ACT 421 IMPLEMENTATION

Stakeholder Work Group
January 30, 2020
LDH–Bienville Building

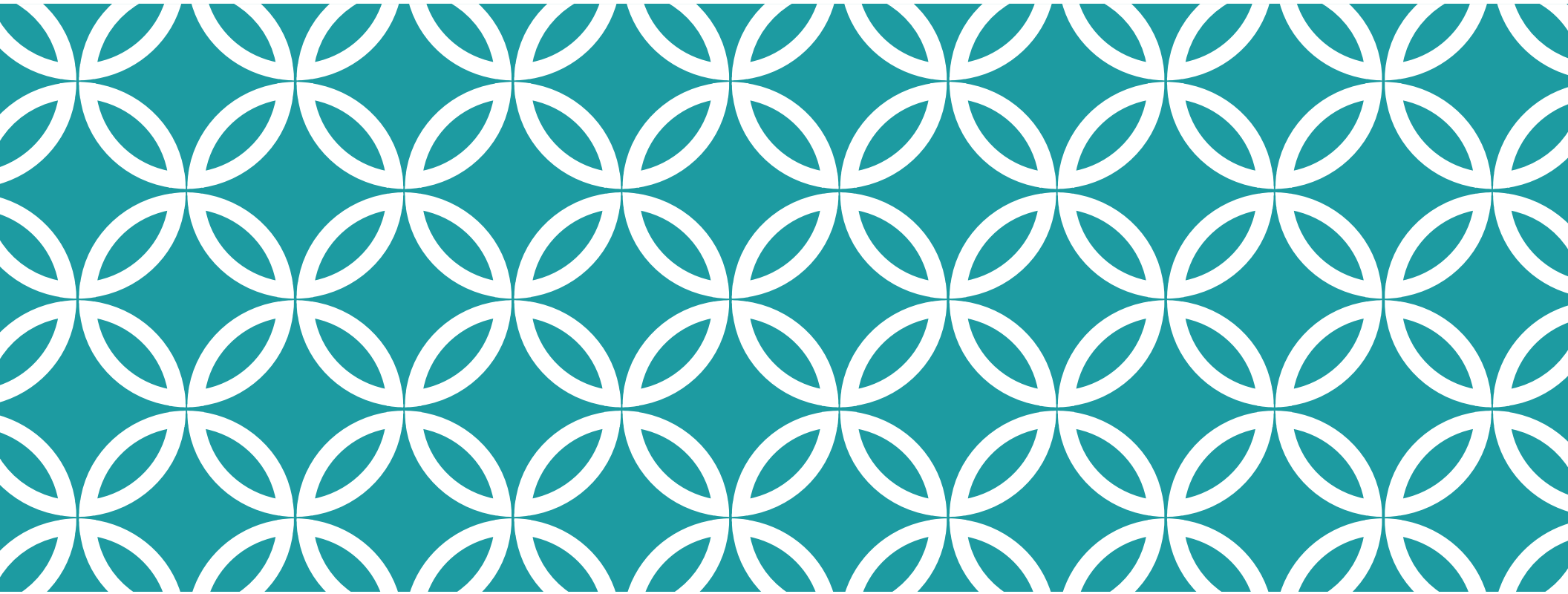
MEETING AGENDA

- Review enrollment process & structure of registry / waitlist
- Cost-saving Measures
  - Cost-sharing
  - LaHIPP
  - Cuts to other programs
- Managed care vs. fee-for-service

ACT 421 ELIGIBILITY GROUP

Composition per legislation – Children who:

- Are 18 or under
- Have a **disability,** defined as a medically determinable physical or mental impairment that results in marked and severe functional limitations that has lasted or is expected to last for at least one year or to result in death
- Meet **level of care** for an Intermediate Care Facility (**ICF**) for people with intellectual disabilities, a **nursing facility**, or a **hospital**
- Care can be provided **safely at home**
- Care at home is **less costly** than care in the institution



