

2018 Regular Session

HOUSE BILL NO. 280

BY REPRESENTATIVE MCFARLAND

MEDICAID: Institutes premium payment requirements in the Medicaid program

1 AN ACT

2 To enact Part XIV of Chapter 3 of Title 46 of the Louisiana Revised Statutes of 1950, to be  
3 comprised of R.S. 46:460.101 through 460.104, relative to the medical assistance  
4 program of this state known commonly as Medicaid; to provide for duties and  
5 responsibilities of the Louisiana Department of Health in administering the Medicaid  
6 program; to provide definitions and legislative findings relative to Medicaid; to  
7 impose cost sharing measures, subject to applicable federal regulations, on certain  
8 Medicaid enrollees; to provide for a demonstration program requiring certain  
9 Medicaid enrollees to pay premiums; to make Medicaid eligibility for certain  
10 enrollees contingent upon premium payments; to require development and  
11 submission of certain applications for program approval to the federal Medicaid  
12 agency; to provide for promulgation of rules; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. Part XIV of Chapter 3 of Title 46 of the Louisiana Revised Statutes of  
15 1950, comprised of R.S. 46:460.101 through 460.104, is hereby enacted to read as follows:

16 PART XIV. MEDICAID PREMIUMS:

17 CONSUMER-DRIVEN HEALTH INITIATIVE

18 §460.101. Legislative findings; purpose

19 A. The legislature hereby finds and declares the following:

1           (1) The United States Department of Health and Human Services, through  
2           the Centers for Medicare and Medicaid Services, has authorized state Medicaid  
3           programs to institute innovative program features such as work requirements for  
4           certain able-bodied adults, encouragement of and incentives for personal health  
5           responsibility, enrollee cost sharing measures such as premiums and copayments,  
6           and other efficiencies.

7           (2) States which assess Medicaid premiums do so for one or more of the  
8           following purposes:

9           (a) Encouraging personal responsibility in health care.

10          (b) Aligning Medicaid coverage with private health coverage.

11          (c) Containing Medicaid program costs.

12          B. The purpose of this Part is to provide for a consumer-driven health  
13          initiative which increases access to health services, emphasizes personal health  
14          responsibility, promotes improved health outcomes, promotes private market  
15          coverage, and facilitates state fiscal responsibility and efficiencies in the Medicaid  
16          program.

17          §460.102. Definitions

18          For purposes of this Part, the following terms have the meaning ascribed in  
19          this Section:

20          (1) "Department" means the Louisiana Department of Health.

21          (2) "Federal poverty level" means the applicable federal poverty guideline  
22          based on household size as published in the Federal Register by the United States  
23          Department of Health and Human Services.

24          (3) "Managed care organization" has the same meaning as provided for that  
25          term in 42 CFR 438.2.

26          (4) "Medicaid" means the medical assistance program provided for in Title  
27          XIX of the Social Security Act.

28          (5) "Medicaid expansion" means the expansion of Medicaid eligibility  
29          standards to conform with those provided in the Affordable Care Act.

1           (6) "Newly eligible adult" means an adult who becomes eligible for the  
2           Medicaid program exclusively through Medicaid expansion, and who would not  
3           otherwise have been eligible for Medicaid.

4           (7) "Secretary" means the secretary of the Louisiana Department of Health.

5           (8) "Section 1115 waiver application" means an application to the secretary  
6           of the United States Department of Health and Human Services for certain provisions  
7           of Title XIX of the Social Security Act to be waived, as authorized in section 1115  
8           of the act, in order to provide to a state Medicaid program the necessary flexibility  
9           to implement an experimental, pilot, or demonstration project that promotes the  
10           objectives of Medicaid.

11           §460.103. Premiums; demonstration program; duties of the secretary of the  
12           Louisiana Department of Health

13           The secretary shall file with the Centers for Medicare and Medicaid Services  
14           a section 1115 waiver application to institute a demonstration program of Medicaid  
15           premiums which provides, at minimum, for all of the following:

16           (1)(a) Establishing premiums through monthly contributions to personal  
17           wellness and responsibility health savings accounts for newly eligible adults with  
18           income between one hundred percent and one hundred thirty-eight percent of the  
19           federal poverty level, and who are not excluded from cost sharing by the provisions  
20           of Section 1916 of the Social Security Act, with services delivered through capitated  
21           managed care organizations.

22           (b) Premium payments shall be a condition of eligibility for Medicaid  
23           enrollees with income between one hundred and one hundred thirty-eight percent of  
24           the federal poverty level who are deemed not to be medically frail in accordance with  
25           the rules of the Medicaid premium program. Such enrollees shall be subject to the  
26           provisions of R.S. 46:460.104 relative to penalties for nonpayment and collection of  
27           premiums.

1           (c) Premium amounts shall be assessed according to a sliding scale based on  
2           income, with such amounts and the scale to be determined by the secretary and  
3           promulgated in the rules of the Medicaid premium program.

