

Medicaid Purchase Plan

Response to Act 207 of the 2003 Regular Session

State Fiscal Year 2025

Prepared by:

Louisiana Department of Health

Bureau of Health Services Financing

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Executive Summary

Act 207 (Senate Bill 305 of the 2003 Regular Session) requires the Louisiana Department of Health (LDH) to submit certain information semiannually regarding the Medicaid buy-in program, also known as the Medicaid Purchase Plan (MPP), to the Joint Legislative Committee on the Budget and the House and Senate Health and Welfare committees. The report covers the status of MPP, the total estimated annual gross income of program participants, taxes paid by participants, and any recommendations for expanding coverage. Revised Statute 24:772 also requires that the report be submitted to the Senate President and the House Speaker.

This report contains data from July 1, 2024 to June 30, 2025, for State Fiscal Year (SFY) 2025.

Program Overview

The MPP is an optional Medicaid program that provides healthcare coverage for employed individuals with disabilities who meet specific income criteria. Launched in January 2004, MPP provides comprehensive medical services, including prescription drugs, hospital stays, doctor visits, medical equipment and supplies, transportation to medical appointments, and other healthcare services. The costs for these services to members covering fee-for-service expenses and capitation payments to managed care organizations (MCO), totaled \$26,483,375 for SFY 2025. Since its start, the program has served 32,277 people. Enrollment in SFY 2025 was 4,243.

To comply with Senate Concurrent Resolution 17 of the 2024 Regular Legislative Session, on July 13, 2025, the Department increased the income limit from 100% to 200% of the federal poverty level (FPL), with premiums required for workers earning above 150% of FPL. Additionally, the resource limit rose from \$10,000 to \$25,000. Changes to the program limits are not reflected in the data presented in this report since the changes occurred after SFY 2025.

Positive Impact of MPP

With increased earnings comes increased buying power for Louisiana's economy. MPP enrollees are tax-paying residents whose estimated combined gross earned income during SFY 2025 totaled \$71,248,998, contributed approximately \$1,823,965 in federal taxes, \$5,450,548 in FICA taxes – federal payroll tax that funds Social Security and Medicare programs – and approximately \$1,181,242 in state taxes. Total income is estimated based on proof provided by members, along with systems checks through the Louisiana Department of Revenue. Tax information is estimated using the 2024 federal and Louisiana state income tax tables.

The Department recognizes that work is a fundamental part of adult life for people with and without disabilities. MPP is crucial in supporting individuals with disabilities as they strive to achieve self-sufficiency.

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