



# ACT 421 IMPLEMENTATION

Stakeholder Work Group  
June 22, 2020  
LDH–Bienville Building

# MEETING AGENDA

- Review of basic features of TEFRA-like eligibility group and proposed 1115 demonstration
- Updated timeline
- Registry and prioritization
- Estimated enrollment and use of managed care
- Name of program

# MEETING OBJECTIVES & DECISION POINTS

- Provide high-level overview of TEFRA-like waiver
- Review updated timeline
- Review data and rationale for decisions

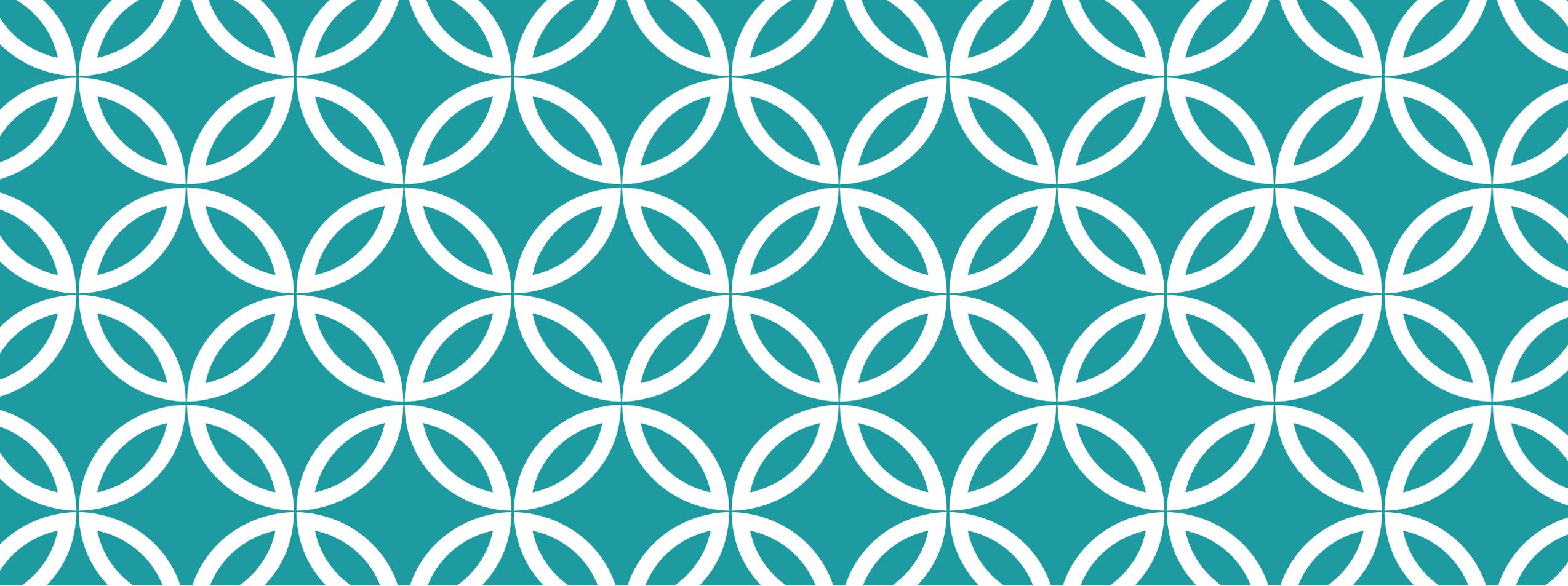
## **Required Decision Points for June 22**

- Protocol for Prioritization
- Name of program

# POST-SUBMISSION DECISION POINTS

**Several aspects of the TEFRA-like operations will not be finalized prior to submission of the 1115 application to CMS.** LDH will continue to convene stakeholder meetings in order to receive guidance on these aspects of the program **following** September 1 as we prepare for implementation.

- Finalization of the nursing home and hospital level-of-care assessment process and protocol.
- Refinement and finalization of intake, level-of-care assessment, and enrollment processes.
- Development of cost-sharing requirements to be applied in later demonstration years.