ACT 421 ENROLLMENT & REGISTRY ORGANIZATION

RECAP OF PREVIOUS PROPOSAL: INITIAL ENROLLMENT / REQUESTS FOR SERVICES

Presented at November large stakeholder meeting and January 10 workgroup:

- Time-limited initial registration period with later random selection for slot and wait list placement
- Following the lottery and initial organization of registry, services will be available first-come, first-served (FCFS)
- Needs-based allocation would be difficult to implement accurately and fairly due to varying need across levels of care

INITIAL ENROLLMENT / REQUESTS FOR SERVICES

Stakeholder Feedback & LDH Response:

- Parents who have been waiting should not have to continue to wait
  - **LDH response:** Unfortunately, there is likely more demand for Act 421 services than available slots. A random selection / FCFS system would also account for parents who have been waiting but who are not currently tracked, because their children do not have I/DD (see below).
- Possible prioritization according to OCDD registry date? Or date of OCDD denial?
  - **LDH response:** Not all children eligible for Act 421 have developmental disabilities. Some qualifying children with serious conditions and needs (e.g., sickle cell disease, cystic fibrosis, heart disease) will not have an OCDD statement of approval and may not have gone through the OCDD process. Not all of these children would have gone through the OCDD eligibility process, such that they would have a statement of denial. In particular, very few children under the age of 3 will have applied for OCDD services.

INITIAL ENROLLMENT / REQUESTS FOR SERVICES

Stakeholder Feedback & LDH Response Continued:

- Needs-based prioritization is preferable; discussed possibility of giving priority to children who meet on more than one level-of-care pathway
  - **LDH response:** LDH considered this option carefully. We understand stakeholders' desire to ensure that Medicaid is available to children who need it most. After consideration, we have concerns that the "qualify on multiple pathways" approach will unfairly disadvantage certain disabled populations and could put CMS approval at risk, for a few reasons:
    - Only children with I/DD diagnoses will meet ICF LOC; these children will therefore have an advantage for receiving services (i.e., only children with I/DD diagnoses will qualify on all three pathways). This prioritization is not contemplated by Act 421 or federal law, and may not be approved by CMS.
    - The nursing home and hospital LOCs screen for the same **types** of interventions, but distinguish on acuity and frequency. That is, almost all children qualifying based on hospital LOC will also qualify for nursing facility LOC.
    - As of now, we believe most of the anticipated Act 421 population will have an OCDD statement of approval. Once a statement of approval is received, the LOC determination for this population is much less involved than it is for hospital/nursing facility. In addition, we anticipated doing LOC screening only when a slot becomes available. Prioritizing children on the basis of need across all three pathways means that (1) all children on the registry (anticipated 3,800 children) will be screened and (2) all children will be screened across all three LOCs. Both of these will significantly increase the administrative costs associated with the program and reduce the overall funding available for TEFRA services, leading to fewer children served.

INITIAL ENROLLMENT / REQUESTS FOR SERVICES

Stakeholder Feedback & LDH Response Continued:

Stakeholders indicated they wanted to consider this process and bring ideas back. We hope to continue to receive feedback and any proposals from stakeholders. At this time, due to the concerns identified, LDH plans to use the registration period / lottery / FCFS previously described.

Changes in LDH approach based on stakeholder feedback:

Children already on the OCDD registry but **not** receiving waiver services (i.e., children with a 0, 1, 2 SUN score) and not already otherwise qualified for Medicaid will be automatically placed on the initial Act 421 registry. Children on the registry will not have to re-apply for Act 421.

