Bobby Jindal
GOVERNOR

Alan Levine
SECRETARY

State of Louisiana

Department of Health and Hospitals

Office of the Secretary

July 27, 2010

The Honorable Joel T. Chaisson, II, President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Jim Tucker, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

The Honorable Michael J. "Mike" Michot, Chair
Joint Legislative Committee on the Budget
Louisiana State Legislature
P.O. Box 44294, Capitol Station
Baton Rouge, LA 70804-4294

The Honorable James R. "Jim" Fannin, Chair
Joint Legislative Committee on the Budget
Louisiana State Legislature
P.O. Box 44294, Capitol Station
Baton Rouge, LA 70804-4294

The Honorable Kay Katz, Chairwoman
House Health and Welfare Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

The Honorable Willie L. Mount, Chairwoman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Dear President Chaisson, Speaker Tucker, and Honorable Chairs:

In response to La R.S. 40:1299.78.5, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The purpose of this Part is to provide for a Medicaid Buy-In Program for persons with disabilities in Louisiana. This program is intended to help working people with disabilities live above the poverty level by providing needed health care coverage. In addition, it requires DHH to submit the status of the buy-in program, including the number of enrollees, the estimated cost of the program, and any other information the department deems pertinent to this buy-in program, a report relative to the estimated value of the state, federal and FICA taxes paid by the participants in the buy-in program, and any recommendations for expanding coverage in the buy-in program or any other recommendations relative to the requirements of this Part to the Joint Legislative Committee on the Budget and to the House and Senate Health and Welfare Committees. R.S. 24:772 also requires that the report be submitted to the President of the Senate and the Speaker of the House.

Stacy J. McQuillin is available to discuss the enclosed report and recommendations with you at your convenience. Please contact her at (337) 857-6115 with any questions or comments you may have.

Sincerely,

Alan Levine
Secretary

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Enclosures

Cc: The Honorable Members of the House Health and Welfare Committee
The Honorable Members of the Senate Health and Welfare Committee
The Honorable Members of the Joint Legislative Committee on the
David R. Poynter Legislative Research Library

DEPARTMENT OF HEALTH AND HOSPITALS

MEDICAID PURCHASE PLAN

REPORT PREPARED IN RESPONSE TO LA-R.S. 40:1299.78.5

JULY 31, 2010

Contact:
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EXECUTIVE SUMMARY

The Medicaid Purchase Plan (MPP) is an optional Medicaid program that provides healthcare coverage to individuals with disabilities who are employed. This new eligibility category was authorized by the federal Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA). The purpose of TWWIIA is to assist Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) beneficiaries who are disabled or blind with finding, entering, and retaining self-supporting employment. Expanded employment opportunities for these individuals have been shown to increase the likelihood that they will reduce or eliminate their dependency on Social Security benefits.

After receiving approval from the Louisiana legislature to expand coverage to this group of citizens in 2002, Louisiana was part of the second phase of TWWIIA implementation. The MPP provides full medical coverage that includes prescription drugs, hospital care, doctor services, medical equipment and supplies, and medical transportation. Since the inception of the MPP, 4,188 individuals have been enrolled in the program.

This report is being submitted pursuant to LA-R.S. 40:1299.78.5, which provides that, beginning January 1, 2004, and semiannually thereafter and not later than sixty days prior to the beginning of the regular session of the legislature, the department shall submit a report to the Joint Legislative Committee on the Budget and to the Senate Committee on Health and Welfare and the House Committee on Health and Welfare.

REPORT TO THE LEGISLATURE

PROGRAM OVERVIEW

The Medicaid Purchase Plan (MPP) provides health care coverage for persons who have a severe disability according to Social Security standards, but who work and earn less than $2,257 per month and have countable assets that are less than $25,000. Those persons with incomes of $1,354 per month or less pay no monthly premiums for this plan. Those persons with incomes above $1,354 per month pay co-payments of $80 or $100 per month. The $25,000 resource limit was chosen to allow people who exceed the lower resource limits of SSI, as well as 1619a and 1619b programmatic amounts, to obtain coverage after they have lost coverage in the referenced programs.

Support for the MPP has been widespread through the agencies that provide services to individuals with disabilities. The following agencies have worked toward the implementation and sustainability of the MPP: Louisiana Federation of Families, Mental Health of America-Louisiana, Volunteers of America, Baton Rouge Mental Health Association, Louisiana Assistive Technology Access Network, Sickle Cell Foundation, Louisiana Association for the Deaf, Confident, Inc., Advocacy Center, Louisiana Rehabilitation Services, Mental Health Voices, Eastside Drop-in Center, Extra Mile, Tri-Star Therapy, Governor's Office of Disability Affairs, State Independent Living Centers, Developmental Disability Council, National Association on Mental Illness, Social Security Administration, Louisiana Association for Persons in Supported Employment.

The Centers for Medicaid and Medicare have demonstrated ongoing support of programs like MPP by the funding of Medicaid Infrastructure Grants (MIG) to help states build and sustain infrastructure to support individuals with disabilities. Louisiana has received MIG funding since 2001, which has allowed DHH to support financially educational opportunities for staff and recipients related to the employment of persons with disabilities.

