

2018 First Extraordinary Session

SENATE BILL NO. 5

BY SENATOR HEWITT

MEDICAID. Provides relative to opportunities to promote work and community engagement among Medicaid recipients. (Item #13) (gov sig)

1 AN ACT

2 To enact R.S. 46:460.53, relative to opportunities to promote work and community
3 engagement among Medicaid recipients; to provide legislative findings and intent;
4 to provide for an 1115 demonstration project; to provide for timelines; to provide for
5 an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 46:460.53 is hereby enacted to read as follows:

8 **§460.53. Medicaid recipient work and community engagement demonstration**
9 **project; findings; minimum requirements**

10 **A. The Legislature of Louisiana finds and declares the following:**

11 **(1) Improving the state's economy and reducing poverty rates are vitally**
12 **important to every citizen of this state. Job opportunities and building a strong**
13 **central workforce are essential cornerstones of any economy. Employment and**
14 **steady income provides individuals with an opportunity to rise out of poverty**
15 **and create a better life for themselves and their families.**

16 **(2) Louisiana has more than four and one-half million residents, and of**
17 **those, nearly forty percent are identified as the "working poor", those**

1 individuals who are employed and pay taxes but whose assets and earnings are
2 insufficient to cover all of their basic needs, including health care.

3 (3) In January 2016, Louisiana expanded Medicaid to provide access to
4 quality health care for the working poor, a population that includes adults age
5 nineteen to sixty-four years with an income below one hundred thirty-eight
6 percent of the federal poverty level, who were not previously Medicaid eligible.
7 Since then, nearly five hundred thousand individuals have enrolled in Medicaid,
8 resulting in a quarter of the state's population being covered by
9 government-funded insurance. Of those covered by Medicaid expansion, nearly
10 one-third have no reported earned income.

11 (4) Costs for the Medicaid program have increased from six billion
12 dollars in 2012 to more than twelve billion dollars in 2018, with an anticipated
13 growth to more than fourteen billion dollars in 2021. This growth is
14 unsustainable, and in order to continue to provide coverage for those who
15 genuinely need it, states must be transformative in administering the program.
16 States across the country are taking steps to stabilize Medicaid programs while
17 simultaneously improving health outcomes and overall quality of life for these
18 recipients by assisting them with more than just health insurance, but with
19 opportunities for more community engagement and employment that can
20 transition them out of the Medicaid program and into self-sufficiency and
21 private market coverage.

22 (5) The goal for every citizen should be greater than just attaining
23 Medicaid; it should be rising out of the circumstances that made them Medicaid
24 eligible.

25 B.(1) On January 11, 2018, the United States Department of Health and
26 Human Services, Centers for Medicare and Medicaid Services, hereinafter
27 referred to as "CMS", notified states of a new policy designed to assist states in
28 efforts to improve Medicaid recipient health and well-being through
29 demonstration projects authorized under section 1115 of the Social Security Act

1 that establish work and community engagement programs as a requirement for
2 continued Medicaid eligibility or coverage for certain adults.

3 (2) CMS advised that such demonstration programs shall be designed to
4 promote better mental, physical, and emotional health, as well as to help
5 individuals and families rise out of poverty and attain independence, all in
6 furtherance of Medicaid program objectives.

7 (3) CMS has given states extensive guidance and great flexibility to
8 design demonstration projects that include activities, other than employment,
9 which promote health and wellness and which meet the states requirements for
10 continued Medicaid eligibility, including but not limited to community service,
11 care giving, education, job training, and substance use disorder treatment.

12 C. Louisiana provides multiple government-funded programs that assist
13 its citizens in improving their economic standing and materially advancing their
14 lives to rise out of poverty. Louisiana also invests heavily in efforts that increase
15 and strengthen our workforce and support our economy. Merging these two
16 initiatives into a single demonstration project will advance the shared goals of
17 CMS and Louisiana. Both want to improve the health and wellness of Medicaid
18 recipients by facilitating greater opportunities for work and community
19 engagement that will help families and individuals attain or retain capability for
20 independence or self-care. To that end, the secretary of the Louisiana
21 Department of Health shall submit an 1115 demonstration project application
22 to CMS for a program in which certain Medicaid recipients who are
23 able-bodied adults must meet certain work or community engagement
24 requirements as a condition of coverage or maintaining eligibility.

