

2016 Regular Session

HOUSE BILL NO. 474

BY REPRESENTATIVE HOFFMANN

HEALTH CARE: Provides for Medicaid expansion through a demonstration waiver program

1 AN ACT

2 To enact Chapter 8-C of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised  
3 of R.S. 46:979.11 through 979.13, relative to the medical assistance program of the  
4 state commonly known as Medicaid; to provide for duties of the Department of  
5 Health and Hospitals with respect to implementation of the Medicaid program; to  
6 provide relative to expansion of the Medicaid program pursuant to federal law; to  
7 provide for expansion of Medicaid through a demonstration waiver program; to  
8 provide for definitions; to provide for legislative findings and intent; and to provide  
9 for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Chapter 8-C of Title 46 of the Louisiana Revised Statutes of 1950,  
12 comprised of R.S. 46:979.11 through 979.13, is hereby enacted to read as follows:

13 CHAPTER 8-C. MEDICAL ASSISTANCE PROGRAM EXPANSION

14 §979.11. Definitions

15 As used in this Chapter, the following terms have the meaning ascribed to  
16 them in this Section:

17 (1) "ACA" and "Affordable Care Act" mean the following acts of congress,  
18 collectively:

19 (a) The Patient Protection and Affordable Care Act (Public Law 111-148).

1           (b) The Health Care and Education Reconciliation Act (Public Law  
2           111-152).

3           (2) "Centers for Medicare and Medicaid Services" means the division of the  
4           United States Department of Health and Human Services which administers and  
5           regulates the Medicaid program.

6           (3) "Demonstration waiver program" means a program implemented through  
7           a waiver of otherwise applicable federal law and regulation pursuant to Section 1115  
8           of the Social Security Act.

9           (4) "Department" means the Department of Health and Hospitals.

10          (5) "Medicaid" and "medical assistance program" mean the medical  
11          assistance program provided for in Title XIX of the Social Security Act.

12          (6) "Secretary" means the secretary of the Department of Health and  
13          Hospitals.

14          §979.12. Legislative findings; purpose

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

16          (1) The Affordable Care Act, referred to hereafter in this Chapter as the  
17          "ACA", sets forth health policy reforms that reshape the way virtually all Americans  
18          receive and finance their health care.

19          (2) Concerning the nationwide expansion provided for in the ACA, in a  
20          decision announced on June 28, 2012, the Supreme Court of the United States in  
21          *National Federation of Independent Business Et Al. v. Sebelius, Secretary of Health*  
22          *and Human Services, Et Al.* held that the penalty provided in the law for a state's  
23          nonparticipation in Medicaid expansion is unconstitutionally coercive, thereby  
24          rendering participation in the expansion as optional for each state.

25          (3) The federal government has shown flexibility in administering the  
26          expansion of Medicaid by approving applications to implement the expansion in  
27          certain states through demonstration waiver programs that allow for innovative  
28          program features, encouragement of and incentives for personal health responsibility,  
29          and cost containment measures.

1           B. The purpose of this Chapter is to provide for a consumer-driven health  
2           plan which reduces the number of uninsured, low-income Louisianians; increases  
3           access to healthcare services; emphasizes personal health responsibility; promotes  
4           improved health outcomes; promotes private market coverage; and facilitates state  
5           fiscal responsibility and efficient management of the Medicaid program.

6           §979.13. Medicaid expansion; demonstration waiver program; duties of the  
7           secretary of the Department of Health and Hospitals

8           Following submission by the Department of Health and Hospitals of any  
9           Medicaid state plan amendment and promulgation by the department of any  
10          administrative rules necessary to expand Medicaid in accordance with the ACA, the  
11          secretary of the department shall file with the Centers for Medicare and Medicaid  
12          Services a demonstration waiver program application which provides, at minimum,  
13          for all of the following:

14               (1) Financing of the federal share of Medicaid expansion through a per  
15               capita payment.

16               (2)(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 nonmedically  
23               frail beneficiaries with income between one hundred and one hundred thirty-eight  
24               percent of the federal poverty level.

25               (c) Premium amounts shall be assessed according to a sliding scale based on  
26               income, with such amounts and the scale to be determined by the secretary.

27               (3)(a) Establishing premiums through monthly contributions to personal  
28               wellness and responsibility health savings accounts for newly eligible adults with  
29               income below one hundred percent of the federal poverty level, and who are not

1 excluded from cost sharing by the provisions of Section 1916 of the Social Security  
2 Act, with services delivered through capitated managed care organizations.

3 (b) The secretary shall establish a differential system of benefits pursuant to  
4 this Paragraph wherein payment of premiums by an enrollee shall qualify him for an  
5 expanded benefit package, and nonpayment of premiums by an enrollee shall qualify  
6 him for a more limited benefit package, with benefit package features to be  
7 determined by the secretary.

8 (4) Requiring newly eligible adults to make minimum contributions to the  
9 health savings accounts provided for in this Section as a condition for monies in the  
10 accounts to roll forward from year to year.

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.

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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 474 Original

2016 Regular Session

Hoffmann

**Abstract:** Provides for Medicaid expansion in La. through a demonstration waiver program, and provides requirements and specifications for the waiver program.

Proposed law provides that its purpose is to provide for a consumer-driven health plan which reduces the number of uninsured, low-income Louisianians; increases access to healthcare services; emphasizes personal health responsibility; promotes improved health outcomes; promotes private market coverage; and facilitates state fiscal responsibility and efficient management of the Medicaid program.

Proposed law provides the following definitions:

- (1) "ACA" and "Affordable Care Act" mean the following acts of congress, collectively:
  - (a) The Patient Protection and Affordable Care Act (Public Law 111-148).
  - (b) The Health Care and Education Reconciliation Act (Public Law 111-152).

- (2) "Demonstration waiver program" means a program implemented through a waiver of otherwise applicable federal law and regulation pursuant to Section 1115 of the Social Security Act.

Proposed law provides that following initiation by the Department of Health and Hospitals (DHH) of any actions necessary to expand Medicaid in accordance with the ACA, the DHH secretary shall file the demonstration waiver program application with the federal Medicaid agency which provides, at minimum, for all of the following:

- (1) Financing of the federal share of Medicaid expansion through a per capita payment.
- (2) 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 pursuant to federal law, with services delivered through capitated managed care organizations. With respect to these premiums:
  - (a) Premium payments shall be a condition of eligibility for nonmedically frail beneficiaries with income between 100% and 138% of the federal poverty level.
  - (b) Premium amounts shall be assessed according to a sliding scale based on income, with such amounts and the scale to be determined by the DHH secretary.
- (3) 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 pursuant to federal law, with services delivered through capitated managed care organizations. With respect to these premiums:
  - (a) The DHH secretary shall establish a differential system of benefits based upon payment or nonpayment of premiums.
  - (b) Payment of premiums by an enrollee shall qualify him for an expanded benefit package, and nonpayment of premiums shall qualify him for a more limited benefit package, with benefit package features to be determined by the secretary.
- (4) 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.

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

(Adds R.S. 46:979.11-979.13)