

NOTICE OF INTENT

Department of Health and Hospitals  
Bureau of Health Services Financing

Medicaid Eligibility  
Louisiana Health Insurance Premium Payment Program Termination  
(LAC 50:III.2311)

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to repeal LAC 50:III.2311 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Department of Health and Hospitals, Bureau of Health Services Financing repromulgated and clarified the provisions governing the Group Health Insurance Premium Payment Program for inclusion in the *Louisiana Administrative Code*, and changed the name of the program to the Louisiana Health Insurance Premium Payment Program (LaHIPP) (*Louisiana Register*, Volume 35, Number 6).

Due to a budgetary shortfall resulting from the funding for LaHIPP being removed from the executive budget in state fiscal year 2016, the department has now determined that it is necessary to terminate this program. The department proposes to repeal the provisions of the June 20, 2009 Rule governing LaHIPP in order to facilitate the program termination.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE  
Part III. Eligibility  
Subpart 3. Eligibility Groups and Factors

Chapter 23. Eligibility Groups and Medicaid Programs

§2311. Louisiana Health Insurance Premium Payment Program

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S.

36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 35:1111 (June 2009), repealed LR 41:

Implementation of the provisions of this Rule may be contingent upon the approval of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will have no impact on family functioning, stability and autonomy as described in R.S. 49:972.

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on child, individual, or family poverty in

relation to individual or community asset development as described in R.S. 49:973.

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, but may increase direct or indirect cost to the provider to provide the same level of service due to the termination of Medicaid payment of the patient responsibility amounts for services rendered to recipients covered under group health insurance. The proposed Rule may also have a negative impact on the provider's ability to provide the same level of service as described in HCR 170 if the reduction in payments adversely impacts the provider's financial standing.

Interested persons may submit written comments to J. Ruth Kennedy, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030 or by email to MedicaidPolicy@la.gov. Ms. Kennedy is responsible for responding to inquiries regarding this proposed Rule. A public hearing on this proposed Rule is scheduled for Thursday, September 24, 2015 at 9:30 a.m. in Room 118, Bienville Building, 628 North Fourth Street, Baton Rouge, LA. At that time all interested persons will be afforded an opportunity to submit data, views or arguments either orally or in

writing. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

Kathy H. Kliebert

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

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Rule Title: Medicaid Eligibility  
Louisiana Health Insurance  
Premium Payment Program  
Termination

Date Rule Takes Effect: December 1, 2015

SUMMARY

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. The following summary statements, based on the attached worksheets, will be published in the Louisiana Register with the proposed agency rule.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (SUMMARY)

*It is anticipated that the implementation of this proposed rule will result in estimated programmatic savings to the state of \$1,066,750 for FY 15-16, \$1,888,937 for FY 16-17, and \$1,945,605 for FY 17-18. It is anticipated that \$432 (\$216 SGF and \$216 FED) will be expended in FY 15-16 for the state's administrative expense for promulgation of this proposed rule and the final rule. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 62.17 percent in FY 15-16 and 62.07 percent in FY 16-17 and FY 17-18. The enhanced rate of 62.11 percent for the first three months of FY 16 is the federal rate for disaster-recovery FMAP adjustment states.*

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)


*It is anticipated that the implementation of this proposed rule will reduce revenue collections by approximately \$1,753,241 for FY 15-16, \$3,091,124 for FY 16-17, and \$3,183,858 for FY 17-18. It is anticipated that \$216 will be expended in FY 15-16 for the federal administrative expenses for promulgation of this proposed rule and the final rule. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 62.17 percent in FY 15-16 and 62.07 in FY 16-17 and FY 17-18. The enhanced rate of 62.11 percent for the first three months of FY 16 is the federal rate for disaster-recovery FMAP adjustment states.*

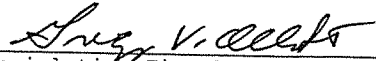
III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

*This proposed Rule repeals the provisions governing the Louisiana Health Insurance Premium Payment (LaHIPP) program in order to terminate the program as a result of a budgetary shortfall due to the funding for LaHIPP being removed from the executive budget in state fiscal year 2016. It is anticipated that implementation of this proposed rule will reduce programmatic expenditures in the Medicaid Program by approximately \$2,820,423 for FY 15-16, \$4,980,061 for FY 16-17, and \$5,129,463 for FY 17-18.*

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

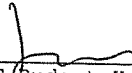
*It is anticipated that the implementation of this proposed rule will not have an effect on competition and employment.*

