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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 19-0016

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page



## **Regional Operations Group**

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August 13, 2019

### **Our Reference: SPA LA 19-0016**

Ms. Jen Steele, State Medicaid Director  
Department of Health  
628 North 4th St.  
Post Office Box 91030  
Baton Rouge, LA 70821-9030

Attention: Karen Barnes

Dear Ms. Steele:

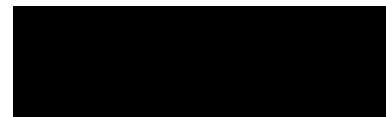
We have reviewed the State's proposed amendment to the Louisiana State Plan submitted under Transmittal Number 19-0016, dated May 15, 2019. This state plan amendment proposes to amend the provisions governing the Louisiana Health Insurance Premium Payment Program (LaHIPP), in order to revise the method used to calculate cost effectiveness of employer-sponsored insurance and individual health insurance plans.

Individuals enrolled in premium assistance programs must be afforded adequate access to health care providers. The state has indicated that while its unwritten preference is for LaHIPP participants to stay in the program for six months before leaving, the LaHIPP program is voluntary and a member may leave the program and transition back to the state's Medicaid program at any time; including if their private health coverage under LaHIPP does not offer adequate access to health care providers who are also Medicaid providers. The state's premium assistance program materials provided to LaHIPP participants should clearly reflect the program's voluntary nature and the unrestricted ability to leave the program at any time. The State has agreed to share its LaHIPP participant materials on voluntary enrollment and disenrollment with CMS, and CMS would like to work with the state as it reviews and updates its LaHIPP participant materials to clearly reflect the voluntary nature of the program.

Based on the information submitted, we have approved the amendment for incorporation into the official Louisiana State Plan with an effective date change of August 1, 2019. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Tobias Griffin at (214) 767-6278 or by email at [Tobias.Griffin@cms.hhs.gov](mailto:Tobias.Griffin@cms.hhs.gov).

Sincerely,



Bill Brooks  
Director  
Centers for Medicaid & CHIP Services  
Regional Operations Group

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>19-0016</b>	2. STATE <b>Louisiana</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>August 1, 2019</b>	

5. TYPE OF PLAN MATERIAL (Check One)  
 NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION  <b>1906 of the Social Security Act</b>	7. FEDERAL BUDGET IMPACT a. FFY <b>2020</b> \$ (4,223,593) b. FFY <b>2021</b> \$ (4,582,168)
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <b>Attachment 4.22-C, Page 1 and Page 2</b>  <i>Attachment 4.22-C, Page 3</i>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Same (TN 17-0009)</b>  <i>None – new page</i>
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10. SUBJECT OF AMENDMENT **The purpose of this SPA is to amend the provisions governing the Louisiana Health Insurance Premium Payment Program (LaHIPP), in order to revise the method used to calculate cost effectiveness of employer-sponsored insurance and individual health insurance plans.**

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      The Governor does not review State Plan material.  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO <b>Jen Steele, Medicaid Director State of Louisiana Department of Health 628 North 4<sup>th</sup> Street P.O. Box 91030 Baton Rouge, LA 70821-9030</b>
13. TYPED NAME <i>o</i> <b>Cindy Rives, designee for Rebekah E. Gee MD, MPH</b>	
14. TITLE <b>Secretary</b>	
15. DATE SUBMITTED <b>May 15, 2019</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED      May 15, 2019	18. DATE APPROVED      August 13, 2019
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL August 1, 2019	20. SIG
21. TYPED NAME      Bill Brooks	22. TITLE      Director Regional Operations Group

23. REMARKS  
The State requests a pen and ink change to boxes 8 and 9.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: LOUISIANA

Citation

1905(a) and  
1906 of the Act

**State Method on Cost Effectiveness of Employer-Sponsored  
Insurance and Individual Health Insurance**

Louisiana will utilize both Employer Sponsored Insurance (ESI) under section 1906 of the Social Security Act, and Individual Health Insurance (IHI) under 1905(a) for its Health Insurance Premium Payment program (LaHIPP) to operate a voluntary premium assistance program.

Cost Effectiveness Calculation:

The State will take the following steps when calculating the cost effectiveness of the ESI and IHI plans:

1. Total cost of ESI/IHI participation = Annual premium cost + % plan deductible (60% for year one, based on performance subsequently) + copay wrap + administrative cost + benefits wrap
2. Medicaid responsible amount = PMPM if MCO or FFS claims amount if FFS. The FFS claims amount excludes waiver services.
3. If the Medicaid responsible amount is greater than the total cost of ESI/IHI participation, the premium assistance is deemed cost effective.

Cost Effectiveness Calculation Assumptions:

1. Benefits wrap used in the cost effectiveness calculation is based on State Plan benefits costs and excludes the costs of waiver services, notwithstanding that all premium assistance beneficiaries can access the waiver services for which they are eligible.
2. "Medicaid responsible amount"- the amount that Medicaid would be responsible for the given member, if Medicaid did not enroll the member into LaHIPP. The Medicaid responsible amount associated with managed care organizations (MCO) is the per member per month (PMPM) cost. The Medicaid responsible amount associated with fee-for-service (FFS) is the FFS claims amount--an aggregated amount based on average historic FFS claims for new LaHIPP applicants.

State: Louisiana  
Date Received: 05-15-19  
Date Approved: 08-13-19  
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: LOUISIANA

Beneficiary Protections:

Individuals enrolled in the State's premium assistance program are afforded the same beneficiary protections provided to all other Medicaid enrollees.

A. For benefits wrap:

- i. The State will provide a benefits wrap to all services and benefits available under the Medicaid State Plan that are not provided through the ESI or IHI plan. After providers submit an explanation of benefits (EOB) to Medicaid showing that the services were not covered through the ESI or IHI, Medicaid will then pay primary for these Medicaid covered services. The State will inform beneficiaries how to obtain benefits through the benefits wrap; and
- ii. Premium Assistance beneficiaries may continue to receive all waiver services (excluded from "benefits wrap" in cost effectiveness calculation) for which they are eligible.

B. The State will provide a cost-sharing wrap to any cost-sharing amounts that exceed the cost-sharing limits described in the State Plan. For the cost sharing wrap around:

- i. The State has implemented a provider enrollment strategy to enroll non-participating Medicaid providers. The State targets non-participating providers by matching Medicaid lists to existing known provider lists, and using the State's provider web portal to share information. The State educates non-participating Medicaid provider on how to enroll in Medicaid for the specific (and sole) purpose of receiving payment from the State for cost sharing amounts that exceed the Medicaid permissible limits for the patient responsibility portion of the claim ("LA HIPP-only provider").

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- ii. The State will assist beneficiaries in choosing in-network providers of the health plan that are also Medicaid enrolled providers (including LaHIPP-only providers).
- iii. The State will inform beneficiaries that if the beneficiary wants to seek care from a non-Medicaid provider, they should contact their LaHIPP coordinator prior to seeking services and the State will reach out to the provider to encourage Medicaid enrollment. LaHIPP beneficiaries must access services from an ESI in-network provider that is also a Medicaid provider. The coordinator can contact the provider to explain that the State will pay the total patient responsibility amount once the provider contracts to become a Medicaid provider (including LaHIPP only provider). Medicaid will pay secondary on claims for services rendered by out-of-network providers, only if the ESI covers out-of-network providers.
- iv. The State allows LaHIPP beneficiaries to obtain coverage from any provider in the Medicaid network for any Medicaid State Plan service, even when the provider is not participating with the LaHIPP plan.

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