GENERAL ENROLLMENT PROCESS

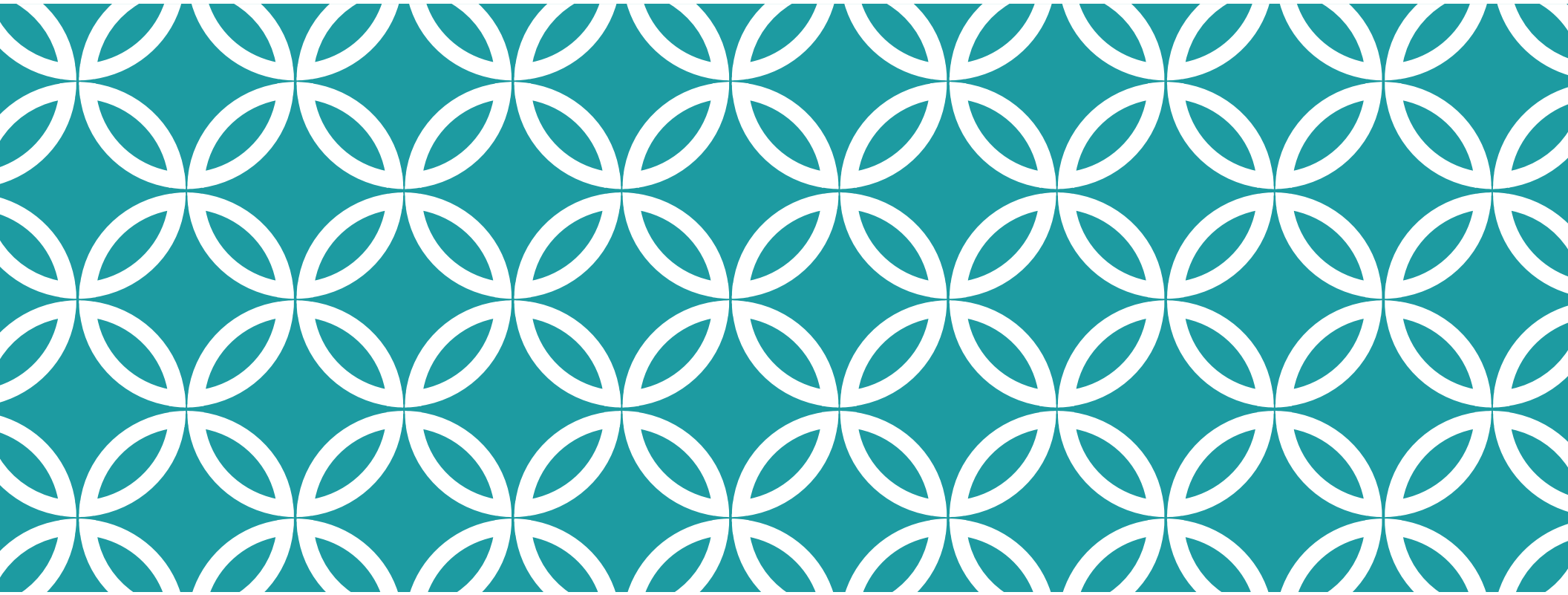
- We anticipate approximately 75% of applicants will have developmental disabilities.
- Intent is to use existing infrastructure as much as possible through regional points of entry, which will allow LDH to reduce administrative costs for this program.
- Children will not qualify for Act 421 if otherwise eligible for Medicaid (including through existing waivers).

GENERAL PROPOSED ENROLLMENT PROCESS - REGISTRY

- Parents will be encouraged to apply online via a simple web form, which will generate a confirmation e-mail.
- The web form will ask if the parent has or wants to apply for OCDD eligibility. If the parent checks "yes," the parent will be given instructions on how to do so. The parent will complete the Act 421 form, and the child's registry date will attach to the date of that submission.
- Children will be placed on the Act 421 registry.
  - Children who do not go through the OCDD process will be placed on the Act 421 registry with a date attaching to the submission of the web form.
  - Children who go through the OCDD process and receive a statement of approval and ultimately a waiver offer will be removed from the Act 421 registry.
  - Children who receive a statement of approval but not a waiver offer (i.e., SUN score of 0, 1 or 2) will remain on the Act 421 list with a registry date attaching to the submission of the web form.