  
\_\_\_\_\_  
Signature of Agency Head  
or Designee

  
\_\_\_\_\_  
Legislative Fiscal Officer  
or Designee

J. Ruth Kennedy, Medicaid Director  
Typed name and Title of  
Agency Head or Designee

8/10/2015  
\_\_\_\_\_  
Date of Signature

  
\_\_\_\_\_  
DHH/BHSF Budget Head

8/10/15  
\_\_\_\_\_  
Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

*This proposed Rule repeals the provisions governing the Louisiana Health Insurance Premium Payment (LaHIPP) program in order to terminate the program as a result of a budgetary shortfall due to the funding for LaHIPP being removed from the executive budget in state fiscal year 2016.*

- B. Summarize the circumstances that require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

*The Department of Health and Hospitals, Bureau of Health Services Financing repromulgated and clarified the provisions governing the Group Health Insurance Premium Payment Program for inclusion in the Louisiana Administrative Code, and changed the name of the program to the Louisiana Health Insurance Premium Payment (LaHIPP) Program (Louisiana Register, Volume 35, Number 6).*

*Due to a budgetary shortfall resulting from the funding for LaHIPP being removed from the executive budget in state fiscal year 2016, the department has now determined that it is necessary to terminate this program. The department proposes to repeal the provisions of the June 20, 2009 Rule governing LaHIPP in order to facilitate the program termination.*

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

*No. This proposed rule will result in a reduction in programmatic expenditures in the Medicaid Program by approximately \$2,819,991 for FY 15-16, \$4,980,061 for FY 16-17, and \$5,129,463 for FY 17-18. In FY 15-16, \$432 is included for the state's administrative expense for promulgation of this proposed rule and the final rule.*

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

- (a) \_\_\_\_\_ If yes, attach documentation.  
(b) \_\_\_\_\_ If no, provide justification as to why this rule change should be published at this time.

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

I. A. COST OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase or (decrease) in cost to implement the proposed action?

COST	FY 15-16	FY 16-17	FY 17-18
PERSONAL SERVICES			
OPERATING EXPENSES	\$432	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES	(\$2,820,423)	(\$4,980,061)	(\$5,129,463)
REPAIR & CONSTR.			
POSITIONS (#)			
<b>TOTAL</b>	<b>(\$2,819,991)</b>	<b>(\$4,980,061)</b>	<b>(\$5,129,463)</b>

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

*The expenses reflected above are the estimated reductions in expenditures in the Medicaid Program for the LaHIPP program termination. In FY 15-16, \$432 is included for the state's administrative expense for promulgation of this proposed rule and the final rule.*

3. Sources of funding for implementing the proposed rule or rule change.

Source	FY 15-16	FY 16-17	FY 17-18
STATE GENERAL FUND	(\$1,066,750)	(\$1,888,937)	(\$1,945,605)
SELF-GENERATED			
FEDERAL FUND	(\$1,753,241)	(\$3,091,124)	(\$3,183,858)
OTHER (Specify)			
<b>Total</b>	<b>(\$2,819,991)</b>	<b>(\$4,980,061)</b>	<b>(\$5,129,463)</b>

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

*Yes, sufficient funds are available to implement this rule.*

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THIS PROPOSED ACTION.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustment in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

*This proposed rule has no known impact on local governmental units.*



FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

2. Indicate the sources of funding of the local governmental unit that will be affected by these costs or savings.

*There is no known impact on the sources of local governmental unit funding.*

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

- A. What increase or (decrease) in revenues can be expected from the proposed action?

REVENUE INCREASE/DECREASE	FY 15-16	FY 16-17	FY 17-18
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS	\$ (1,753,241)	\$ (3,091,124)	\$ (3,183,858)
LOCAL FUNDS			
<b>Total</b>	<b>\$ (1,753,241)</b>	<b>\$ (3,091,124)</b>	<b>\$ (3,183,858)</b>

\*Specify the particular fund being impacted

- B. Provide a narrative explanation of each increase or decrease in revenue shown in "A". Describe all data, assumptions, and methods used in calculating these increases or decreases.

*The amounts reflected above are the estimated reductions in the federal share of Medicaid Program expenditures for the LaHIPP program termination. In FY 15-16, \$216 will be collected for the federal share of the administrative expense for promulgation of this proposed rule and the final rule.*

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effects on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.)

*This proposed Rule repeals the provisions governing the Louisiana Health Insurance Premium Payment (LaHIPP) program in order to terminate the program as a result of a budgetary shortfall due to the funding for LaHIPP being removed from the executive budget in state fiscal year 2016.*

- B. Also, provide an estimate of any revenue impact resulting from this rule or rule change to these groups.

*It is anticipated that implementation of this proposed rule will reduce programmatic expenditures in the Medicaid Program by approximately \$2,820,423 for FY 15-16, \$4,980,061 for FY 16-17, and \$5,129,463 for FY 17-18.*

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

*It is anticipated that the implementation of this proposed rule will not have an effect on competition and employment.*