# **TEFRA-LIKE DEMONSTRATION: REVIEW**



# TEFRA-LIKE DEMONSTRATION ELIGIBILITY GROUP: COMPOSITION

## 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

# TEFRA-LIKE DEMONSTRATION ELIGIBILITY GROUP: SIZE

## **Estimated Size**

- Estimated 3,800 children

## **Derivation of Estimate**

- Approximately 2,800 children on the OCDD registry who were not Medicaid-eligible as of July 2019. I.e., children who
  - (1) have a 0, 1 or 2 SUN score and
  - (2) do not otherwise qualify for Medicaid
- Estimated 1,000 additional children not on registry (do not have a Statement of Approval from OCDD) but who would qualify due to medical need.
  - Estimate derived from Early Steps numbers.
  - LDH is less sure about this estimate, because we do not currently track children who do not meet criteria for OCDD services and who are not enrolled in Medicaid.

# TEFRA-LIKE DEMONSTRATION FEATURES

## **Budget/Enrollee Estimate**

- Number of enrollees tied to legislative appropriation. Program will serve as many children as possible given appropriated budget.
- Requested approximately \$27 million per year (\$13.5M for FY2021 with program start in January 2021).

## **Not Otherwise Qualified for Medicaid**

- Children receiving Medicaid through other programs or services (e.g., a 1915(c) waiver) will not qualify for the TEFRA-like program.

## **Initial 5-Year Program**

- 1115 Demonstration Waivers approved for five years, subject to renewal.
- LDH intends to renew if 1115 proves effective vehicle, or consider other implementation vehicles as appropriate.
- Given state law requirement, LDH is working under the assumption that TEFRA or TEFRA-like program will continue to be offered in Louisiana Medicaid.

# TEFRA-LIKE DEMONSTRATION FEATURES

## **Prioritization of Hospitalized / Institutionalized Applicants**

- See later slides on registry and prioritization.

## **Maintenance of Private Insurance**

- In order to maximize program resources, families will be required to maintain existing private insurance coverage for enrolled children.
- Hardship exemption will apply.
- LaHIPP participation will be available to qualifying families for premium assistance.

## **Required Managed Care Enrollment**

- Managed care is more cost-effective and therefore is required under Act 421. It also allows services to more children. See later discussion on enrollment estimates.