GENERAL PROPOSED ENROLLMENT PROCESS – WAIVER OFFER AND ELIGIBILITY SCREENING

- Child with SOA: when an Act 421 slot becomes available, the child will be provided with a 90-L form and instructions on completion. ICF LOC is based on this form.
- Child without an SOA: the nursing home and hospital screenings will be administered to determine the child meets level-of-care requirements.
- Child will also need to undergo basic Medicaid eligibility processes to determine financial qualifications (for child only).
- Medicaid will review LOC documentation to confirm existence of disability meeting SSI standards.



COST-SAVING PROPOSALS

COST-SHARING REQUIREMENTS

- LDH is no longer considering mandating cost-sharing requirements in year one of the program. Demonstration will provide that LDH will study impact of possible cost-sharing and make a determination in out-years.
- LDH has considered feedback in response to possibility of imposing cost-sharing. These concerns and LDH's response are among the factors that would be studied in year one. Concerns around cost-sharing include:
  - Cost-sharing would be financially difficult for some families.
    - LDH Response: LDH is considering cost sharing only for families with higher incomes (see model table next slide). Families "on the bubble" would not be subject to cost-sharing, and hardship exemptions could apply.
  - Parents of a newborn or newly disabled child are dealing with significant barriers already; cost-sharing would be another.
    - LDH Response: LDH is willing to consider exempting cost-sharing in the first year of the child's life or other measures that would mitigate the administrative burdens.
  - Parents are wary that cost-sharing burdens would creep up.
    - LDH Response: LDH understands this concern and is willing to consider measures that would **require** participant feedback prior to changes to any cost-sharing requirements.

COST-SHARING REQUIREMENTS

- If implemented at all, cost-sharing would likely be similar to model currently used in Arkansas. The table below is based on this model (Ark. imposes cost-sharing on all participating families; Louisiana would begin at 600% FPL).

Persons in Family/Household	Poverty Guideline*	600-699% FPL	700-799% FPL	≥ 800% FPL
2	$ 16,910	$ 101,460	$ 118,370	$ 135,280
3	$ 21,330	$ 127,980	$ 149,310	$ 170,640
4	$ 25,750	$ 154,500	$ 180,250	$ 206,000
5	$ 30,170	$ 181,020	$ 211,190	$ 241,360
6	$ 34,590	$ 207,540	$ 242,130	$ 276,720
7	$ 39,010	$ 234,060	$ 273,070	$ 312,080
8	$ 43,430	$ 260,580	$ 304,010	$ 347,440
		$ 40.00	$ 50.00	$ 60.00

