



State of Louisiana
Louisiana Department of Health
Office of the Secretary

VIA ELECTRONIC MAIL ONLY

May 15, 2019

Bill Brooks
Associate Regional Administrator
Division of Medicaid & Children's Health
DHHS/Centers for Medicare and Medicaid Services
1301 Young Street, Room #833
Dallas, Texas 75202

RE: Louisiana Title XIX State Plan
Transmittal No. 19-0016

Dear Mr. Brooks:

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material.

I recommend this material for adoption and inclusion in the body of the State Plan.
Should you have any questions or concerns regarding this matter, please contact Karen
Barnes at (225) 342-3881 or via email at Karen.Barnes@la.gov.

Warmly,

, designee for
Rebekah E. Gee MD, MPH
Secretary

Attachments (2)

REG:JS:RJ

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
19-0016

2. STATE
Louisiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
August 1, 2019

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION

1906 of the Social Security Act

7. FEDERAL BUDGET IMPACT

a. FFY **2020** \$ **(4,223,593)**
b. FFY **2021** \$ **(4,582,168)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.22-C, Page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Same (TN 17-0009)

10. SUBJECT OF AMENDMENT **The purpose of this SPA is to amend the provisions governing the Louisiana Health Insurance Premium Payment Program (LaHIPP), in order to revise the method used to calculate cost effectiveness of employer-sponsored insurance and individual health insurance plans.**

11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED
The Governor does not review State Plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL

Cindy Rives

13. TYPED NAME

Cindy Rives, designee for Rebekah E. Gee MD, MPH

14. TITLE

Secretary

15. DATE SUBMITTED

May 15, 2019

16. RETURN TO

**Jen Steele, Medicaid Director
State of Louisiana
Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

LA TITLE XIX SPA
TRANSMITTAL #: 19-0016
TITLE: LaHIPP Cost Effectiveness Formula
EFFECTIVE DATE: August 1, 2019

FISCAL IMPACT:
Decrease

| Year | % Inc. | fed. match | # mos | range of mos. | dollars |
|---------|--------|------------|-------|------------------------|--------------|
| 1st SFY | 2020 | | 11 | August 2019- June 2020 | -\$4,904,026 |
| 2nd SFY | 2021 | | 12 | July 2020- June 2021 | -\$6,375,234 |
| 3rd SFY | 2022 | | 12 | July 2021 - June 2022 | -\$8,287,804 |

Total Increase or Decrease Cost FFY 2020 for 11 months August 2019- June 2020 (\$4,904,026)

SFY 2021 (\$6,375,234) for 12 months July 2020- June 2021 = (\$1,593,809)

FFP (FFY 2020) = (\$6,497,835) X 65.00% = (\$4,223,593)

Total Increase or Decrease Cost FFY 2021 for 12 months July 2021 - June 2022 = (\$4,781,426)

SFY 2022 (\$8,287,804) for 12 months July 2021 - June 2022 = (\$2,071,951)

FFP (FFY 2021) = (\$6,853,377) X 66.86% = (\$4,582,168)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: LOUISIANA

Citation

1905(a) and
1906 of the Act

State Method on Cost Effectiveness of Employer-Sponsored Insurance and Individual Health Insurance

Louisiana will utilize both Employer Sponsored Insurance (ESI) under section 1906 of the Social Security Act, and Individual Health Insurance (IHI) under 1905(a) for its Health Insurance Premium Payment program (LaHIPP).

Louisiana will use a hybrid of the Secretary's model that utilizes the amount that Medicaid would be responsible for the given member, if Medicaid did not enroll them into LaHIPP. The Medicaid responsible amount associated with managed care organizations (MCO) is the per member per month (PMPM) cost. The Medicaid responsible amount associated with fee-for-service (FFS) is the FFS claims amount.

The State will take the following steps when calculating the cost effectiveness of the ESI and IHI plans:

1. Annual premium cost + % plan deductible + copay = total cost of ESI/IHI participation.
2. Medicaid responsible amount = PMPM if MCO or FFS claims amount if FFS. If waiver recipient, the FFS claims amount is exclusive of waiver services.
3. If the Medicaid responsible amount is greater than the total cost of ESI/IHI participation, the member is deemed cost effective.

ESI and IHI enrollment will be voluntary for all LaHIPP eligible populations.

Individuals enrolled in the State's premium assistance program are afforded the same beneficiary protections provided to all other Medicaid enrollees.

- A. The State will provide a benefits wrap to all services and benefits available under the Medicaid State Plan that are not provided through the ESI or IHI plan.

TN _____
Supersedes
TN _____

Approval Date _____

Effective Date _____