

Regular Session, 2014

HOUSE BILL NO. 536

BY REPRESENTATIVE SMITH

MEDICAID: Provides for the Louisiana Health Care Independence Act

1 AN ACT

2 To enact Chapter 8-B of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 46:979.1 through 979.6, relative to the Louisiana Health Care Independence
4 Act; to provide for the creation and administration of the Louisiana Health Care
5 Independence Program; to provide for access to basic health insurance coverage for
6 Louisiana citizens with certain levels of income; to provide for legislative findings
7 and intent; to provide definitions; to provide for certain waiver applications and
8 Medicaid state plan amendments; to provide for medical assistance programs; to
9 provide relative to funding and legislative oversight; to provide for eligibility factors;
10 to provide for reports; to provide relative to termination of the program; to provide
11 terms, conditions, and procedures; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. Chapter 8-B of Title 46 of the Louisiana Revised Statutes of 1950,
14 comprised of R.S. 46:979.1 through 979.6, is hereby enacted to read as follows:

15 CHAPTER 8-B. LOUISIANA HEALTH CARE INDEPENDENCE PROGRAM

16 §979.1. Title

17 This Chapter shall be known and may be cited as the "Louisiana Health Care
18 Independence Act".

1 §979.2. Definitions

2 As used in this Chapter, the following terms have the following definitions,
3 unless the context clearly indicates otherwise:

4 (1) "ACA" and "Affordable Care Act" mean the following acts of Congress,
5 collectively:

6 (a) The Patient Protection and Affordable Care Act, which originated as H.R.
7 3590 in the One Hundred Eleventh United States Congress and became Public Law
8 111-148.

9 (b) The Health Care and Education Reconciliation Act, which originated as
10 H.R. 4872 in the One Hundred Eleventh United States Congress and became Public
11 Law 111-152.

12 (2) "Cost sharing" means the portion of the cost of a covered medical service
13 that must be paid by or on behalf of eligible individuals, consisting of copayments
14 or coinsurance, but not deductibles.

15 (3) "Department" means the Department of Health and Hospitals.

16 (4) "Health insurance marketplace" means the federal vehicle created to help
17 individuals, families, and small businesses shop for and select health insurance
18 coverage in a way that permits comparison of available qualified health plans based
19 upon price, benefits, services, and quality, regardless of the governance structure of
20 the marketplace.

21 (5) "Medicaid" and "medical assistance program" mean the medical
22 assistance program provided for in Title XIX of the Social Security Act.

23 (6) "Program" means the Louisiana Health Care Independence Program
24 established by this Chapter.

25 (7) "Qualified health plan" means a federally certified individual health
26 insurance plan offered by a carrier through the federal health insurance marketplace,
27 or any state certified individual health insurance plan approved by the Centers for
28 Medicare and Medicaid Services.

1 (8) "Secretary" means the secretary of the Department of Health and
2 Hospitals.

3 §979.3. Legislative findings; purpose

4 A. The Legislature of Louisiana does hereby find and declare that, due to
5 compelling moral and economic reasons, participation in the expansion of Medicaid
6 eligibility as provided in the ACA, or through the creation of any alternative health
7 insurance program that maximizes access to health care for Louisiana residents
8 whose income is at or below one hundred thirty-eight percent of the federal poverty
9 level, is in the best interest of this state.

10 B. The purposes of this state in maximizing the efficient use of federal funds
11 to provide access to health care for Louisiana residents whose income is at or below
12 one hundred thirty-eight percent of the federal poverty level, as required by this
13 Chapter, are as follows:

14 (1) To maximize the number of Louisianians who are covered by some form
15 of health insurance.

16 (2) To provide basic health insurance coverage to the citizens of Louisiana
17 whose income is at or below one hundred thirty-eight percent of the federal poverty
18 level.

19 (3) To assure health care providers who serve low to moderate income
20 persons of some amount of compensation for the care they provide.

21 §979.4. Administration of the Louisiana Health Care Independence Program by the
22 Department of Health and Hospitals

23 A. The department shall create and administer the Louisiana Health Care
24 Independence Program, and shall promulgate rules to implement the provisions of
25 this Section in accordance with the Administrative Procedure Act.

