

NOTICE OF INTENT

Department of Health and Hospitals
Bureau of Health Services Financing

State Children's Health Insurance Program
Modified Adjusted Gross Income
(LAC 50:III.20103)

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to amend LAC 50:III.20103 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XXI of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

Section 1004(a)(2) of the Patient Protection and Affordable Care Act (ACA) of 2010 and Section 36B (d)(2)(B) of the *Internal Revenue Code* mandate that Medicaid eligibility use the Modified Adjusted Gross Income (MAGI) methodology for eligibility determinations for certain eligibility groups. In compliance with the ACA and *Internal Revenue Code*, the Department of Health and Hospitals, Bureau of Health Services Financing promulgated an Emergency Rule which amended the provisions governing Medicaid eligibility to adopt the MAGI methodology for eligibility groups covered under Title XIX (Medicaid) and Title XXI (Children's Health Insurance Program) of the Social Security Act (*Louisiana Register*, Volume 40, Number 1). The department also adopted provisions which allowed qualified hospitals to

make determinations of presumptive eligibility for individuals who are not currently enrolled in Medicaid.

The department promulgated an Emergency Rule which amended the provisions of the December 31, 2013 Emergency Rule in order to make technical revisions to ensure that these provisions are appropriately promulgated in a clear and concise manner (*Louisiana Register*, Volume 40, Number 4). The provisions governing the MAGI eligibility changes for the Louisiana Children's Health Insurance Program (LaCHIP) were repromulgated independent of the provisions governing the Title XIX eligibility groups. This proposed Rule is being promulgated to continue the provisions of the April 20, 2014 Emergency Rule.

Title 50
PUBLIC HEALTH—MEDICAL ASSISTANCE
Part III. Eligibility

Subpart 11. State Children's Health Insurance Program
Chapter 201. Louisiana Children's Health Insurance Program
(LaCHIP) - Phases 1-3

§20103. Eligibility Criteria

A. - A.1. ...

2. are from families with income at or below 217 percent of the federal poverty level; and

A.3. - D.1.f. ...

E. Effective December 31, 2013 eligibility for LaCHIP shall be determined by Modified Adjusted Gross Income (MAGI)

methodology in accordance with Section 1004(a)(2) of the Patient Protection and Affordable Care Act (ACA) of 2010 and Section 36B (d)(2)(B) of the *Internal Revenue Code*.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XXI of the Social Security Act.

HISTORICAL NOTE: Repromulgated by the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing, LR 34:659 (April 2008), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 41:

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule may have a positive impact on family functioning, stability or autonomy as described in R.S. 49:972 by reducing the financial burden for health care costs for certain families who will now meet the new income standards.

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule may have a positive impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973 by reducing the financial burden for

health care costs for certain families who will now meet the new income standards.

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, no direct or indirect cost to the provider to provide the same level of service, and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

Interested persons may submit written comments to J. Ruth Kennedy, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030 or by email to MedicaidPolicy@la.gov. Ms. Kennedy is responsible for responding to inquiries regarding this proposed Rule. A public hearing on this proposed Rule is scheduled for Thursday, May 28, 2015 at 9:30 a.m. in Room 118, Bienville Building, 628 North Fourth Street, Baton Rouge, LA. At that time all interested persons will be afforded an opportunity to submit data, views or arguments either orally or in writing. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

Kathy H. Kliebert

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person
Preparing

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Office: Bureau of Health Services
Financing

Return Address: P.O. Box 91030
Baton Rouge, LA

Rule Title: State Children's Health Insurance
Program
Modified Adjusted Gross Income

Date Rule Takes Effect: December 31, 2013

SUMMARY

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. The following summary statements, based on the attached worksheets, will be published in the Louisiana Register with the proposed agency rule.

ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS
(SUMMARY)

I. It is anticipated that implementation of this proposed rule may result in an increase in programmatic expenditures in the Medicaid Program by an indeterminable amount for FY 14-15, FY 15-16, and FY 16-17. It is anticipated that \$432 (\$216 SGF and \$216 FED) will be expended in FY 14-15 for the state's administrative expense for promulgation of this proposed rule and the final rule.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS
(Summary)

It is anticipated that the implementation of this proposed rule will have an increase in federal revenue collections by an indeterminable amount for FY 14-15, FY 15-16, and FY 16-17. It is anticipated that \$216 will be collected in FY 14-15 for the federal share of the expense for promulgation of this proposed rule and the final rule.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR
NON-GOVERNMENTAL GROUPS (Summary)

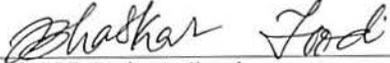
This proposed Rule continues the provisions of the December 31, 2013 and April 20, 2014 Emergency Rules which amended the provisions governing Medicaid eligibility to adopt the Modified Adjusted Gross Income (MAGI) eligibility methodology in the Louisiana Children's Health Insurance Program (LaCHIP). It is anticipated that implementation of this proposed rule may increase Medicaid costs by an indeterminable amount for FY 14-15, FY 15-16, and FY 16-17 as the potential change in enrollment is unknown but is expected to be nominal.

