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## DIGEST

Peterson (SB 125)

Proposed law provides the Department of Health and Hospitals create and administer the Louisiana Health Care Independence Program within the department.

Proposed law declares that the purposes of the state in expanding Medicaid eligibility as provided in proposed law are as follows:

- (1) To maximize the number of Louisianians who are covered by some form of health insurance.
- (2) To provide basic health coverage to the working poor of the state who are not offered insurance through their employer and do not earn enough money to meet basic family needs and pay for private health insurance.
- (3) To assure health care providers who serve low to moderate income persons of some amount of compensation for the care they provide.
- (4) To avert the economic and human costs of crises in both access to health care and health services financing which are likely to result from not participating in an expansion of a major federal program while other sources of financing for medical care for the uninsured and the indigent are being drastically reduced or eliminated.

Proposed law provides that after receiving the approval of the Senate and House committees on health and welfare, the department shall on or before September 1, 2013, submit and apply for all of the following:

- (1) Federal waivers necessary to implement the program in a manner consistent with proposed law, including without limitation approval for a comprehensive waiver under Section 1115 of the Social Security Act.
- (2) Medicaid state plan amendments necessary to implement the program in a manner consistent with proposed law.
- (3) Those Medicaid state plan amendments that are optional and therefore may be revoked by the state at its discretion.

Proposed law provides the department shall confirm that employers shall not be subject to the

penalties, including without limitation an assessable payment, under Section 1513 of Pub. L. No. 111-148, as existing on January 1, 2013, concerning shared responsibility, for employees who are eligible individuals if the employees meet either of the following criteria.

- (1) Are enrolled in the program.
- (2) Enroll in a qualified health plan through the federal health insurance marketplace.

Proposed law further provides if the department is unable to confirm provisions under the proposed law, the program shall not be implemented.

Proposed law provides the implementation of the program shall be conditioned upon the receipt of necessary federal approvals, and if the department does not receive the necessary federal approvals, the program shall not be implemented.

Proposed law provides the program shall include premium assistance for eligible individuals to enable their enrollment in a qualified health plan through the federal health insurance marketplace.

Proposed law provides the department shall be specifically authorized to pay premiums and supplemental cost-sharing subsidies directly to the federally qualified health plans for enrolled eligible individuals.

Proposed law provides the department shall pursue strategies that promote insurance coverage of children in their parents' or caregivers' plan, including children eligible for the LaCHIP.

Proposed law further provides the department shall develop and implement a strategy to inform Medicaid recipient populations whose needs would be reduced or better served through participation in the federal health insurance marketplace.

Proposed law provides the program shall terminate within 120 days after a reduction in any of the following federal medical assistance percentages:

- (1) 100% in 2014, 2015, or 2016.
- (2) 95% in 2017.
- (3) 94% in 2018.
- (4) 93% in 2019.
- (5) 90% in 2020 or any year after 2020.

Proposed law provides an eligible individual enrolled in the program shall affirmatively acknowledge the existence all of the following facts:

- (1) The program shall not be a perpetual federal or state right or a guaranteed entitlement.
- (2) The program shall be subject to cancellation upon appropriate notice.
- (3) The program shall not be an entitlement program.

Proposed law provides the department shall develop a model and seek from the Center for Medicare and Medicaid Services all necessary waivers and approvals to allow non-aged, non-disabled program-eligible participants to enroll in a program that shall create and utilize independence accounts that operate similar to a health savings account or medical savings account during the calendar year 2015.

Proposed law provides the independence accounts shall accomplish both of the following:

- (1) Allow a participant to purchase cost-effective high-deductible health insurance.
- (2) Promote independence and self-sufficiency.

Proposed law provides the state shall implement cost sharing and co-pays and, as a condition of participation, earnings shall exceed fifty percent of the applicable federal poverty level.

Proposed law provides participants may receive rewards based on healthy living and self-sufficiency.

Proposed law provides that at the end of each fiscal year, if there are funds remaining in the account, a majority of the state's contribution shall remain in the participant's control as a positive incentive for the responsible use of the health care system and personal responsibility of health maintenance.

Proposed law provides that on a quarterly basis, the department shall report to the Joint Legislative Committee on the Budget, within two weeks of the end of each quarter, information regarding the following aspects of the program:

- (1) Program enrollment.
- (2) Patient experience.
- (3) Economic impact including enrollment distribution.
- (4) Carrier competition.
- (5) Success in avoiding uncompensated care.

Proposed law requires that on or before July 1, 2014, and annually thereafter, the secretary of DHH shall provide to the legislative committees on health and welfare and the governor a written

report covering the most recent one-year period which includes at minimum all of the following items:

- (1) Evaluation of overall health outcomes and quality of care for La. Medicaid enrollees, and recommendations for policy changes to improve such outcomes and quality of care. Requires that the secretary base such evaluation on measurements derived from a metric which is generally accepted by public and private health care providers such as the Healthcare Effectiveness Data and Information Set (HEDIS).
- (2) Evaluation of major barriers to access to health care by La. Medicaid enrollees and recommendations for policy changes to eliminate such barriers.
- (3) Summary of successful initiatives in La. for disease prevention and early diagnosis and management of chronic conditions among Medicaid enrollees.
- (4) Trends in enrollment of health care providers in the La. Medicaid program during the period covered by the report.
- (5) Major challenges faced by health care providers enrolled in the La. Medicaid program and recommendations for policy changes to address such challenges.
- (6) Impacts on health outcomes and health care costs in La. during the period covered by the report which resulted from participation by health care providers enrolled in the Medicaid program in any federal or state initiatives for coordinated care or patient-centered medical homes.
- (7) Such other information as the secretary deems appropriate to convey a clear and sufficiently complete assessment of the impact of the Medicaid program in La.

Proposed law requires DHH to make such report publicly available on its website.

Proposed law provides for a termination date of July 1, 2017.

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

(Adds R.S. 46:979.1-979.6)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill

1. Provides for the Louisiana Health Care Independence Program.

2. Provides a program termination date of July 1, 2017.