# TEFRA-LIKE DEMONSTRATION FEATURES

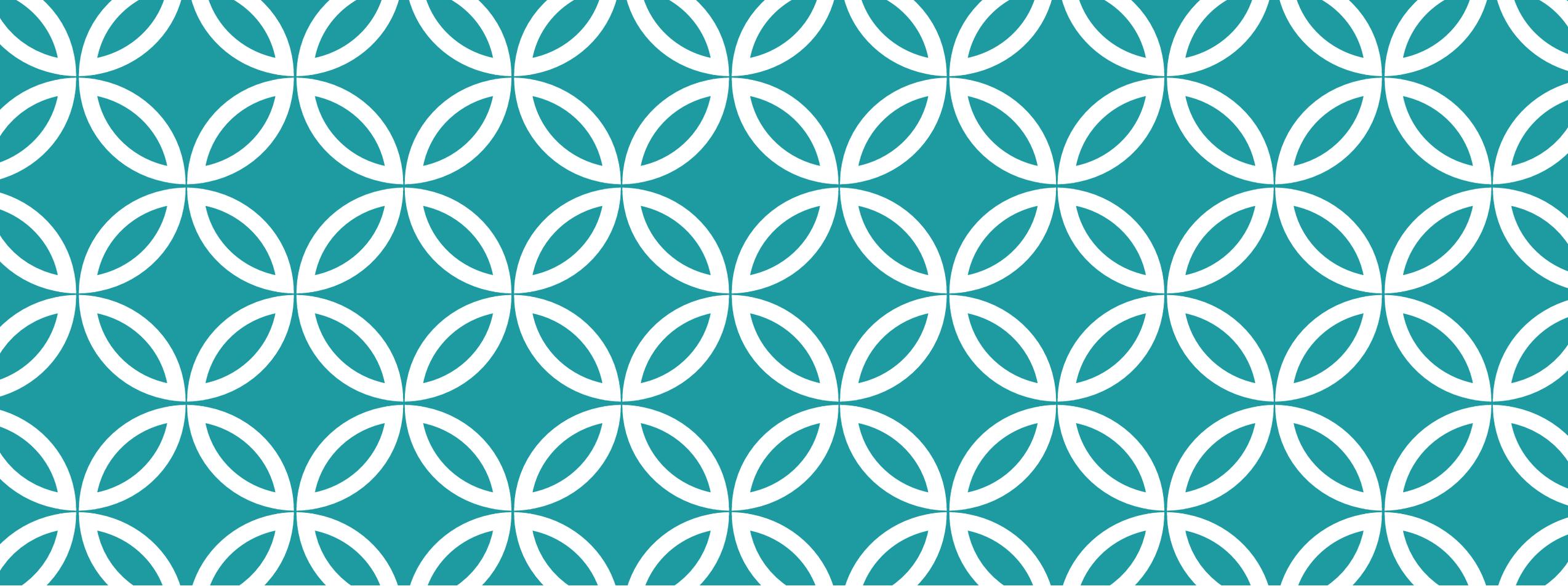
## **Level of Care Determinations**

- ICF: Used for children with SOA. 90-L form submitted to LGE for processing.
- Nursing facility & hospital: Assessment based on Wisconsin model previously provided. Assessment will be provided at LGE level by registered nurse.
  - Assessment has been presented to stakeholders and comments received and considered in construction of the assessment tool.
  - Assessment will be finalized post-submission.

# TEFRA-LIKE DEMONSTRATION FEATURES

## **Study of Possible Cost-Sharing**

- LDH plans to submit an amendment to the 1115 demonstration for cost sharing requirements for high-income families to begin in year 2.
- Specifically, require premium payments based on a sliding scale determined by family income, similar to the Family Opportunities Act coverage.
- Persons maintaining private insurance that do not qualify for LaHIPP will be exempt.
- Hardship exemptions will apply.
- LDH will work with stakeholders to determine the best path forward for implementation of premiums.



# TEFRA-LIKE DEMONSTRATION: TIMELINE



# TIMELINE

**June 22:** Stakeholder work group meeting

**June 29:** Stakeholder work group meeting

**July 7-20:** Publication of public notice and start of public comment period

**July 16:** Presentation at DD Council meeting

**July 20 – August 11:** CMS required public hearings (2 hearings, dates TBD)

**August 21:** Presentation at Medicaid Quality Committee

**September 1: Submission to CMS**

**September – December:** Development and refinement of operational procedures in consultation with stakeholders

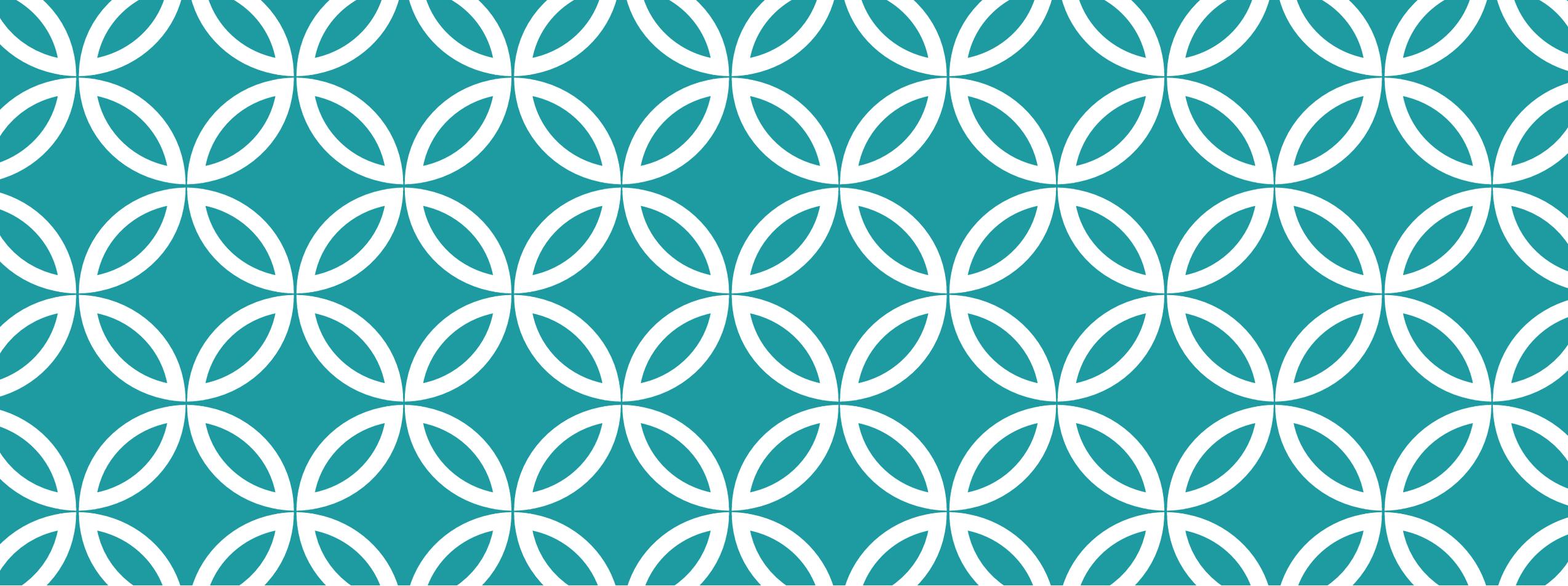
- Enrollment, assessment, points of contact between applicants and LGEs
- Level-of-Care (NH & hospital) finalization
- Cost-sharing requirements