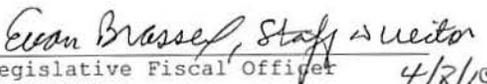
IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.


Signature of Agency Head
or Designee

J. Ruth Kennedy, Medicaid Director
Typed name and Title of
Agency Head or Designee


DHH/BHSF Budget Head


Legislative Fiscal Officer
or Designee 4/8/15

4-7-15
Date of Signature

04/07/15
Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

This proposed Rule continues the provisions of the December 31, 2013 and April 20, 2014 Emergency Rules which amended the provisions governing Medicaid eligibility to adopt the Modified Adjusted Gross Income (MAGI) eligibility methodology in the Louisiana Children's Health Insurance Program (LaCHIP).

- B. Summarize the circumstances that require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

Section 1004(a)(2) of the Patient Protection and Affordable Care Act (ACA) of 2010 and Section 36B(d)(2)(B) of the Internal Revenue Code mandate that Medicaid eligibility use the Modified Adjusted Gross Income (MAGI) methodology for eligibility determinations for certain eligibility groups. In compliance with the ACA and Internal Revenue Code, the Department of Health and Hospitals, Bureau of Health Services Financing promulgated an Emergency Rule which amended the provisions governing Medicaid eligibility to adopt the MAGI methodology for eligibility groups covered under Title XIX (Medicaid) and Title XXI (Children's Health Insurance Program) of the Social Security Act (Louisiana Register, Volume 40, Number 1). The department also adopted provisions which allowed qualified hospitals to make determinations of presumptive eligibility for individuals who are not currently enrolled in Medicaid.

The department promulgated an Emergency Rule which amended the provisions of the December 31, 2013 Emergency Rule in order to make technical revisions to ensure that these provisions are appropriately promulgated in a clear and concise manner (Louisiana Register, Volume 40, Number 4). The provisions governing the MAGI eligibility changes for the Louisiana Children's Health Insurance Program (LaCHIP) were repromulgated independent of the provisions governing the Title XIX eligibility groups. This proposed Rule is being promulgated to continue the provisions of the April 20, 2014 Emergency Rule.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No. It is anticipated that implementation of this proposed rule will have an increase in program expenditures by an indeterminable amount for FY 14-15, FY 15-16, and FY 16-17 as the potential change in enrollment is currently unknown. It is anticipated that \$432 will be expended in FY 14-15 for the state's administrative expense for promulgation of this proposed rule and the final rule.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

- (a) If yes, attach documentation.
(b) If no, provide justification as to why this rule change should be published at this time.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

I. A. COST OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase or (decrease) in cost to implement the proposed action?

COST	FY 14-15	FY 15-16	FY 16-17
PERSONAL SERVICES			
OPERATING EXPENSES	\$432	\$0	\$0
PROFESSIONAL SERVICES			
OTHER CHARGES	increase	increase	increase
REPAIR & CONSTR.			
POSITIONS (#)			
TOTAL	increase	increase	increase

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

In FY 14-15, \$432 will be spent for the state's administrative expense for promulgation of this proposed rule and the final rule.

3. Sources of funding for implementing the proposed rule or rule change.

Source	FY 14-15	FY 15-16	FY 16-17
STATE GENERAL FUND	increase	increase	increase
SELF-GENERATED			
FEDERAL FUND	increase	increase	increase
OTHER (Specify)			
Total	increase	increase	increase

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes, sufficient funds are available to implement this rule.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THIS PROPOSED ACTION.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustment in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

This proposed rule has no known impact on local governmental units.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

2. Indicate the sources of funding of the local governmental unit that will be affected by these costs or savings.

There is no known impact on the sources of local governmental unit funding.

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

- A. What increase or (decrease) in revenues can be expected from the proposed action?

REVENUE INCREASE/DECREASE	FY 14-15	FY 15-16	FY 16-17
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS	increase	increase	increase
LOCAL FUNDS			
Total	increase	increase	increase

**Specify the particular fund being impacted*

- B. Provide a narrative explanation of each increase or decrease in revenue shown in "A". Describe all data, assumptions, and methods used in calculating these increases or decreases.

In FY 14-15, \$216 will be collected for the federal share of the administrative expense for promulgation of this proposed rule and the final rule.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effects on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.)

This proposed Rule continues the provisions of the December 31, 2013 and April 20, 2014 Emergency Rules which amended the provisions governing Medicaid eligibility to adopt the Modified Adjusted Gross Income (MAGI) eligibility methodology in the Louisiana Children's Health Insurance Program (LaCHIP).

- B. Also, provide an estimate of any revenue impact resulting from this rule or rule change to these groups.

It is anticipated that implementation of this proposed rule may increase Medicaid costs by an indeterminable amount for FY 14-15, FY 15-16, and FY 16-17 as the potential change in enrollment is unknown but is expected to be nominal.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

This rule has no known effect on competition and employment.