# Medicaid Eligibility

State Name: Louisiana

OMB Control Number: 0938-1148

Transmittal Number: LA - 16 - 0004

Expiration date: 10/31/2014

## Eligibility Groups - Mandatory Coverage
## Adult Group

**S32**

1902(a)(10)(A)(i)(VIII)
42 CFR 435.119

The state covers the Adult Group as described at 42 CFR 435.119.

(•) Yes ( ) No

☑ **Adult Group -** Non-pregnant individuals age 19 through 64, not otherwise mandatorily eligible, with income at or below 133% FPL.

☑ The state attests that it operates this eligibility group in accordance with the following provisions:

☑ Individuals qualifying under this eligibility group must meet the following criteria:

☑ Have attained age 19 but not age 65.

☑ Are not pregnant.

☑ Are not entitled to or enrolled for Part A or B Medicare benefits.

☑ Are not otherwise eligible for and enrolled for mandatory coverage under the state plan in accordance with 42 CFR 435, subpart B.

Note: In 209(b) states, individuals receiving SSI or deemed to be receiving SSI who do not qualify for mandatory Medicaid eligibility due to more restrictive requirements may qualify for this eligibility group if otherwise eligible.

☑ Have household income at or below 133% FPL.

☑ MAGI-based income methodologies are used in calculating household income. Please refer as necessary to S10 MAGI-Based Income Methodologies, completed by the state.

☑ There is no resource test for this eligibility group.

☑ Parents or other caretaker relatives living with a child under the age specified below are not covered unless the child is receiving benefits under Medicaid, CHIP or through the Exchange, or otherwise enrolled in minimum essential coverage, as defined in 42 CFR 435.4.

(•) Under age 19, or

( ) A higher age of children, if any, covered under 42 CFR 435.222 on March 23, 2010:

☑ Presumptive Eligibility

The state covers individuals under this group when determined presumptively eligible by a qualified entity. The state assures it also covers individuals under the Pregnant Women (42 CFR 435.116) and/or Infants and Children under Age 19 (42 CFR 435.118) eligibility groups when determined presumptively eligible.

( ) Yes (•) No

# Medicaid Eligibility

## PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20140415

# Medicaid State Plan Eligibility: Summary Page (CMS 179)

**State/Territory name:** **Louisiana**

**Transmittal Number:**

***Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY = the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.***

LA-16-0004

**Proposed Effective Date**

07/01/2016 *(mm/dd/yyyy)*

**Federal Statute/Regulation Citation**

1902(a)(10)(A)(i)(VIII) and 42 CFR435.119

**Federal Budget Impact**

| | Federal Fiscal Year | Amount |
|---|---|---|
| **First Year** | 2016 | $ 7318.13 |
| **Second Year** | 2017 | $ 1751359.77 |

**Subject of Amendment**

This Amendment adopts provisions in the Medicaid Program to expand Medicaid coverage to the new adult group pursuant to the provisions of the Affordable Care Act.

**Governor's Office Review**

- ○ **Governor's office reported no comment**
- ○ **Comments of Governor's office received**
  Describe:
- ○ **No reply received within 45 days of submittal**
- ◉ **Other, as specified**
  Describe:
  The governor does not review state plan material.

**Signature of State Agency Official**

| | |
|---|---|
| **Submitted By:** | **Darlene Adams** |
| **Last Revision Date:** | **Mar 31, 2016** |
| **Submit Date:** | **Mar 31, 2016** |