26 B. On or before September 1, 2014, the department shall submit and apply
27 for all of the following:

28 (1) Federal waivers necessary to implement the program in a manner
29 consistent with this Chapter, including without limitation approval for a

1 comprehensive waiver under Section 1115 of the Social Security Act, 42 U.S.C.
2 1315.

3 (2) Medicaid state plan amendments necessary to implement the program in
4 a manner consistent with this Chapter.

5 C. Implementation of the program shall be conditioned upon the receipt of
6 necessary federal approvals.

7 D. The program may include premium assistance for eligible individuals to
8 enable their enrollment in a qualified health plan through the federal health insurance
9 marketplace.

10 E. The department is hereby authorized to pay supplemental cost-sharing
11 subsidies directly to qualified health plans for enrolled eligible individuals.

12 F. The department shall accomplish the following:

13 (1) Pursue strategies that promote insurance coverage of children in their
14 parents' or caregivers' plan, including children eligible for the LaCHIP, the Louisiana
15 Children's Health Insurance Program.

16 (2) Provide every Louisiana citizen whose income is at or below one
17 hundred thirty-eight percent of federal poverty level Medicaid coverage or access to
18 health insurance with health benefits as provided by federal law.

19 (3) Develop and implement a strategy to inform Medicaid recipient
20 populations whose needs would be reduced or better served through participation in
21 the federal health insurance marketplace.

22 G. The program authorized by this Chapter shall terminate within one
23 hundred twenty days after a reduction in any of the following federal medical
24 assistance percentages:

25 (1) One hundred percent in 2015 or 2016.

26 (2) Ninety-five percent in 2017.

27 (3) Ninety-four percent in 2018.

28 (4) Ninety-three percent in 2019.

29 (5) Ninety percent in 2020 or any year after 2020.

1 H. The department shall require each adult who enrolls in the program to
2 affirmatively acknowledge all of the following:

3 (1) The program is neither a perpetual right provided by the federal or state
4 government nor a guarantee of assistance.

5 (2) The program is subject to cancellation upon appropriate notice.

6 (3) The program is not an entitlement program.

7 I. The state may implement cost sharing and copays as a condition of
8 participation in the program for program participants whose earnings exceed fifty
9 percent of the applicable federal poverty level.

10 J. The department shall recommend adjustments in program funding to the
11 legislature, and the legislature shall make such adjustments as appropriate.

12 K. On a quarterly basis, the department shall report to the Joint Legislative
13 Committee on the Budget, within two weeks of the end of each quarter, information
14 regarding the following aspects of the program:

15 (1) Program enrollment.

16 (2) Patient experience.

17 (3) Economic impact including enrollment distribution.

18 (4) Carrier competition.

19 (5) Success in avoiding uncompensated care.

20 §979.5. Medicaid program outcomes; reporting requirements

21 A. On or before July 1, 2015, and annually thereafter, the secretary of the
22 department shall provide to the House and Senate committees on health and welfare
23 and to the governor a written report covering the most recent one-year period which
24 includes at minimum all of the items required hereafter in this Section.

25 B. The secretary shall make the report provided for in this Section publicly
26 available on its Internet website.

27 C. The report shall include but shall not be limited to the following items:

1 (1) Evaluation of major barriers to access to health care by Medicaid
2 enrollees of this state and participants in the Louisiana Health Care Independence
3 Program, and recommendations for policy changes to eliminate such barriers.

4 (2) Summary of successful initiatives in this state for disease prevention and
5 early diagnosis and management of chronic conditions among Medicaid enrollees of
6 this state and participants in the program.

7 (3) Such other information as the secretary deems appropriate to convey a
8 clear and sufficiently complete assessment of the impact of the program.

9 §979.6. Termination

10 When federal funding is no longer available to fund ninety percent of the
11 total cost of operating the program, the legislature shall have the authority to decide
12 whether to continue the program.

13 Section 2. This Act shall become effective upon signature by the governor or, if not
14 signed by the governor, upon expiration of the time for bills to become law without signature
15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
17 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Smith

HB No. 536

Abstract: Provides for expansion of Medicaid through a program of premium assistance to be known as the "La. Health Care Independence Program".

Proposed law directs the Dept. of Health and Hospitals (DHH) to create and administer a program to be known as the Louisiana Health Care Independence Program. Provides for definitions of terms relating to the program.

