

**NOTICE OF INTENT**

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

**Medicaid Eligibility  
Asset Verification Program  
(LAC 50:III.Chapter 3)**

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to adopt LAC 50:III.Chapter 3 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.

Section 7001(d) of the Supplemental Appropriations Act of 2008 (P.L. 110-252) created a new §1940 of the Social Security Act which requires states to implement an Asset Verification Program (AVP) to verify the assets of aged, blind or disabled applicants for, and recipients of, Medicaid benefits. Section 1940 also directed the design of an implementation schedule that would result in specific percentage goals outlined in the statute being met. The U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), recently directed the submission of a Medicaid State Plan Amendment (SPA) to ensure the implementation of an AVP in Louisiana.

In compliance with the provisions of §7001(d) of the

Supplemental Appropriations Act and §1940 of the Social Security Act, the Department of Health and Hospitals, Bureau of Health Services Financing proposes to adopt provisions to establish a Medicaid AVP to verify the assets of aged, blind or disabled applicants for, and recipients of, Medicaid benefits. This proposed Rule will also satisfy federal public notice requirements associated with the submission of the corresponding SPA.

**Title 50**  
**PUBLIC HEALTH—MEDICAL ASSISTANCE**  
**Part III. Eligibility**  
**Subpart 1. General Administration**

**Chapter 3. Asset Verification Program**

**§301. General Provisions**

A. Pursuant to §7001(d) of the Supplemental Appropriations Act of 2008 (P.L. 110-252) and §1940 of the Social Security Act, the Department hereby establishes provisions to implement an Asset Verification Program (AVP) for Louisiana Medicaid.

B. The Department will provide for the verification of assets for the purposes of determining or redetermining (renewing) Medicaid eligibility for aged, blind and disabled Medicaid applicants and recipients of Medicaid using an asset verification system (AVS) which meets the following requirements.

1. The request and response system will be an electronic system and meet the following criteria.

a. Verification inquiries will be sent electronically via the internet or similar means from Medicaid to the financial institution (FI).

b. The system will not be based on mailing paper-based requests.

c. The system will have the capability to accept responses electronically.

C. The system will be secure, based on a recognized industry standard of security.

D. The system will establish and maintain a database of the FIs that will participate in the Department's AVS as mandated by federal requirements.

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.

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 will have no impact on family functioning, stability or autonomy as described in R.S. 49:972.

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 will have no impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973.

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.

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](mailto:MedicaidPolicy@la.gov). Ms. Steele is responsible for responding to inquiries regarding this proposed Rule. A public hearing on this proposed Rule is

scheduled for Thursday, April 28, 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. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

Rebekah E. Gee MD, MPH

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person Preparing  
Statement: Dee Budgewater  
Phone: 342-1325

Dept.: Health and Hospitals  
Office: Bureau of Health Services  
Financing

Return Address: P.O. Box 91030  
Baton Rouge, LA

Rule Title: Medicaid Eligibility  
Asset Verification Program

Date Rule Takes Effect: June 20, 2016

SUMMARY

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. The following summary statements, based on the attached worksheets, will be published in the Louisiana Register with the proposed agency rule.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (SUMMARY)

*It is anticipated that implementation of this proposed rule will have no programmatic fiscal impact in Medical Vendor Payments, other than the cost of promulgation for FY 15-16, but is anticipated to increase Medicaid administrative costs by an indeterminable amount. It is anticipated that \$540 (\$270 SGF and \$270 FED) will be expended in FY 15-16 for the state's administrative expense for promulgation of this proposed rule and the final rule.*

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

*It is anticipated that the implementation of this proposed Rule will increase revenue collections for the federal share of the promulgation costs for FY 15-16 and for Medicaid administrative costs by an indeterminable amount. It is anticipated that \$270 will be collected in FY 15-16 for the federal share of the expense for promulgation of this proposed rule and the final rule.*

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

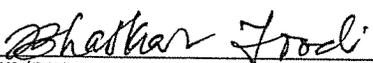
*This proposed Rule adopts provisions to establish a Medicaid asset verification process to verify the assets of aged, blind or disabled applicants for, and recipients of, Medicaid benefits. The proposed Rule will serve to establish the internal procedures for verifying assets, but will not have a direct impact on Medicaid enrollment or eligibility. It is anticipated that implementation of this proposed rule will have no programmatic costs to the Medicaid Program for FY 15-16, FY 16-17 and FY 17-18.*

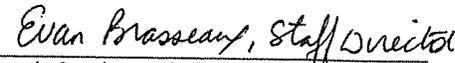
IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

*This rule has no known effect on competition and employment.*

  
\_\_\_\_\_  
Signature of Agency Head  
or Designee

Jen Steele,  
Interim Medicaid Director  
\_\_\_\_\_  
Typed name and Title of  
Agency Head or Designee