# Medicaid Expansion Fiscal Impact Estimate

| | | | SFY16 | | | SFY17 | | | SFY18 | | | SFY19 | | | SFY20 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | State Share | Federal | Total | State Share | Federal | Total | State Share | Federal | Total | State Share | Federal | Total | State Share | Federal | Total |
| MCO Payments | | | $0 | $0 | $0 | $68,388,574 | $1,815,174,258 | $1,883,562,832 | $158,692,263 | $2,271,127,904 | $2,429,820,167 | $192,103,718 | $2,345,124,169 | $2,537,227,887 | $250,885,749 | $2,385,209,003 | $2,636,094,752 |
| Administrative Costs | | | $2,999,458 | $7,318,130 | $10,317,588 | $13,976,879 | $24,793,987 | $38,770,866 | $14,952,636 | $26,387,143 | $41,339,779 | $15,193,166 | $26,916,878 | $42,110,044 | $15,468,591 | $27,540,363 | $43,008,954 |
| **COST BEFORE REVENUES** | | | **$2,999,458** | **$7,318,130** | **$10,317,588** | **$82,365,453** | **$1,839,968,245** | **$1,922,333,698** | **$173,644,899** | **$2,297,515,047** | **$2,471,159,946** | **$207,296,884** | **$2,372,041,047** | **$2,579,337,931** | **$266,354,339** | **$2,412,749,366** | **$2,679,103,706** |
| Premium Tax Revenues | | | $0 | $0 | $0 | $26,372,598 | $0 | $26,372,598 | $64,086,462 | $0 | $64,086,462 | $51,084,992 | $0 | $51,084,992 | $53,646,550 | $0 | $53,646,550 |
| **COST AFTER REVENUES** | | | **$2,999,458** | **$7,318,130** | **$10,317,588** | **$55,992,855** | **$1,866,340,843** | **$1,922,333,698** | **$109,558,437** | **$2,361,601,509** | **$2,471,159,946** | **$156,211,892** | **$2,423,126,039** | **$2,579,337,931** | **$212,707,789** | **$2,466,395,917** | **$2,679,103,706** |
| Refinanced Currently Enrolled Expansion Population | | | $0 | $0 | $0 | ($24,804,223) | ($52,866,614) | ($77,670,837) | ($79,552,943) | ($143,186,045) | ($222,738,988) | ($83,026,689) | ($148,916,712) | ($231,943,401) | ($83,259,079) | ($149,300,090) | ($232,559,169) |
| DSH Payment Reductions | | | | | | ($37,651,780) | ($62,114,463) | ($99,766,244) | ($56,477,671) | ($93,171,695) | ($149,649,365) | ($75,303,561) | ($124,228,927) | ($199,532,487) | ($94,129,451) | ($155,286,158) | ($249,415,609) |
| Refinanced Department of Corrections Inpatient Hospitalization Costs | | | | | | ($3,500,000) | $0 | ($3,500,000) | ($3,500,000) | $0 | ($3,500,000) | ($3,500,000) | $0 | ($3,500,000) | ($3,500,000) | $0 | ($3,500,000) |
| **SAVINGS** | | | **$0** | **$0** | **$0** | **($65,956,003)** | **($114,981,077)** | **($180,937,080)** | **($139,530,614)** | **($236,357,740)** | **($375,888,354)** | **($161,830,249)** | **($273,145,639)** | **($434,975,888)** | **($180,888,530)** | **($304,586,248)** | **($485,474,778)** |
| **NET COST/(SAVINGS)** | | | **$2,999,458** | **$7,318,130** | **$10,317,588** | **($9,963,148)** | **$1,751,359,765** | **$1,741,396,617** | **($29,972,176)** | **$2,125,243,769** | **$2,095,271,593** | **($5,618,358)** | **$2,149,980,400** | **$2,144,362,043** | **$31,819,259** | **$2,161,809,669** | **$2,193,628,928** |