**2019 HHS Poverty Guidelines*

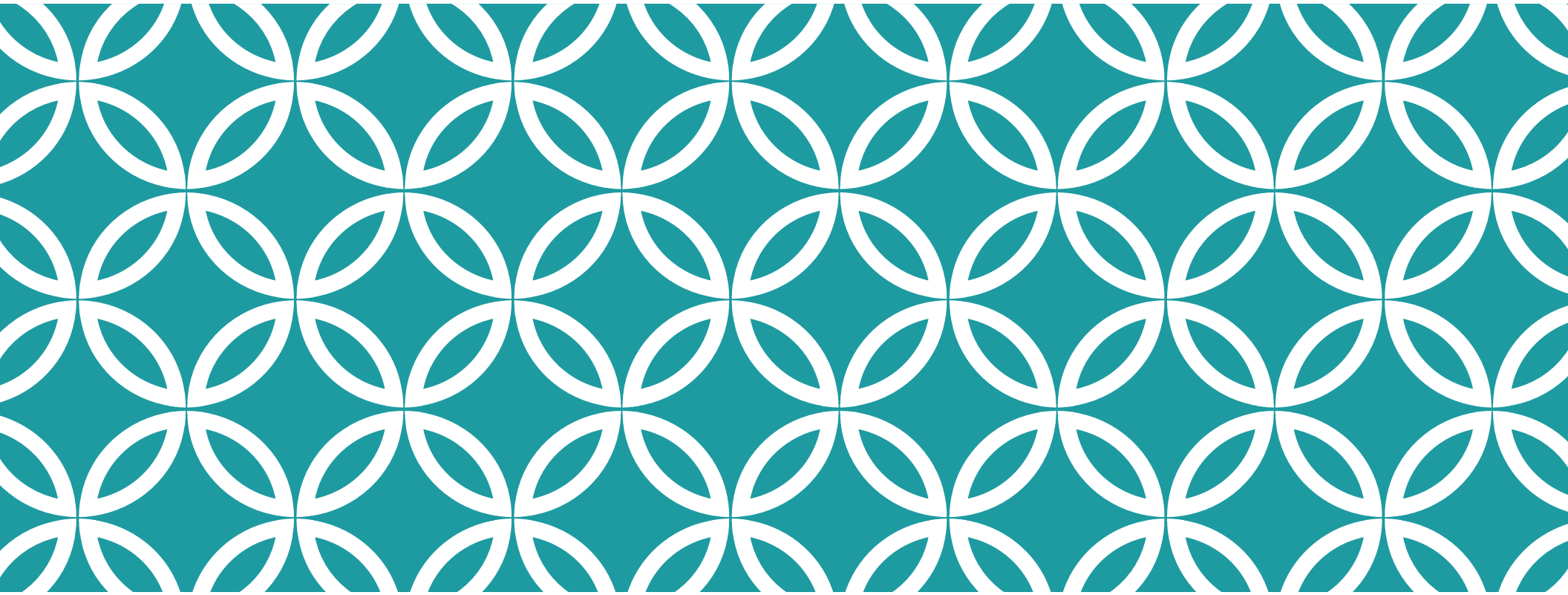
MANDATORY PRIVATE INSURANCE

LDH may not **require** maintenance of private insurance in year one, but may impose a requirement in out-years.

- Medicaid would still run participating families through the Louisiana Health Insurance Premium Payment program (LaHIPP) in year one, and encourage participation by eligible families.
- LaHIPP has been in use for waiver recipients (the most comparable group to the Act 421 population) since December 2019, so we still cannot reliably predict resulting savings.
- LaHIPP pays premiums and out-of-pocket costs, along with Medicaid costs for services not covered by private insurance, when it is cost-effective to do so. If it is not cost-effective, Medicaid does not enroll the beneficiary in LaHIPP.
- Maintenance of private insurance has resulted in cost-savings for about 25% of waiver recipients assessed thus far. That is, only about a quarter of assessed waiver recipients have been enrolled in LaHIPP.
- Other factors being considered for Act 421, such as mandatory managed care participation, could result in higher eligibility.
- We are in process of accruing data on the average premium payment and claims data for waiver recipients enrolled in LaHIPP.
- As data becomes available, it will be considered and incorporated into cost estimates, taking into account the small and early sample size.

OTHER COST-SAVINGS MEASURES

- LDH has not considered cuts to other optional programs in order to fund Act 421. In particular, we want to avoid (1) loss of services for current enrollees or (2) establishment of or increases to waitlists for services to existing programs.
- During testimony and advocacy, to our knowledge, cuts to existing programs were not contemplated.
- Affected stakeholders would need to be included in conversations regarding cuts.
- As always, if you have ideas, questions, concerns, we welcome the opportunity to listen and respond.



MANAGED CARE / FEE-FOR-SERVICE

MANAGED CARE VS. FEE-FOR-SERVICE

- LDH continues to consult with actuaries to determine whether managed care or fee-for-service (FFS) will be more cost-effective.
  - Cost-effectiveness of delivery system is required by Act 421.
- Managed care likely more cost-effective, but still refining numbers with actuaries to determine the per member, per month (PMPM) for the Act 421 population.
- An advantage to use of managed care: cost-of-care is built into Act 421 eligibility; a child is eligible only if cost of care at home is lower than institution-based care. Under managed care, cost of home-based care is much less likely to exceed institution-based care, ensuring the cost-of-care prong of eligibility is met.