  
\_\_\_\_\_  
DHH/BHSF Budget Head

  
\_\_\_\_\_  
Legislative Fiscal Officer  
or Designee 3/15/16

3/14/16  
\_\_\_\_\_  
Date of Signature

03/14/16  
\_\_\_\_\_  
Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

*This proposed Rule adopts provisions to establish a Medicaid asset verification process to verify the assets of aged, blind or disabled applicants for, and recipients of, Medicaid benefits. The proposed Rule will serve to establish the internal procedures for verifying assets, but will not have a direct impact on Medicaid enrollment or eligibility.*

- B. Summarize the circumstances that require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

*Section 7001(d) of the Supplemental Appropriations Act of 2008 (P.L. 110-252) created a new §1940 of the Social Security Act which requires states to implement an Asset Verification Program (AVP) to verify the assets of aged, blind or disabled applicants for, and recipients of, Medicaid benefits. Section 1940 also directed the design of an implementation schedule that would result in specific percentage goals outlined in the statute being met. The U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), recently directed the submission of a Medicaid State Plan Amendment (SPA) to ensure the implementation of an AVP in Louisiana.*

*In compliance with the provisions of §7001(d) of the Supplemental Appropriations Act and §1940 of the Social Security Act, the Department of Health and Hospitals, Bureau of Health Services Financing proposes to adopt provisions to establish a Medicaid AVP to verify the assets of aged, blind or disabled applicants for, and recipients of, Medicaid benefits. This proposed Rule will also satisfy federal public notice requirements associated with the submission of the corresponding SPA.*

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

*It is anticipated that implementation of this proposed rule will have no programmatic fiscal impact to the state other than the cost of promulgation for FY 15-16, but is anticipated to increase Medicaid administrative costs by an indeterminable amount. It is anticipated that \$540 will be expended in FY 15-16 for the state's administrative expense for promulgation of this proposed rule and the final rule.*

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

- (a)  X  If yes, attach documentation.  
(b)      If no, provide justification as to why this rule change should be published at this time.

*Act 16 of the 2015 Regular Session of the Louisiana Legislature allocated funds to the Medical Vendor Program for payments to providers and contractors, thereby authorizes the expenditure of these funds. This rule change should be published at this time to ensure that the Medicaid Program is appropriately verifying the assets of certain individuals as mandated by federal regulations, which in turn may alleviate erroneous certifications and may reduce the overall cost to the Medicaid program.*

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

I. A. COST OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase or (decrease) in cost to implement the proposed action?

COST	FY 15-16	FY 16-17	FY 17-18
PERSONAL SERVICES			
OPERATING EXPENSES	\$540	See below	See below
PROFESSIONAL SERVICES			
OTHER CHARGES			
REPAIR & CONSTR.			
POSITIONS (#)			
<b>TOTAL</b>	<b>\$540</b>	<b>See below</b>	<b>See below</b>

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

*In FY 15-16, \$540 will be spent for the state's administrative expense for promulgation of this proposed rule and the final rule. However, the Medicaid Program anticipates an increase in expenses by an indeterminable amount for Medicaid administrative costs.*

3. Sources of funding for implementing the proposed rule or rule change.

Source	FY 15-16	FY 16-17	FY 17-18
STATE GENERAL FUND	\$270	See below	See below
SELF-GENERATED			
FEDERAL FUND	\$270	See below	See below
OTHER (Specify)			
<b>Total</b>	<b>\$540</b>	<b>See below</b>	<b>See below</b>

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

*Yes, sufficient funds are available to implement this rule.*

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THIS PROPOSED ACTION.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustment in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

*This proposed rule has no known impact on local governmental units.*

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

2. Indicate the sources of funding of the local governmental unit that will be affected by these costs or savings.

*There is no known impact on the sources of local governmental unit funding.*

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

- A. What increase or (decrease) in revenues can be expected from the proposed action?

REVENUE INCREASE/DECREASE	FY 15-16	FY 16-17	FY 17-18
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS	\$270	See below	See below
LOCAL FUNDS			
<b>Total</b>	<b>\$270</b>	<b>See below</b>	<b>See below</b>

*\*Specify the particular fund being impacted*

- B. Provide a narrative explanation of each increase or decrease in revenue shown in "A". Describe all data, assumptions, and methods used in calculating these increases or decreases.

*In FY 15-16 \$270 will be collected for the federal share of the administrative expense for promulgation of this proposed rule and the final rule. However, the Medicaid Program anticipates an increase in expenses by an indeterminable amount for Medicaid administrative costs.*

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effects on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.)

*This proposed Rule adopts provisions to establish a Medicaid asset verification process to verify the assets of aged, blind or disabled applicants for, and recipients of, Medicaid benefits. The proposed Rule will serve to establish the internal procedures for verifying assets, but will not have a direct impact on Medicaid enrollment or eligibility.*

- B. Also, provide an estimate of any revenue impact resulting from this rule or rule change to these groups.

*It is anticipated that implementation of this proposed rule will have no programmatic costs to the Medicaid Program for FY 15-16, FY 16-17 and FY 17-18.*

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

*This rule has no known effect on competition and employment.*