| | SFY21 | | SFY22 | | | SFY23 | | | SFY24 | | | SFY25 | | | SFY26 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | State Share | Total | State Share | Federal | Total | State Share | Federal | Total | State Share | Federal | Total | State Share | Federal | Total | State Share | Federal | Total |
| MCO Payments | $300,439,527 | $2,737,237,010 | $311,966,623 | $2,530,396,623 | $2,842,363,246 | $323,948,793 | $2,627,682,592 | $2,951,631,385 | $336,404,103 | $2,728,801,518 | $3,065,205,622 | $349,351,339 | $2,833,905,326 | $3,183,256,665 | $362,810,032 | $2,943,151,968 | $3,305,962,000 |
| Administrative Costs | $15,700,619 | $43,654,088 | $15,936,129 | $28,372,771 | $44,308,899 | $16,175,171 | $28,798,362 | $44,973,533 | $16,417,798 | $29,230,338 | $45,648,136 | $16,664,065 | $29,668,793 | $46,332,858 | $16,914,026 | $30,113,825 | $47,027,851 |
| **COST BEFORE REVENUES** | **$316,140,147** | **$2,780,891,098** | **$327,902,752** | **$2,558,769,393** | **$2,886,672,145** | **$340,123,964** | **$2,656,480,954** | **$2,996,604,918** | **$352,821,902** | **$2,758,031,856** | **$3,110,853,758** | **$366,015,404** | **$2,863,574,119** | **$3,229,589,523** | **$379,724,058** | **$2,973,265,792** | **$3,352,989,850** |
| Premium Tax Revenues | $55,684,437 | $0 | $57,916,732 | $0 | $57,916,732 | $60,232,850 | $0 | $60,232,850 | $62,635,809 | $0 | $62,635,809 | $65,128,737 | $0 | $65,128,737 | $67,714,868 | $0 | $67,714,868 |
| **COST AFTER REVENUES** | **$260,455,710** | **$2,780,891,098** | **$269,986,020** | **$2,616,686,126** | **$2,886,672,145** | **$279,891,114** | **$2,716,713,804** | **$2,996,604,918** | **$290,186,092** | **$2,820,667,666** | **$3,110,853,758** | **$300,886,667** | **$2,928,702,856** | **$3,229,589,523** | **$312,009,190** | **$3,040,980,660** | **$3,352,989,850** |
| Refinanced Currently Enrolled Expansion Population | ($83,510,199) | ($233,224,563) | ($83,750,236) | ($150,110,355) | ($233,860,591) | ($83,978,533) | ($150,486,978) | ($234,465,510) | ($84,194,401) | ($150,843,097) | ($235,037,498) | ($84,397,123) | ($151,177,531) | ($235,574,654) | ($84,585,953) | ($151,489,044) | ($236,074,996) |
| DSH Payment Reductions | ($112,955,341) | ($299,298,731) | ($131,781,231) | ($217,400,621) | ($349,181,853) | ($150,607,121) | ($248,457,853) | ($399,064,974) | ($169,433,012) | ($279,515,085) | ($448,948,096) | ($188,258,902) | ($310,572,316) | ($498,831,218) | ($207,084,792) | ($341,629,548) | ($548,714,340) |
| Refinanced Department of Corrections Inpatient Hospitalization Costs | ($3,500,000) | ($3,500,000) | ($3,500,000) | $0 | ($3,500,000) | ($3,500,000) | $0 | ($3,500,000) | ($3,500,000) | $0 | ($3,500,000) | ($3,500,000) | $0 | ($3,500,000) | ($3,500,000) | $0 | ($3,500,000) |
| **SAVINGS** | **($199,965,540)** | **($536,023,293)** | **($219,031,467)** | **($367,510,977)** | **($586,542,444)** | **($238,085,654)** | **($398,944,831)** | **($637,030,485)** | **($257,127,412)** | **($430,358,182)** | **($687,485,594)** | **($276,156,025)** | **($461,749,847)** | **($737,905,872)** | **($295,170,745)** | **($493,118,592)** | **($788,289,336)** |
| **NET COST/(SAVINGS)** | **$60,490,170** | **$2,244,867,805** | **$50,954,552** | **$2,249,175,149** | **$2,300,129,701** | **$41,805,460** | **$2,317,768,974** | **$2,359,574,434** | **$33,058,680** | **$2,390,309,484** | **$2,423,368,164** | **$24,730,642** | **$2,466,953,009** | **$2,491,683,651** | **$16,838,446** | **$2,547,862,068** | **$2,564,700,514** |

John Bel Edwards
GOVERNOR

Rebekah E. Gee MD, MPH
SECRETARY

# State of Louisiana

Department of Health and Hospitals
Bureau of Health Services Financing

**VIA ELECTRONIC MAIL ONLY**

February 10, 2016

Karen Matthews, Health Director
Chitimacha Health Clinic
3231 Chitimacha Trail
Jeanerette, LA 70544

