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Louisiana Medicaid Program Changes Will Cause Loss of Services for Many Participants

Thousands of Louisiana's poorest citizens with disabilities are facing changes in the Medicaid program that will result in the loss of Medicaid coverage for many of them. Changes in eligibility criteria for the Medicaid Purchase Plan, the Disability Medicaid Program, and the LaMOMS program are scheduled to go into effect January 1, 2014.¹

Medicaid Purchase Plan

Changes Louisiana is making to the Medicaid Purchase Plan will have a devastating impact on access to affordable health care for many individuals with disabilities who work and makes one question the state's commitment to the employment of people with disabilities.

The Medicaid Purchase Plan was created in 2004 to provide an incentive to people with disabilities to work without fear of losing their Medicaid benefits. The program allows people with severe disabilities to work, make a living wage and pay premiums for Medicaid coverage. Beginning January 1, 2014 changes to eligibility will shift the maximum earnings from 250 percent to 100 percent of the Federal Poverty Level (FPL), allowable resources will be reduced from the existing maximum of \$25,000 to \$10,000 and will now include the value of all life insurance policies, medical savings accounts and retirement accounts (currently disregarded). In addition, a spouse's income and resources will be used to calculate both income and resource levels. Over half (1,187) of the approximately 2,200 participants will not meet the new eligibility criteria based on individual personal income and resources (the number of people no longer eligible is expected to be higher when the income and/or resources of participants' spouses are considered).

Individuals no longer eligible for the Medicaid Purchase Plan will have the option of purchasing private insurance through the new Federal Health Insurance Exchange. However, for people with disabilities, the Exchange is not an acceptable replacement for Medicaid. While premium assistance subsidies are available through the Health Exchanges, participants share the cost of treatment in the form of co-pays, deductibles and co-insurance. An individual's share of the cost could reach \$2,000 or more per year. Many individuals, particularly individuals with other disability-related expenses, will find their share of costs unaffordable. And the range of coverage will not be the same. For example, personal assistance services are covered by Medicaid, but not by health care plans available through the Exchange. Approximately fifty people receiving personal care services would lose this service resulting in them not being able to work - or worse.

Some of the individuals who will be affected have Medicare as their primary insurance and are using Medicaid as their secondary insurance to cover co-pays and disability related services not covered by Medicare.





The changes to the eligibility criteria for Louisiana's Medicaid Purchase Plan will destroy its original purpose – to incentivize people with disabilities to work. Current participants in the Medicaid Purchase Plan not only work and earn a livable wage but also contribute to the state's economy. It is feared that many will end up quitting their jobs or become under-employed to continue to receive their Medicaid benefits.

Open enrollment for insurance through the Federal Health Insurance Exchange begins October 1, 2013 for coverage beginning January 1, 2014. Individuals whose income and/or resources will make them ineligible for Medicaid under the new criteria are encouraged to learn more about these options at <https://www.healthcare.gov/families/>.

Disability Medicaid Program

The Disability Medicaid Program offers coverage to individuals with disabilities and older persons aged 65 and over who meet all eligibility requirements for the Social Security Insurance (SSI) program. Currently Medicaid eligibility staff can determine whether an individual meets SSI disability criteria in order for the person to receive Medicaid. However, this is not an official SSI eligibility determination and the person does not receive cash assistance. Changes will require individuals to be determined eligible by the Social Security Administration for SSI to be eligible for this program. Over 9,200 individuals in this program will need to be determined officially eligible for SSI by January 1, 2014 or will lose their Medicaid coverage on December 31, 2013. All individuals in this program are encouraged to apply for SSI immediately as the determination process can be lengthy.

LaMOMS

Finally, eligibility changes also face the LaMOMs Program. LaMOMS currently provides healthcare to pregnant women with income up to 200% of FPL. Under the new policy, the income limit lowers to 138% of FPL for applications received after January 1, 2014.

La. Medicaid plans to send a letter to recipients in all three programs with notification of these changes in the near future. [Click here](#) for a Medicaid Fact Sheet with more information and a contact name and number for questions.

ⁱ These changes mark the end of the state's Maintenance-of-Effort (MOE) requirements for adults and the beginning of health reforms included in the Patient Protection and Affordable Care Act of 2010. The American Recovery and Reinvestment Act of 2009 required states to maintain Medicaid eligibility standards, methodologies, and procedures in effect on July 1, 2008 through December 31, 2010 in exchange for receiving an enhanced federal share of costs for Medicaid services (called the Federal Medical Assistance Percentage or FMAP). The Patient Protection and Affordable Care Act of 2010 extended the MOE requirement for adults through December 31, 2013 and for children through September 30, 2019.

