</u>	<u>Contact:</u>
<u>Questions about</u>	
<u>Questions about</u>	

REGULATORY REPORTING REQUIREMENTS:

Which regulator(s) require reporting, what should be reported, when to report, and how to report/who to contact.

REVISION LOG

<u>REVISION TYPE</u>	<u>REVISION SUMMARY</u>	<u>DATE APPROVED & PUBLISHED</u>
<u>New Policy Document, Annual Review, or Ad Hoc Review</u>	<u>Act 421</u>	<u>2/21</u>

POLICY AND PROCEDURE APPROVAL

The electronic approval retained in RSA Archer, the Company’s P&P management software, is considered equivalent to a signature.

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