Angela Martin
Chitimacha Tribe of Louisiana
P. O. Box 640
Jeanerette, LA 70544

Anita Molo
Chitimacha Tribe of Louisiana
P. O. Box 640
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Marshall Pierite, Chairman
Misty Hutchby, Health Director
Tunica-Biloxi Tribe of Louisiana
P. O. Box 1589
Marksville, LA 71351-1589

Lovelin Poncho, Chairman
Paula Manuel, Health Director
Coushatta Tribe of Louisiana
P. O. Box 818
Elton, LA 70532

Chief Beverly Cheryl Smith
Holly Vanhoozen, Health Director
The Jena Band of Choctaw Indians
P. O. Box 14
Jena, LA 71342

Dear Louisiana Tribal Contact:

**RE: Notification of Louisiana Medicaid State Plan Amendments**

In compliance with the provisions of the American Recovery and Reinvestment Act (ARRA) of 2009, the Department of Health and Hospitals, Bureau of Health Services Financing is taking the opportunity to notify you of State Plan amendments (SPAs) that may have an impact on your tribe.

Attached for your review and comments is a summary of the proposed State Plan amendments. Please provide any comments you may have by March 11, 2016 to Mrs. Darlene Budgewater via email to Darlene.Budgewater@la.gov or by postal mail to:

Department of Health and Hospitals
Bureau of Health Services Financing
Medicaid Policy and Compliance
P.O. Box 91030
Baton Rouge, LA 70821-9030

Should you have additional questions about Medicaid policy, Mrs. Budgewater will be glad to assist you. You may reach her by email or telephone at (225) 342-3881. Thanks for your continued support of the tribal consultation process.

Sincerely,

Darlene H Budgewater

for Jen Steele
Interim Medicaid Director

Attachment (1)

JS/DB/ZPK

c: Ford J. Blunt, III
Stacey Shuman

# State Plan Amendment for submittal to CMS

Request for Tribal Comments
February 10, 2016

**Managed Care for Physical and Behavioral Health - Expansion Under the Affordable Care Act**

The SPA proposes to revise the provisions governing managed care for physical and behavioral health to enroll the new adult group into Bayou Health managed care organizations (MCOs). Recipients who enroll with a health plan will have their Medicaid covered services coordinated through Bayou Health.

**Medicaid Eligibility – Expansion Under the Affordable Care Act**

The SPA proposes to revise the provisions governing Medicaid eligibility in order to adopt provisions in the Medicaid Program to expand coverage to the new adult group, individuals from age 19 to 65 years old at or below 133 percent of the Federal Poverty Level with a 5 percent income disregard.

**Medicaid Expansion Under the Affordable Care Act**

The SPA proposes to adopt provisions in the Medicaid Program to:
1) expand Medicaid coverage to individuals from age 19 to 65 years old at or below 133 percent of the Federal Poverty Level with a 5 percent income disregard as provided in 42 CFR 435.119;
2) implement a Secretary-approved coverage option which incorporates the benefits and services covered under the Medicaid State Plan, including the essential health benefits as provided in §1302(b) of ACA;
3) use the Basic Blue Cross/Blue Shield Preferred Provider Option offered through the Federal Employees Health Benefit program as the state's benchmark benefit package; and
4) establish provisions for the use of the Supplemental Nutrition Assistance Program (SNAP) option for streamlined enrollment of SNAP recipients who meet eligibility requirements for the new adult group.

**Total FY 17-18 net savings (including premium tax revenues): $29,972,176**

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that the implementation of this proposed rule will result in the following impact on revenue collections:

**FY 15-16**

1. Increase federal revenue collections by approximately $7,318,130 for administrative costs;

2. Increase other revenue collections (provider donations through statutory dedicated funding) by approximately $2,999,458 to fund the required state match for administrative costs;

3. Increase federal revenue collections by approximately $270 for the federal share of promulgation costs for this proposed rule and the final rule

**Total FY 15-16 Revenue Collections: $10,317,858**

**FY 16-17**

1. Increase federal revenue collections by approximately $24,793,987 for administrative costs and $1,815,174,258 for programmatic costs;