PROGRAM STATUS

As of June 30, 2010, 1,892 employed persons with disabilities were enrolled in the MPP. The average cost of this program per member, per month in the first half of 2010 was $868.88.

Making Louisiana citizens aware of the Medicaid Purchase Plan continues to be a priority for DHH. One of the significant means by which information is disseminated is through job fairs held each October in recognition of National Disability Employment Awareness Month. These job fairs are held statewide and specifically targeted to individuals with disabilities. Medicaid staff is onsite to answer questions and ensure that job seekers understand the impact that working will have on their SSDI or SSI. During 2008 and 2009, 4,566 job seekers and 353 businesses attended job fairs targeted specifically at the employment of persons with disabilities in Louisiana. The 2010 job fairs are scheduled to take place as indicated below:

Baton Rouge	October 5
Slidell	October 7
Monroe	October 12
Alexandria	October 13
Houma	October 14

New Orleans	October 15
Shreveport	October 19
Lafayette	October 21
Lake Charles	October 27

Beyond the job fairs, Medicaid staff partner with governmental agencies, community-based organizations, medical providers, and employers to provide presentations and information sharing at dozens of events each year. From July 1, 2009-June 30, 2010, over 18,515 applications were distributed to potential enrollees. Examples of some of these partners include St. Thomas Community Health Clinic, Social Security Administration, Iberville Medical Center, Louisiana Workforce Commission, Wal-Mart, Target, Lowe's, Teche Regional Medical Center , Walgreens, and Families Helping Families Resource Centers, just to name a few.

In 2010 staff who conduct MPP outreach activities will initiate an emphasis on addressing the needs of businesses. Business owners know that healthy employees are good employees. In many instances small employers cannot afford to provide healthcare coverage for their employees. The MPP provides a way for those employees with disabilities to gain healthcare coverage. In medium and large businesses, often their employees with disabilities cannot qualify for health plans because of pre-existing conditions. The MPP allows these employees the coverage they need to remain healthy and on the job. For these reasons, MPP coordinators will partner with their local chambers of commerce to disseminate information about the MPP. Excellent partnerships have been formed with local chambers of commerce in Shreveport/Bossier City, Alexandria, Lake Charles and Lafayette, with chamber involvement with the statewide job fairs in both of these areas. DHH staff have attended chamber meetings to discuss how the MPP can benefit employees and employers.

In addition to conducting direct outreach related to the Medicaid Purchase Plan, MIG funding supports two Work Incentives Planning Assistance (WIPA) projects in Louisiana. The WIPA projects are cooperative endeavors with the Social Security Administration to provide accurate work incentive information to people between the ages of 14 and 65 who receive SSI, SSDI, or both. This service provides comprehensive benefits counseling to help recipients make informed decisions on their road to economic self-sufficiency. Through this counseling, recipients learn of their potential eligibility for the Medicaid Purchase Plan should they return to work, thereby addressing one of the largest barriers to employment for persons with disabilities—access to healthcare benefits.

ECONOMIC IMPACT OF PROGRAM

In addition to the buying power that employed individuals bring to Louisianan's economy, many enrollees are paying premiums that help to offset the cost of the program. Since January 1, 2010, $68,480.00 worth of premiums have been paid. Since the inception of the program, a total of $583,681 in premiums has been collected.

As outlined above, the existence of the Medicaid Purchase Plan allows individuals with disabilities the opportunity to become employed, thereby becoming tax-paying citizens. In 2010, these individuals contributed $1,869,418.79 in federal taxes (includes FICA and federal income tax) and $239,723.79 in state taxes.[i]

CONCLUSION

The Medicaid Purchase Plan benefits all of Louisiana and is a pathway to prosperity, economic growth and a healthier citizenry. Currently, 1,674 people with disabilities have access to much needed healthcare coverage and supports necessary for them to be independent and productive citizens. The businesses that employ these workers have access to a new pool of qualified, motivated and healthy employees. As more employers realize the benefits of hiring people with disabilities, they will find supports and access to healthcare coverage as beneficial to their bottom line as the workers themselves. Louisiana's communities benefit from the increased wages earned by these employees as well as a more vibrant and inclusive environment for all.

BIBLIOGRAPHY

The report should include a copy of the authorizing bill or resolution.

In lieu of including any other attachments with the report, program offices and bureaus shall cite any sources or references either in a bibliography or in footnotes. Sources may be linked to the DHH website.

To cite information from an internet site, be sure to include the date or year that the information was created as well as the date that the website was accessed. For example:

Toodi, Bhaskar. "Louisiana Medicaid Annual Report FY 2007/2008." Department of Health and Hospitals. 2008. 16 September 2009. < http://www.dhh.la.gov/reports.asp?Detail=12>.

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[i] It should be noted that the amounts of taxes paid by MPP recipients during 2009, as reported in the first semiannual report of 2010 were reported incorrectly.