25 D. While states have great freedom and flexibility in developing an 1115
26 demonstration project application, the secretary shall adhere to the guidance
27 set forth by CMS. An 1115 demonstration project application developed
28 pursuant to this Section shall clearly identify the following:

29 (1) Alignment opportunities with current work requirements in place for

1 the Supplemental Nutrition Assistance Program, "SNAP", if practicable.

2 (2) Eligibility groups subject to the work and community engagement
3 requirements and included in the demonstration.

4 (a) The 1115 demonstration project application shall only apply to
5 able-bodied adults who are age nineteen to sixty-four with an income below one
6 hundred thirty-eight percent of the federal poverty level.

7 (b) It shall not apply to children, pregnant women, individuals with
8 disabilities, and the elderly.

9 (3) Range of work and community engagement opportunities permissible
10 to satisfy the requirement.

11 (a) Work requirements may include full- or part-time employment,
12 career planning, job training, or referral and job support services.

13 (b) Community engagement activities may include volunteer work,
14 community service, adults who are the primary caregiver of a dependent child,
15 including a minor child or an adult dependent with disabilities, or education.

16 (c) Reasonable accommodations shall be made for individuals with
17 opioid addictions and other substance use disorders to ensure that those
18 individuals have access to appropriate Medicaid coverage and treatment
19 services. Reasonable accommodations may include counting time spent in
20 medical treatment as a recipient's work or community engagement or
21 exempting recipients participating in inpatient or intensive outpatient substance
22 use disorder treatment from work and community engagement requirements.

23 (4) Strategies to assist recipients in meeting work and community
24 engagement requirements, including partnerships with other state entities such
25 as the Louisiana Workforce Commission, Department of Education, local
26 transit authorities, or other entities that can link recipients to resources.

27 (5) Support for recipients in meeting program requirements in markets
28 during periods of limited opportunity. Supports may include good cause
29 exemptions similar to those used in SNAP.

1 **(6) All other requirements set forth by CMS, including but not limited**
 2 **to due process for recipients, transparency, budget neutrality, monitoring, and**
 3 **evaluation.**

4 **E. The secretary shall work with CMS to ensure efficient and effective**
 5 **drafting of the 1115 demonstration project application by the department and**
 6 **utilize all supports and guidance offered by CMS.**

7 **F. The secretary shall submit the 1115 demonstration project application**
 8 **required by this Section to CMS no later than January 1, 2019. Prior to**
 9 **submitting the 1115 demonstration project application to CMS, the secretary**
 10 **shall submit it to the Joint Legislative Committee on the Budget for approval.**

11 Section 2. This Act shall become effective upon signature by the governor or, if not
 12 signed by the governor, upon expiration of the time for bills to become law without signature
 13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 14 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 15 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 Christine Arbo Peck.

DIGEST

SB 5 Original

2018 First Extraordinary Session

Hewitt

Proposed law requires the secretary of the Louisiana Department of Health to submit an 1115 demonstration project application to the Centers for Medicare and Medicaid Services, "CMS", to get federal approval of a Medicaid waiver that would require certain Medicaid recipients who are able-bodied adults to meet work or community engagement requirements as a condition of Medicaid coverage or maintaining eligibility.

Proposed law provides the secretary of the Louisiana Department of Health with freedom and flexibility, as allowed by CMS, to identify alignment opportunities with work requirements in current state programs, eligibility groups, range of work and community engagement opportunities permissible to satisfy the requirement, strategies to assist recipients in meeting work and community engagement requirements, support for recipients in meeting program requirements in markets during periods of limited opportunity, and all other requirements set forth by CMS, including but not limited to due process for recipients, transparency, budget neutrality, monitoring, and evaluation.

Proposed law requires the secretary to work with CMS to ensure efficient and effective drafting of the 1115 demonstration project application, to submit the application to CMS by January 1, 2019, and to get Joint Legislative Committee on the Budget approval of the application prior to it being submitted to CMS.

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

(Adds R.S. 46:460.53)