2. Reduce federal revenue collections by approximately $114,981,077 for refinanced programmatic expenditures and DSH payment reductions

3. Increase other revenue collections (premium tax revenues) by approximately $26,372,598 which will be used to fund the required state match for programmatic and administrative costs;

**Total FY 15-16 Revenue Collections: $1,751,359,765**

**FY 17-18**

1. Increase federal revenue collections by approximately $26,387,143 for administrative costs and $2,271,127,904 for programmatic costs;

2. Reduce federal revenue collections by approximately $236,357,740 for refinanced programmatic expenditures and DSH payment reductions

3. Increase other revenue collections (premium tax revenues) by approximately $64,086,462 which will be used to fund the required state match for programmatic and administrative costs;

**Total FY 15-16 Revenue Collections: $2,125,243,769**

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

This proposed rule amends the provisions governing managed care for physical and behavioral health to enroll the new adult group into Bayou Health managed care organizations. It is anticipated that implementation of this proposed rule will increase programmatic expenditures (inclusive of administrative costs) in the Medicaid Program by $10,317,588 in FY 15-16, $1,741,396,617 in FY 16-17 and $2,095,271,593 in FY 17-18.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

It is anticipated that the implementation of this proposed rule may have a positive effect on competition and employment. Medicaid expansion in Louisiana is expected to increase the gross state product which will foster an increase in economic activity, including an increase in revenue for providers and health care partners. The increase in payments may improve the financial standing of providers and could possibly cause an increase in employment opportunities. Medicaid expansion may also potentially increase the competition between managed care organizations and participating providers.

Jen Steele
Interim Medicaid Director
1602#068

Evan Brasseaux
Staff Director
Legislative Fiscal Office

## NOTICE OF INTENT

**Department of Health and Hospitals**
**Bureau of Health Services Financing**

Medicaid Eligibility
Expansion under the Affordable Care Act
(LAC 50:III.2317)

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to adopt LAC 50:III.2317 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Patient Protection and Affordable Care Act (P.L. No. 111-148), hereafter referred to as the Affordable Care Act (ACA), and §1937 of Title XIX of the Social Security Act (SSA) provides states with the option to expand Medicaid coverage to individuals from age 19 to 65 years old at or below 133 percent of the federal poverty level with a 5 percent income disregard as provided in 42 CFR 435.119, hereafter referred to as the new adult group.

The U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) has directed states that wish to expand Medicaid coverage to this new adult group to submit state plan amendments (SPAs) to secure approval for implementation. In compliance with CMS' directive and federal regulations, the Department of Health and Hospitals, Bureau of Health Services Financing proposes to amend the provisions governing Medicaid eligibility to adopt provisions in the Medicaid Program to expand coverage to the new adult group. The department will submit the corresponding SPAs to CMS upon meeting the technical requirements for public notice and undergoing the federally-approved tribal consultation process.

**Title 50**
**PUBLIC HEALTH—MEDICAL ASSISTANCE**
**Part III. Eligibility**
**Subpart 3. Eligibility Groups and Factors**
**Chapter 23. Eligibility Groups and Medicaid Programs**

**§2317. New Adult Eligibility Group**

A. Pursuant to the Patient Protection and Affordable Care Act (P.L. No. 111-148), hereafter referred to as the Affordable Care Act (ACA), and §1937 of title XIX of the Social Security Act, the department will expand Medicaid coverage to a targeted new eligibility group, hereafter referred to as the new adult group.

B. Effective July 1, 2016, the department will establish a new Medicaid eligibility category for the new adult group, as defined in §1905(y)(2)(A) of title XIX of the Social Security Act.

C. Eligibility Requirements. Coverage in the new adult group will be provided to individuals with household income up to 133 percent of the federal poverty level with a 5 percent income disregard who are:

1. from age 19 to 65 years old;
2. not pregnant;

3. not entitled to, or enrolled in Medicare Part A or Medicare Part B; and

4. not otherwise eligible for and enrolled in mandatory coverage under the Medicaid State Plan.

a. Parents, children or disabled persons receiving Supplemental Security Income (SSI) benefits are excluded from enrollment as a new adult.

