

NOTICE OF INTENT

**Department of Health
Bureau of Health Services Financing**

**Medicaid Eligibility
Modified Adjusted Gross Income Groups
(LAC 50:III.10307)**

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:III.10307 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 Affordable Care Act of 2010 (ACA) requires that eligibility for all Medicaid and Children's Health Insurance Program (CHIP) eligibility groups be calculated using a household's modified adjusted gross income (MAGI). Temporary census income is taxable as employment income and must now be counted when calculating household income for MAGI-based Medicaid and CHIP eligibility groups.

In compliance with the ACA, the Department of Health, Bureau of Health Services Financing now proposes to amend the provisions governing Medicaid eligibility for modified adjusted gross income (MAGI) groups and income factors in order to clarify and align these provisions with current Federal regulations.

Title 50
PUBLIC HEALTH-MEDICAL ASSISTANCE
Part III. Eligibility

Subpart 5. Financial Eligibility

Chapter 103. Income

\$10307. Modified Adjusted Gross Income (MAGI) Groups

A. MAGI-based

1. Income shall be calculated in accordance with 42 CFR §435.603 and §457.315.

2. - 29.z.ii. Repealed.

B. - B.1.b.iii. ...

2. The net countable income for the individual's household shall be compared to the applicable income standard for the household size to determine eligibility.

a. If the countable income is below the income standard for the applicable MAGI group, the individual is income eligible.

b. If the countable income is above the income standard for the applicable MAGI group, the individual is income ineligible.

3. - 5.b. Repealed.

C. Federal Poverty Income Guidelines (FPIG). Eligibility shall be based upon the following guidelines using the federal poverty income guidelines and adjusted to account for the 5 percent disregard:

1. - 4. ...

5. LaCHIP IV (unborn option), income is less or equal to 214 percent FPIG; 6. LaCHIP Affordable Plan, income is less or equal to 255 percent FPIG;

7. Adult Group, income is less than or equal to 138 percent FPIG; and

8. Take Charge Plus, income is less than or equal to 138 percent FPIG.

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 41:947 (May 2015), amended by the Department of Health, Bureau of Health Services Financing, LR 46:

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.

Family Impact Statement

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.

Poverty Impact Statement

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.

Small Business Statement

In compliance with Act 820 of the 2008 Regular Session of the Louisiana Legislature, the economic impact of this proposed Rule on small businesses has been considered. It is anticipated that this proposed Rule will have no impact on small businesses, as described in R.S. 49:965.2 et seq.

Provider Impact Statement

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, no direct or indirect cost to the provider to provide the same level of service, and will have

no impact on the provider's ability to provide the same level of service as described in HCR 170.

Public Comments

Interested persons may submit written comments to Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. Steele is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is at 4:30 p.m. on November 29, 2019.

Public Hearing

Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on November 12, 2019. If the criteria set forth in R.S. 49:953(A)(2)(a) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on November 27, 2019 in Room 118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether or not a public hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after November 12, 2019. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing. In the event of a hearing, parking is available

to the public in the Galvez Parking Garage which is located between North Sixth and North Fifth/North and Main Streets (cater-corner from the Bienville Building). Validated parking for the Galvez Garage may be available to public hearing attendees when the parking ticket is presented to LDH staff at the hearing.

Rebekah E. Gee MD, MPH

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person

Preparing

Statement: Veronica Dent

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Financing

Return Address: P.O. Box 91030
Baton Rouge, LA

Rule Title:

Medicaid Eligibility
Modified Adjusted Gross
Income Groups

Date Rule Takes Effect: January 20, 2020

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 implementation of this proposed rule will result in estimated reduction of state general fund programmatic costs of approximately \$21,801 for FY 19-20 but will not result in costs or savings for FY 20-21 and 21-22. It is anticipated that \$648 (\$324 SGF and \$324 FED) will be expended in FY 19-20 for the state's administrative expense for promulgation of this proposed rule and the final rule.

