

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) to operate a voluntary premium assistance program.

Cost Effectiveness Calculation:

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

1. Total cost of ESI/IHI participation = Annual premium cost + % plan deductible (60% for year one, based on performance subsequently) + copay wrap + administrative cost + benefits wrap
2. Medicaid responsible amount = PMPM if MCO or FFS claims amount if FFS. The FFS claims amount excludes waiver services.
3. If the Medicaid responsible amount is greater than the total cost of ESI/IHI participation, the premium assistance is deemed cost effective.

Cost Effectiveness Calculation Assumptions:

1. Benefits wrap used in the cost effectiveness calculation is based on State Plan benefits costs and excludes the costs of waiver services, notwithstanding that all premium assistance beneficiaries can access the waiver services for which they are eligible.
2. "Medicaid responsible amount"- the amount that Medicaid would be responsible for the given member, if Medicaid did not enroll the member 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--an aggregated amount based on average historic FFS claims for new LaHIPP applicants.

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Beneficiary Protections:

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

A. For benefits wrap:

- i. 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. After providers submit an explanation of benefits (EOB) to Medicaid showing that the services were not covered through the ESI or IHI, Medicaid will then pay primary for these Medicaid covered services. The State will inform beneficiaries how to obtain benefits through the benefits wrap; and
- ii. Premium Assistance beneficiaries may continue to receive all waiver services (excluded from "benefits wrap" in cost effectiveness calculation) for which they are eligible.

B. The State will provide a cost-sharing wrap to any cost-sharing amounts that exceed the cost-sharing limits described in the State Plan. For the cost sharing wrap around:

- i. The State has implemented a provider enrollment strategy to enroll non-participating Medicaid providers. The State targets non-participating providers by matching Medicaid lists to existing known provider lists, and using the State's provider web portal to share information. The State educates non-participating Medicaid provider on how to enroll in Medicaid for the specific (and sole) purpose of receiving payment from the State for cost sharing amounts that exceed the Medicaid permissible limits for the patient responsibility portion of the claim ("LA HIPP-only provider").

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- ii. The State will assist beneficiaries in choosing in-network providers of the health plan that are also Medicaid enrolled providers (including LaHIPP-only providers).
- iii. The State will inform beneficiaries that if the beneficiary wants to seek care from a non-Medicaid provider, they should contact their LaHIPP coordinator prior to seeking services and the State will reach out to the provider to encourage Medicaid enrollment. LaHIPP beneficiaries must access services from an ESI in-network provider that is also a Medicaid provider. The coordinator can contact the provider to explain that the State will pay the total patient responsibility amount once the provider contracts to become a Medicaid provider (including LaHIPP only provider). Medicaid will pay secondary on claims for services rendered by out-of-network providers, only if the ESI covers out-of-network providers.
- iv. The State allows LaHIPP beneficiaries to obtain coverage from any provider in the Medicaid network for any Medicaid State Plan service, even when the provider is not participating with the LaHIPP plan.

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