D. Covered Services. The new adult group will be provided with a benefit package which incorporates the benefits and services covered under the Medicaid State Plan including essential health benefits as provided in §1302(b) of ACA effective July 1, 2016.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 42:

Implementation of the provisions of this Rule may be contingent upon the approval of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

**Family Impact Statement**

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule may have a positive impact on family functioning, stability or autonomy as described in R.S. 49:972 by expanding Medicaid coverage to a new targeted adult eligibility group.

**Poverty Impact Statement**

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule may have a positive impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973 by reducing the financial burden for health care costs for certain families who may qualify under the newly eligible adult group.

**Provider Impact Statement**

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, no direct or indirect cost to the provider to provide the same level of service, and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

**Public Comments**

Interested persons may submit written comments to Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030 or by email to MedicaidPolicy@la.gov. Ms. Steele is responsible for responding to inquiries regarding this proposed Rule. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

**Public Hearing**

A public hearing on this proposed Rule is scheduled for Thursday, March 31, 2016 at 9:30 a.m. in Room 118, Bienville Building, 628 North Fourth Street, Baton Rouge, LA. At that time all interested persons will be afforded an opportunity to submit data, views or arguments either orally or in writing.

Rebekah E. Gee MD, MPH
Secretary

## FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES
## RULE TITLE: Medicaid Eligibility Expansion under the Affordable Care Act

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is estimated that the implementation of the proposed rule will result in a net state general fund impact of between $37 M in savings and $30 M in costs over the three years reflected in the rule. This net impact includes administrative and program costs, program savings and premium tax revenues. Exclusive of premium tax revenues, it is estimated that the rule will result in a state general fund cost between $53.5 M ($3.8 M Total) and $108.7 M ($4.8 M Total) over the three years reflected in the rule. The range is largely based on a difference in the rate at which eligible individuals enroll in Medicaid and the Per Member Per Month (PMPM) cost per eligible individual. The specific net impact (SGF and Total) itemized below in this rule is based on 463,536 enrolling in Medicaid by FY 19 (of approximately 726,000 projected to be eligible), a cost per eligible individual that does not include supplemental payments (Full Medicaid Payment), a 15 percent reduction in DSH payments, a 3 percent annual growth rate for the PMPM cost, and a significant savings associated with certain current Medicaid recipients whose costs will be eligible for the enhanced federal match rate with expansion. Any changes from the assumptions could result in a material fiscal impact. It is anticipated that the implementation of this proposed rule will result in the following impact on state general funds:

**FY 15-16**

1. Estimated state general fund administrative costs of $2,999,458;
2. Promulgation costs of $540 ($270 SGF and $270 FED) for this proposed rule and the final rule

**Total FY 15-16 cost: $2,999,728**

**FY 16-17**

1. Estimated state general fund administrative costs of $13,976,879;
2. Estimated state general fund programmatic costs of $68,388,574 for Managed Care Organization Payments;
3. Estimated state general fund programmatic savings of $65,956,003 for refinanced programmatic expenditures and DSH payment reductions

**Total FY 16-17 cost: $16,409,450**

**Total FY 16-17 net savings (including premium tax revenues): $9,963,148**

**FY 17-18**

1. Estimated state general fund administrative costs of $14,952,636;
2. Estimated state general fund programmatic costs of $158,692,263 for Managed Care Organization Payments;
3. Estimated state general fund programmatic savings of $139,530,614 for refinanced programmatic expenditures and DSH payment reductions

**Total FY 17-18 cost: $34,114,285**
**Total FY 17-18 net savings (including premium tax revenues): $29,972,176**

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that the implementation of this proposed rule will result in the following impact on revenue collections:

**FY 15-16**

1. Increase federal revenue collections by approximately $7,318,130 for administrative costs;
2. Increase other revenue collections (provider donations through statutory dedicated funding) by approximately $2,999,458 to fund the required state match for administrative costs;
3. Increase federal revenue collections by approximately $270 for the federal share of promulgation costs for this proposed rule and the final rule