**January 1:** Requested implementation date (ultimately determined by CMS review timeline)

## RECURRING ACTIVITIES

**September – January:** Monthly stakeholder meetings, extended beyond January as needed

**July – January:** Weekly/bi-weekly meetings with LGEs, extended beyond January as needed



# **TEFRA-LIKE DEMONSTRATION: REGISTRY AND PRIORITIZATION**



# REGISTRY AND ENROLLMENT

## Initial

- Initial registration period of one month.
- Children eligible for prioritization (see later slides) will receive offers, pending final eligibility determination.
  - If more than one child qualifies before a lot becomes available, prioritization is given to child with earlier prioritization date.
- Children currently on OCDD registry will be automatically registered for the TEFRA-like demonstration. Placement on TEFRA-like demonstration registry does not remove child from OCDD registry.
- Non-OCDD, non-prioritized children will apply during the registration period and be placed on the registry.
- Registry order will be determined randomly from those who participated in initial registration period + OCDD registry transfer.
- Children will receive offers, pending final eligibility determination, up to point of budget maximization.

## Ongoing

- Following initial registry period and slot allocation, new registrants will be placed on registry in order of registration (i.e., first-come, first-served), with exception for children eligible for prioritization, who will be offered first available slot.

# 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 also complete the Act 421 form, and the child’s registry date will attach to the date of that submission.
- The web form will elicit information to determine whether the child is eligible for prioritization.
- 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 registry 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.

# PRIORITIZATION – DECISION POINT

**Option 1:** Child has spent 30 consecutive days within previous 90 days in hospital or other institution prior to registration.

- Option 1a: If child no longer institutionalized, child would lose prioritization after 6 months from the registration date if slot not available.
  - Effectively a maximum of 9 months when counting the 90-day registration allowance post-discharge
  - Child would still have to meet level of care requirements
- Option 1b: If child no longer institutionalized, child retains prioritization if institutionalized for a certain number of days prior to slot availability.
  - Threshold/formula to be decided by stakeholder workgroup
  - For example: if child receives prioritization on June 1 and slot becomes available on September 1, he/she retains prioritization if hospitalized for 10 of the previous 30 days, 15 of previous 60, 30 of previous 120, etc. What is the will of the group?

# PRIORITIZATION – DECISION POINT

**Option 2:** Child has been hospitalized/institutionalized for 30 of previous 90 days. Days do not have to be consecutive.