4           (2)(a) Establishing premiums through monthly contributions to personal  
5           wellness and responsibility health savings accounts for newly eligible adults with  
6           income below one hundred percent of the federal poverty level, and who are not  
7           excluded from cost sharing by the provisions of Section 1916 of the Social Security  
8           Act, with services delivered through capitated managed care organizations.

9           (b) The secretary shall establish a differential system of benefits pursuant to  
10          this Paragraph wherein payment of premiums by an enrollee shall qualify him for an  
11          expanded benefit package, and nonpayment of premiums by an enrollee shall qualify  
12          him for a more limited benefit package, with benefit package features to be  
13          determined by the secretary.

14          (3) Requiring newly eligible adults to make minimum contributions to the  
15          health savings accounts provided for in this Section as a condition for monies in the  
16          accounts to roll forward from year to year.

17          §460.104. Unpaid premiums; penalties; collection

18           A. The demonstration program provided for in this Part shall stipulate that  
19           if a Medicaid enrollee with income between one hundred and one hundred  
20           thirty-eight percent of the federal poverty level who is deemed not to be medically  
21           frail in accordance with the rules of the Medicaid premium program fails to make his  
22           required premium payment for a period of sixty days or more, the department shall  
23           terminate his Medicaid eligibility.

24           B. The department shall include in its application to institute the  
25           demonstration program provided for in this Part a mechanism for imposing a  
26           six-month eligibility lockout period for enrollees who fail to pay their assessed  
27           premiums, as well as a mechanism by which an enrollee may re-enroll early upon  
28           payment of the overdue premium.

1           C.(1) Each Medicaid enrollee who has an overdue or unpaid premium shall  
2           forfeit to the state any income tax refund in the amount of the overdue premium.

3           (2)(a) The department shall submit to the office of debt recovery, in the  
4           format required by that office, a list of all Medicaid enrollees with an overdue or  
5           unpaid premium.

6           (b) The office of debt recovery shall seize any state income tax refund due  
7           to the Medicaid enrollee up to the amount of his overdue or unpaid premium.

8           Section 2. The secretary of the Louisiana Department of Health shall take such  
9 actions as are necessary to cause the section 1115 waiver application for the Medicaid  
10 premium program required by R.S. 46:460.101 et seq., as enacted by Section 1 of this Act,  
11 to be submitted to the Centers for Medicare and Medicaid Services on or before January 1,  
12 2019.

13           Section 3. 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.

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#### 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)]

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HB 280 Original

2018 Regular Session

McFarland

**Abstract:** Establishes a premium payment requirement in the La. Medicaid program and makes Medicaid eligibility for certain enrollees contingent upon payment of premiums.

Proposed law declares that its purpose is to provide for a consumer-driven health initiative which increases access to health services, emphasizes personal health responsibility, promotes improved health outcomes, promotes private market coverage, and facilitates state fiscal responsibility and efficiencies in the Medicaid program.

Proposed law defines "newly eligible adult" as an adult who becomes eligible for the Medicaid program exclusively through Medicaid expansion, and who would not otherwise have been eligible for Medicaid.

Proposed law requires the secretary of La. Dept. of Health (LDH) to file with the federal Medicaid agency an application to institute a demonstration Medicaid premium program which provides, at minimum, for all of the following:

- (1) Establishing premiums through monthly contributions to personal wellness and responsibility health savings accounts for newly eligible adults with income between 100% and 138% of the federal poverty level, and who are not excluded from cost sharing by federal law. Proposed law provides that premium payments shall be a condition of eligibility for Medicaid enrollees with income in this range, and that premium amounts shall be assessed according to a sliding scale based on income, with such amounts and the scale to be determined by the secretary of LDH.
- (2) Establishing premiums through monthly contributions to personal wellness and responsibility health savings accounts for newly eligible adults with income below 100% of the federal poverty level, and who are not excluded from cost sharing by federal law. Proposed law provides that the secretary of LDH shall establish a differential system of benefits wherein payment of premiums by an enrollee with income in this range qualifies him for an expanded benefit package, and nonpayment of premiums by the enrollee shall qualify him for a more limited benefit package, with benefit package features to be determined by the secretary.
- (3) Requiring newly eligible adults to make minimum contributions to the health savings accounts provided for in proposed law as a condition for monies in the accounts to roll forward from year to year.

Proposed law provides that if a Medicaid enrollee with income between 100% and 138% of the federal poverty level who is deemed not to be medically frail does not make his required premium payment for a period of 60 days or more, the department shall terminate his Medicaid eligibility.

Proposed law requires LDH to include in its application to institute the demonstration program provided for in proposed law a mechanism for imposing a six-month eligibility lockout period for enrollees who fail to pay their assessed premiums, as well as a mechanism by which an enrollee may re-enroll early upon payment of the overdue premium.

Proposed law provides for collection of overdue or unpaid premiums through the office of debt recovery.

Proposed law requires the secretary of LDH to file the requisite application for instituting the Medicaid premium program with the federal Medicaid agency on or before Jan. 1, 2019.

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

(Adds R.S. 46:460.101-460.104)