

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 per member per month (PMPM) cost 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 PMPM is the amount that Medicaid would be responsible for the given member, if Medicaid did not enroll them into LaHIPP.

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.
- ~~1. Total PMPM x 1.3 = total billed to ESI~~
- ~~2. Total billed to ESI x 0.75 = ESI recognized amount~~
- ~~3. Total billed to ESI - ESI recognized amount = wrap cost~~
- ~~4. Wrap cost + plan deductible = total wrap around~~
- ~~5. Annual premium cost + admin cost + total wrap around cost = total cost of ESI participation~~

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

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Approval Date _____

Effective Date _____