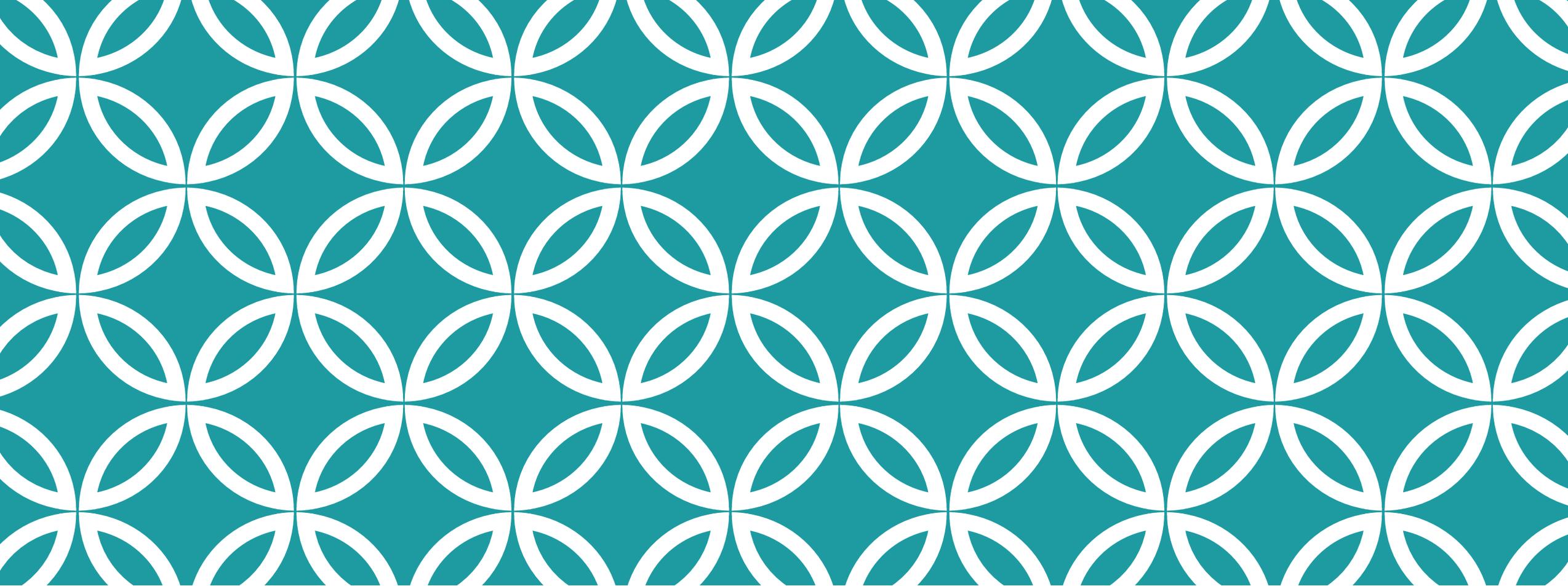
- Option 2a: 90-day look-back would restart when slot becomes available. E.g., child receives prioritization on April 1 based on hospitalization in January, February, and March; if slot becomes available in July, he/she retains prioritization assuming hospitalization threshold is met for April-June.
- Option 2b: Prioritization valid only for a finite period prior to slot availability. E.g., remains prioritized if slot becomes available within 4/6/8, etc. months of qualifying, then child receives offer.

# PRIORITIZATION – POPULATION ESTIMATE

## **Prioritized Population**

LDH does not have valid estimates as to how many children will qualify for the prioritization.

- Models assume 10% of eligible population will qualify for prioritization.
- Children eligible due to hospitalization are not tracked currently since hospitalization alone does not meet criteria for eligibility and there can be many causes for hospital stays for children that do not qualify as a disability.
- We requested data on numbers of children currently institutionalized in ICFs and nursing homes. Will update when we receive this information.
  - Note: We expect this prioritization to largely affect children who require hospitalization and possibly nursing home level of care. Children meeting the ICF level of care will qualify for an OCDD waiver (Residential Options, New Opportunities, or Children's Choice).



# **ESTIMATED ENROLLMENT AND USE OF MANAGED CARE**



# ESTIMATED ENROLLMENT

- Program will serve as many children as possible given budgetary allocation.
- LDH and actuaries have developed models based on historic state plan service usage by Children's Choice Waiver (CCW) enrollees and information actuaries were able to obtain from other states.

# ESTIMATED ENROLLMENT

The following assumptions or considerations are built into the models:

- Budget: Approximately \$27 million annually (\$13.5 million year one for January 2021 start)
- CCW state plan costs: Approx. \$23,411 average per child in fee-for-service.
  - Data as reported to CMS on most recent 372 report.
- Managed care estimates assume 90% of participating families will be able to maintain private insurance without hardship.
- Estimated LaHIPP participation: 30% of total population.
  - Based on early estimates of LaHIPP enrollment by DD waiver participants (began in December 2019); updated enrollment numbers, premium cost, and wrap costs have been requested to further refine estimates.
- Managed care assumptions relative to private insurance and LaHIPP extrapolated to calculate impact on fee-for-service costs.