Proposed law provides for legislative findings declaring that participation in the expansion of Medicaid eligibility, or the creation of any alternative health insurance program that maximizes access to health care for Louisiana residents whose income is at or below 138% of the federal poverty level, is in the best interest of Louisiana.

Proposed law provides that the purposes of the state in maximizing the efficient use of federal funds to provide access to health care for Louisiana residents whose income is at or below 138% of the federal poverty level as required by proposed law are as follows:

- (1) To maximize the number of Louisianians who are covered by some form of health insurance.
- (2) To provide basic health insurance coverage to the citizens of Louisiana whose income is at or below 138% of the federal poverty level.
- (3) To assure health care providers who serve low to moderate income persons of some amount of compensation for the care they provide.

Proposed law requires DHH to promulgate rules in accordance with the APA to implement proposed law. Further requires that DHH, on or before Sept. 1, 2014, submit and apply for all of the following:

- (1) Federal waivers necessary to implement the program in a manner consistent with proposed law, including without limitation approval for a comprehensive waiver under Section 1115 of the Social Security Act, 42 U.S.C. 1315.
- (2) Medicaid state plan amendments necessary to implement the program in a manner consistent with proposed law.

Proposed law provides that implementation of the program shall be conditioned upon the receipt of necessary federal approvals.

Proposed law provides that the program may include premium assistance for eligible individuals to enable their enrollment in a qualified health plan through the federal health insurance marketplace.

Proposed law authorizes DHH to pay supplemental cost-sharing subsidies directly to qualified health plans for enrolled eligible individuals.

Proposed law directs DHH to pursue strategies that promote insurance coverage of children in their parents' or caregivers' plan, including children eligible for the La. Children's Health Insurance Program (LaCHIP).

Proposed law directs DHH to provide every La. citizen whose income is at or below 138% of the federal poverty level with either Medicaid coverage or access to health insurance with essential health benefits as provided by federal law. Further directs DHH to develop and implement a strategy to inform Medicaid recipient populations whose needs would be reduced or better served through participation in the federal health insurance marketplace.

Proposed law provides the program shall terminate within 120 days after a reduction in any of the following federal medical assistance percentages:

- (1) 100% in 2015 or 2016.
- (2) 95% in 2017.
- (3) 94% in 2018.
- (4) 93% in 2019.
- (5) 90% in 2020 or any year thereafter.

Proposed law requires that each adult who enrolls in the program affirmatively acknowledge all of the following:

- (1) The program is neither a perpetual right provided by the federal or state government nor a guarantee of assistance.

- (2) The program is subject to cancellation upon appropriate notice.
- (3) The program is not an entitlement program.

Proposed law provides the state may implement cost sharing and co-pays, as a condition of participation, for program participants whose earnings shall exceed 50% of the applicable federal poverty level.

Proposed law provides that DHH shall recommend adjustments in program funding to the legislature, and that the legislature shall make such adjustments as appropriate.

Proposed law provides that on a quarterly basis, DHH shall report to the Joint Legislative Committee on the Budget, within two weeks of the end of each quarter, information regarding the following aspects of the program:

- (1) Program enrollment.
- (2) Patient experience.
- (3) Economic impact including enrollment distribution.
- (4) Carrier competition.
- (5) Success in avoiding uncompensated care.

Proposed law requires that on or before July 1, 2015, and annually thereafter, the secretary of DHH shall provide to the legislative committees on health and welfare and the governor a written report covering the most recent one-year period which includes at minimum all of the following items:

- (1) Evaluation of major barriers to access to health care by Medicaid enrollees of this state and participants in the Louisiana Health Care Independence Program, and recommendations for policy changes to eliminate such barriers.
- (2) Summary of successful initiatives in Louisiana for disease prevention and early diagnosis and management of chronic conditions among Medicaid enrollees of this state and participants in the program.
- (3) Such other information as the secretary deems appropriate to convey a clear and sufficiently complete assessment of the impact of the program.

Proposed law requires DHH to make the report provided for in proposed law publicly available on its website.

Proposed law provides that when federal funding is no longer available to fund 90% of the total cost of operating the program, the legislature shall have the authority to decide whether to continue the program.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 46:979.1-979.6)