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

It is anticipated that the implementation of this proposed Rule will decreased federal revenue collections by approximately \$237,844 for FY 19-20, but will not result in an increase or decrease of collections for FY 20-21 and FY 21-22. It is anticipated that \$324 will be collected in FY 19-20 for the federal share of the expense for promulgation of this proposed rule and the final rule.

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

In compliance with the Affordable Care Act of 2010, this proposed rule amends the provisions governing Medicaid eligibility for modified adjusted gross income (MAGI) groups and income factors in order to clarify and align these provisions with current Federal regulations. This proposed Rule makes revisions to the current Louisiana Administrative Code (LAC) language which will eliminate the need for the department to amend the LAC when MAGI-based group income information in the Code of Federal Regulations is amended. Recipients will be impacted by the implementation of this proposed Rule since temporary census income, which was previously disregarded in eligibility calculations, will now be counted. It is anticipated that implementation of this proposed rule will result in programmatic savings to the Medicaid Program of \$260,293 in FY 19-20 but will not result in costs or savings for FY 20-21 and FY 21-22.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.



Signature of Agency Head
or Designee

Jen Steele, Medicaid Director
Typed name and Title of
Agency Head or Designee



LDH/BHSF Budget Head



Legislative Fiscal Officer
or Designee

10/10/19

Date of Signature

10/10/19

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).

In compliance with the Affordable Care Act of 2010, this proposed rule amends the provisions governing Medicaid eligibility for modified adjusted gross income (MAGI) eligibility groups and income factors in order to clarify and align these provisions with current Federal regulations.

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

The Affordable Care Act of 2010 (ACA) requires that eligibility for all Medicaid and Children's Health Insurance Program (CHIP) eligibility groups be calculated using a household's modified adjusted gross income (MAGI). Temporary census income is taxable as employment income and must now be counted when calculating household income for MAGI-based Medicaid and CHIP eligibility groups.

In compliance with the ACA, the Department of Health, Bureau of Health Services Financing now proposes to amend the provisions governing Medicaid eligibility for modified adjusted gross income (MAGI) groups and income factors in order to clarify and align these provisions with current Federal regulations.

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. It is anticipated that implementation of this proposed rule will result in a decrease in Medicaid programmatic expenditures by approximately \$259,645 for FY 19-20. It is anticipated that \$648 will be expended in FY 19-20 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 19-20	FY 20-21	FY 21-22
PERSONAL SERVICES			
OPERATING EXPENSES	\$648	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES	(\$260,293)	\$0	\$0
REPAIR & CONSTR.			
POSITIONS (#)			
TOTAL	(\$259,645)	\$0	\$0

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 decreases in expenditures in the Medicaid Program. In FY 19-20, \$648 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 19-20	FY 20-21	FY 21-22
STATE GENERAL FUND	(\$21,801)	\$0	\$0
SELF-GENERATED			
FEDERAL FUND	(\$237,844)	\$0	\$0
OTHER (Specify)			
Total	(\$259,645)	\$0	\$0

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 19-20	FY 20-21	FY 21-22
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS	(\$237,844)	\$0	\$0
LOCAL FUNDS			
Total	(\$237,844)	\$0	\$0

***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 decreases in the federal share of expenditures. In FY 19-20, \$324 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.)

In compliance with the Affordable Care Act of 2010, this proposed rule amends the provisions governing Medicaid eligibility for modified adjusted gross income (MAGI) eligibility groups and income factors in order to clarify and align these provisions with current Federal regulations.

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

This proposed Rule makes revisions to the current Louisiana Administrative Code (LAC) language which will eliminate the need for the department to amend the LAC when MAGI-based group income information in the Code of Federal Regulations is amended. Recipients will be impacted by the implementation of this proposed Rule since temporary census income, which was previously disregarded in eligibility calculations, will not be counted. It is anticipated that implementation of this proposed rule will result in programmatic costs to the Medicaid Program of \$260,293 in FY 19-20 but will not result in costs or savings for FY 20-21 and FY 21-22.

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.

This rule has no known effect on competition and employment.