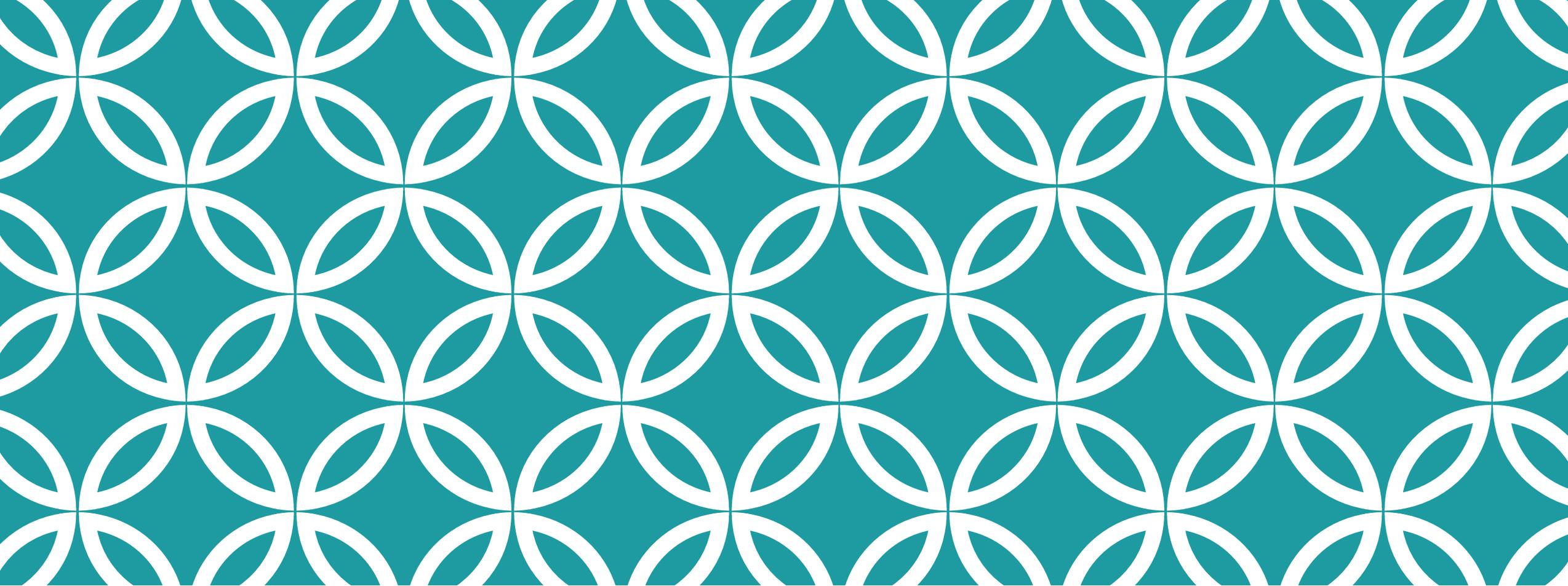
# ESTIMATED ANNUAL ENROLLMENT

	Average Per Member Annual Cost	Projected Slot Range*
FFS - no TPL	\$23,411.00	573 to 1,147
Managed Care - no TPL	\$20,084.76	667 to 1,335
FFS - all participant types	\$11,998.26	1,112 to 2,225
Managed Care - all participant types	\$10,293.54	1,294 to 2,589

\*Slot range dependent on progression of administrative costs with LGEs for LOC assessments, implementation pace, attrition, etc.

# WHY MANAGED CARE?

- Managed care is more cost-effective and will allow more children to be served under the program.
- Act 421 requires LDH to implement the most cost effective solution.
- Cost of Care: A child is eligible for the TEFRA-like waiver only if cost of care at home is lower than institution-based care. If cost is determined according to the fixed PMPM, cost of home-based care will not exceed institution-based care, ensuring this eligibility requirement is met.
- Managed care PMPMs also afford the state better budget predictability, which allow us to better determine how many children we can serve within the appropriated budget.
- LDH is aware that many stakeholders prefer fee-for-service (legacy Medicaid). We are committed to working with you and with the families receiving services under the TEFRA-like waiver to ensure quality and access to care. Discussions with stakeholders will continue as we develop the managed care contract amendment for provisions to assist with administrative burden for families.



