



ACT 421 IMPLEMENTATION

Stakeholder Work Group
January 10, 2020
LDH—Bienville Building

MEETING AGENDA

- Discuss updates / changes to LDH's implementation strategies
- Review & receive feedback on proposed program entry processes
- Review & receive feedback on level-of-care assessment tool model
- Miscellaneous matters
- Schedule follow-ups



ACT 421 OVERVIEW & MEDICAID BASICS



ACT 421 ELIGIBILITY GROUP - COMPOSITION

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

OTHER FEATURES/HIGHLIGHTS OF ACT 421

“The TEFRA option shall offer coverage exclusively through the Medicaid fee-for-service system unless the department determines that offering TEFRA option coverage to persons enrolled in the Medicaid managed care program would be more cost-effective.”

“To the maximum extent practicable, as determined by the secretary, the department shall include TEFRA option beneficiaries in its health insurance premium payment program as a means of maximizing private health insurance coverage of Medicaid enrollees.”

****NOTE**** *LDH is working with analysts to determine which vehicle would be more cost-effective, based on a projected per-member, per-month (PMPM) fee for managed care vs. projected average fee-for-service costs, using historical data from Children’s Choice waiver recipients as a guide.*

MEDICAID STATE PLAN SERVICES

- Array of services available to Medicaid recipients
 - Some services limited according to medical necessity and/or require prior authorization
 - Some services limited by age, diagnosis, or other factors
- Includes basic health coverage and therapies including hospital stays, doctor visits, prescriptions, etc.
- For children, state plan services also include Early & Periodic Screening, Diagnostic & Treatment (EPSDT). When medical necessity is shown, EPSDT includes (non-exhaustive list):
 - Skilled nursing
 - Dental, vision
 - Personal care services
 - Case management / service coordination
 - Diapers if needed as durable medical equipment

WAIVERS

1915(c)/HCBS Waiver

- Provides home and community based services (HCBS) not normally provided under Medicaid state plan
- Requires case management as an HCBS
- Recipients are required to utilize HCBS monthly, including case management
- Requires renewal every five years
- Not as administratively burdensome as 1115
- Current LDH 1915(c) waivers available to qualifying children: Children's Choice, ROW, NOW & the Coordinated System of Care (CSoc)

1115 Waiver

- Does not require HCBS services
- Allows states to test new approaches by waiving provisions of the Medicaid Act
- Provides states with flexibility in operating their programs
- Requires budget neutrality (services cannot cost more with a waiver than without)
- Requires renewal every five years
- Requires intense reporting requirements and increased administrative burden
- Current LDH 1115 waiver: Opioid Use Disorder / Substance Use Disorder Demonstration



IMPLEMENTATION STRATEGY



LDH FIRST YEAR GOAL

- Develop a sustainable program that reduces risk of institutionalization for Louisiana children
- Establish measures to allow for analyzing needs of target population of children

PREVIOUS PROPOSED STRATEGY & FEEDBACK

- **Implementation through a new 1915(c) waiver: 800 slots + likely wait list**
 - Available to individuals who meet institutional level of care, as defined in federal and state law and the waiver documentation
 - LDH must specify the number of people the waiver is expected to serve; under the proposal, Medicaid would have requested 800 slots, with any additional children moving to a wait list
 - *Advantage for Act 421 implementation:* Provides waiver services (i.e., services not covered under state plan); limited enrollment would allow LDH to assess size and scope of population needs without jeopardizing funding for other discretionary Medicaid programs
 - *Disadvantage for Act 421 implementation:* Funding limitations would likely result in a waiting list
- **Stakeholder feedback on this proposal**
 - Stakeholders would like LDH to explore requiring Act 421 families obtain/maintain private insurance
 - Stakeholders are less interested in waiver services than Medicaid state plan services
 - Stakeholders have concerns about wait list

LDH REVISED IMPLEMENTATION STRATEGY — 1115 DEMONSTRATION WAIVER

- **What would the Act 421 1115 waiver look like?**
 - General TEFRA requirements apply – child has a disability and meets level-of-care requirements; parental income is disregarded
 - Children eligible for Medicaid through any other mechanism (e.g., based on family income or via a 1915(c) waiver) are not eligible for Act 421 services
 - Enrollees have access to state plan services
 - No HCBS waiver services, resulting in more funds available for providing state plan services through more waiver slots
 - Requirement to maintain private insurance, unless family demonstrates hardship
 - Potential cost sharing for higher income families

LDH REVISED IMPLEMENTATION STRATEGY — 1115 DEMONSTRATION WAIVER

- **What would the Act 421 1115 waiver look like?**
 - Program would more accurately reflect legislative intent in enacting Act 421
 - Number of children served dependent on (1) legislative appropriation; (2) cost of services for children already enrolled in program; and (3) administrative costs
 - Tying number of enrollees to the appropriation allows LDH to assess administrative and service costs for program on ongoing basis as program rolls out, meaning the Department less likely to underestimate or overestimate costs
 - Allows impact of secondary insurance, which cannot be reliably estimated prior to start of program, to immediately roll back into the program, possibly resulting in more slots for more children.



ENROLLMENT AND ENTRY PROCESSES



INITIAL ENROLLMENT / REQUESTS FOR SERVICES

- Time-limited initial registration period with later lottery for slot and wait list placement
- Following the lottery and initial organization of registry, services will be available first-come, first-served
- Needs-based allocation would be difficult to develop prior to start of program due to uncertainties as what to the needs of the population will be and how to assess need across levels of care accurately and fairly
- Existing placement on the OCDD registry does not guarantee a slot on the Act 421 waiver list
- Everyone seeking the Act 421 waiver will be required to submit a new application for this waiver

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.
- Children will not qualify for Act 421 if otherwise eligible for Medicaid (including through existing waivers).
- Children who have a suspected intellectual / developmental disability will go through OCDD eligibility.
- LDH will make every effort to make entry into the service system as seamless as possible for parents and children.



LEVEL OF CARE ASSESSMENTS



WISCONSIN MODEL

- LDH uses the 90L form to assess ICF/IID level of care (LOC) for children with an OCDD statement of approval.
- Children who do not have an SOA (i.e., have not been deemed to have I/DD) must qualify for Act 421 based on meeting nursing facility or hospital LOC. LDH does not currently have a process for assessing hospital LOC or nursing facility LOC in children.
- Using *Institutional Levels of Care: Children's Long Term Support Programs in Wisconsin* as a guide for developing level of care (LOC) assessments for skilled nursing facility and hospital LOCs.
 - Used across Wisconsin's long-term care programs for children, including 1915(c) waivers and TEFRA
 - Parents answer questions; assessment administered by registered nurse.
 - Assessment based on objective criteria (what kinds of medical interventions are required, how often are they required, etc.)