**Total FY 15-16 Revenue Collections: $10,317,858**

**FY 16-17**

1. Increase federal revenue collections by approximately $24,793,987 for administrative costs and $1,815,174,258 for programmatic costs;
2. Reduce federal revenue collections by approximately $114,981,077 for refinanced programmatic expenditures and DSH payment reductions;
3. Increase other revenue collections (premium tax revenues) by approximately $26,372,598 which will be used to fund the required state match for programmatic and administrative costs;

**Total FY 15-16 Revenue Collections: $1,751,359,765**

**FY 17-18**

1. Increase federal revenue collections by approximately $26,387,143 for administrative costs and $2,271,127,904 for programmatic costs;
2. Reduce federal revenue collections by approximately $236,357,740 for refinanced programmatic expenditures and DSH payment reductions
3. Increase other revenue collections (premium tax revenues) by approximately $64,086,462 which will be used to fund the required state match for programmatic and administrative costs;

**Total FY 15-16 Revenue Collections: $2,125,243,769**

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

This proposed rule amends the provisions governing Medicaid eligibility to adopt provisions in the Medicaid program to expand coverage to the new adult group under the provisions of the Affordable Care Act. It is anticipated that implementation of this proposed rule will increase programmatic expenditures (inclusive of administrative costs) in the Medicaid Program by $10,317,588 in FY 15-16, $1,741,396,617 in FY 16-17 and $2,095,271,593 in FY 17-18.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

It is anticipated that the implementation of this proposed rule may have a positive effect on competition and employment. Medicaid expansion in Louisiana is expected to increase the gross state product which will foster an increase in economic activity, including an increase in revenue for providers and health care partners. The increase in payments may improve the financial standing of providers and could possibly cause an increase in employment opportunities. Medicaid expansion may also potentially increase the competition between managed care organizations and participating providers.

Jen Steele
Interim Medicaid Director
1602#069

Evan Brasseaux
Staff Director
Legislative Fiscal Office

## NOTICE OF INTENT

### Department of Health and Hospitals
### Bureau of Health Services Financing

Medicaid Expansion under the Affordable Care Act
(LAC 50:I.Chapters 101-103)

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to adopt LAC 50:I.Chapters 101-103 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Patient Protection and Affordable Care Act (P.L. No. 111-148), hereafter referred to as the Affordable Care Act (ACA), and §1937 of Title XIX of the Social Security Act (SSA) provides states with the option to expand Medicaid coverage to individuals from age 19 to 65 years old at or below 133 percent of the federal poverty level with a 5 percent income disregard as provided in 42 CFR 435.119, hereafter referred to as the new adult group.

Under the provisions of §1937 of the SSA, state Medicaid programs have the option to provide enrollees with "benchmark" or "benchmark-equivalent" coverage based on one of three commercial insurance products, or a fourth Secretary-approved coverage option which can include the Medicaid State Plan benefit package offered in their state. "Benchmark" benefits are those that are at least equal to one of the statutorily specified benchmark plans, and "benchmark-equivalent" are those benefits that include certain specified services, and the overall benefits are at least actuarially equivalent to one of the statutorily specified benchmark coverage packages. Federal regulations under ACA also stipulate that the packages must cover essential health benefits as designated in §1302(b) of ACA which includes 10 specific benefit categories.

The U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) has directed states that wish to expand Medicaid coverage to the new adult group to submit state plan amendments (SPAs) to secure approval for implementation. In compliance with CMS' directive and federal regulations, the Department of Health and Hospitals, Bureau of Health Services Financing proposes to adopt provisions in the Medicaid Program to: 1) expand Medicaid coverage to individuals from age 19 to 65 years old at or below 133 percent of the federal poverty level with a 5 percent income disregard as provided in 42 CFR 435.119; 2) implement a secretary-approved coverage option which incorporates the benefits and services covered under the Medicaid State Plan, including the essential health benefits as provided in §1302(b) of ACA; 3) use the Basic Blue Cross/Blue Shield Preferred Provider Option offered through the Federal Employees Health Benefit program as the state's benchmark benefit package; and 4) establish