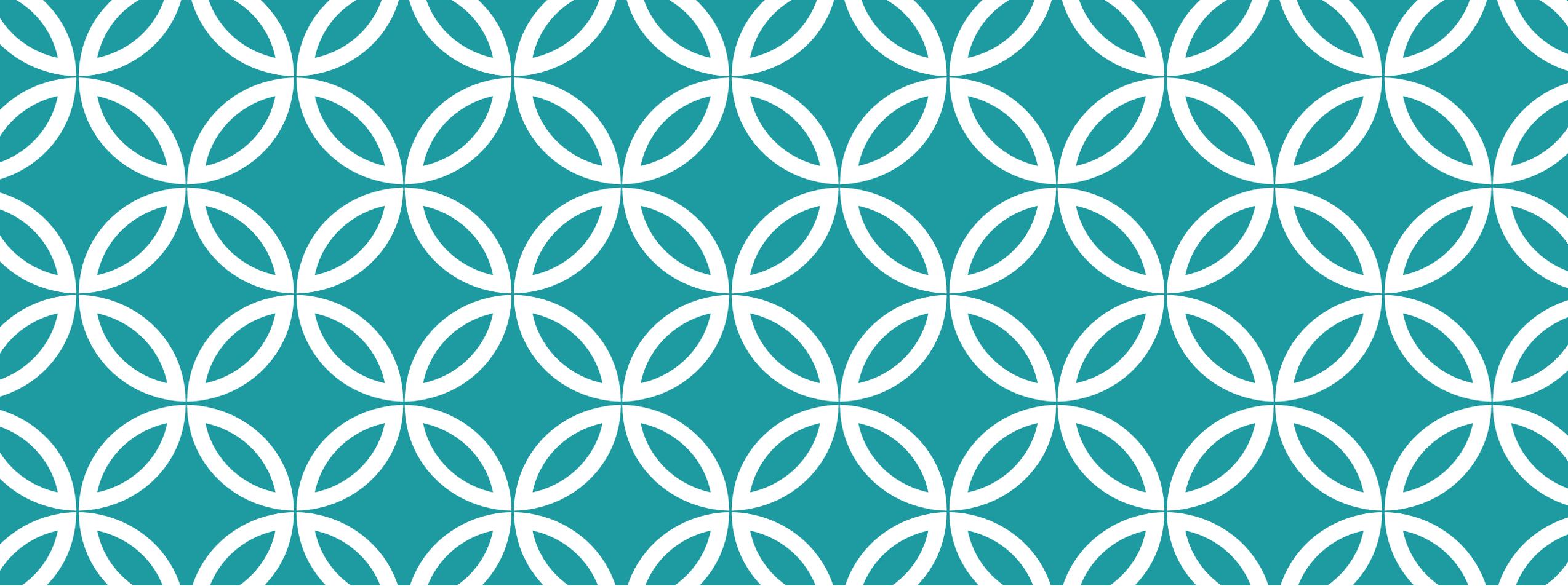
# **MAINTENANCE OF PRIVATE INSURANCE**



# MANDATORY PRIVATE INSURANCE

In evaluating legislative intent with the LaHIPP program and the primary priority of stakeholders to reduce the registry and serve as many children as possible, LDH is moving forward with a maintenance of private insurance requirement in year one. This will allow more children to be served.

- Medicaid will encourage participation by eligible families in the Louisiana Health Insurance Premium Payment program (LaHIPP) for premium assistance.
- However, families will be required to maintain private insurance even if they do not qualify for LaHIPP.
- Hardship exceptions will apply:
  - If child's portion of insurance, in addition to the premiums that the adult must purchase in order to secure insurance, exceeds 5 percent of the family's modified adjusted gross income, family qualifies for hardship.
  - Any other suggestions?



# OUTSTANDING DECISIONS



# OUTSTANDING DECISIONS

## **June 22**

- Prioritization methodology
- Program name
- Do we need a June 29 meeting?

## **Following Waiver Submission**

- Finalization of the nursing home and hospital level-of-care assessment process and protocol.
- Refinement and finalization of intake, level-of-care assessment, and enrollment processes.
- Development of cost-sharing requirements to be applied in later demonstration years.