

Regular Session, 2014

SENATE BILL NO. 107

BY SENATOR NEVERS

MEDICAID. Provides for the Louisiana Health Care Independence Act. (gov sig)

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AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

CHAPTER 8-B. LOUISIANA HEALTH CARE INDEPENDENCE PROGRAM

§979.1. Title

This Chapter shall be known and may be cited as the "Louisiana Health

1 **Care Independence Act**".

2 **§979.2. Definitions**

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

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

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

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

13 **(2) "Department" means the Department of Health and Hospitals.**

14 **(3) "Medicaid" and "medical assistance program" mean the medical**
15 **assistance program provided for in Title XIX of the Social Security Act.**

16 **(4) "Secretary" means the secretary of the Department of Health and**
17 **Hospitals.**

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

23 **(6) "Program" means the Louisiana Health Care Independence**
24 **Program 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**
27 **marketplace, or any state certified individual health insurance plan approved**
28 **by the Centers for Medicare and Medicaid Services.**

29 **(8) "Cost sharing" means the portion of the cost of a covered medical**

1 service that must be paid by or on behalf of eligible individuals, consisting of
2 copayments or coinsurance, but not deductibles.

3 §979.3. Legislative findings; purpose

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

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

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

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

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

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

24 A. The Department of Health and Hospitals shall create and administer
25 the Louisiana Health Care Independence Program within the department. The
26 department shall promulgate rules to implement this Section in accordance with
27 the Administrative Procedure Act.

28 B. The department shall on or before September 1, 2014, submit and
29 apply for all of the following:

1 **(1) Federal waivers necessary to implement the program in a manner**
2 **consistent with this Chapter, including without limitation approval for a**
3 **comprehensive waiver under Section 1115 of the Social Security Act, 42 U.S.C.**
4 **1315.**

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

7 **C. Implementation of the program shall be conditioned upon the receipt**
8 **of necessary federal approvals.**

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

12 **E. The department shall be specifically authorized to pay supplemental**
13 **cost-sharing subsidies directly to qualified health plans for enrolled eligible**
14 **individuals.**

15 **F. The department shall accomplish the following:**

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

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

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

25 **G. The program authorized under this Chapter shall terminate within**
26 **one hundred twenty days after a reduction in any of the following federal**
27 **medical assistance percentages:**

28 **(1) One hundred percent in 2015 or 2016.**

29 **(2) Ninety-five percent in 2017.**

1 **(3) Ninety-four percent in 2018.**

2 **(4) Ninety-three percent in 2019.**

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

4 **H. An eligible individual enrolled in the program shall affirmatively**
5 **acknowledge the existence of all of the following facts:**

6 **(1) The program shall not be a perpetual federal or state right or a**
7 **guaranteed entitlement.**

8 **(2) The program shall be subject to cancellation upon appropriate**
9 **notice.**

10 **(3) The program shall not be an entitlement program.**

11 **I. The state may implement cost sharing and copays, as a condition of**
12 **participation in the program, for program participants whose earnings shall**
13 **exceed fifty percent of the applicable federal poverty level.**

14 **J. The department shall recommend appropriate adjustments in funding**
15 **to the legislature. Adjustments shall be made by the legislature as appropriate.**

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

19 **(1) Program enrollment.**

20 **(2) Patient experience.**

21 **(3) Economic impact including enrollment distribution.**

22 **(4) Carrier competition.**

23 **(5) Success in avoiding uncompensated care.**

24 **§979.5. Medicaid program outcomes; reporting requirements**

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

1 **B. The secretary shall make the report provided for in this Section**
2 **publicly available on its Internet website.**

3 **C. The report shall include but shall not be limited to the following**
4 **items:**

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

9 **(2) Summary of successful initiatives in this state for disease prevention**
10 **and early diagnosis and management of chronic conditions among Medicaid**
11 **enrollees of this state and participants in the program.**

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

14 **§979.6. Termination**

15 **When federal funding is no longer available to fund ninety percent of the**
16 **total cost of operating the program, the legislature shall have the authority to**
17 **decide whether to continue the program.**

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

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Julie J. Baxter.

DIGEST

Nevers (SB 107)

Proposed law provides for the Louisiana Health Care Independence Act.

Proposed law directs the Department of Health and Hospitals to create and administer the Louisiana Health Care Independence Program within the department.

Proposed law provides for definitions of certain terms relating to the Louisiana Health Care Independence Program.

Proposed law provides for legislative findings declaring that participation in the expansion of Medicaid eligibility or the creation of some alternative health insurance program as provided by the Department of Health and Hospitals so that the state may maximize 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 provides that the Department of Health and Hospitals shall promulgate rules to implement proposed law in accordance with the Administrative Procedure Act.

Proposed law provides that the Department of Health and Hospitals shall on or before September 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 implementation of the program shall be conditioned upon the receipt of necessary federal approvals.

Proposed law provides 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 provides the department shall be specifically authorized to pay supplemental cost-sharing subsidies directly to qualified health plans for enrolled eligible individuals.

Proposed law directs the department to pursue strategies that promote insurance coverage of children in their parents' or caregivers' plan, including children eligible for the LaCHIP.

Proposed law directs the department to provide every Louisiana citizen whose income is at or below 138% of the federal poverty level Medicaid coverage or access to health insurance with essential health benefits as provided by federal law.

Proposed law further directs the department 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 after 2020.

Proposed law provides an eligible individual enrolled in the program shall affirmatively acknowledge the existence of all the following facts:

- (1) The program shall not be a perpetual federal or state right or a guaranteed entitlement.
- (2) The program shall be subject to cancellation upon appropriate notice.
- (3) The program shall not be 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 the department shall recommend appropriate adjustments in funding to the legislature. Proposed law further provides that adjustments shall be made by the legislature as appropriate.

Proposed law provides that on a quarterly basis, the department 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 the Department of Health and Hospitals to make such report 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)