Bobby Jindal
GOVERNOR

Kathy H. Kliebert
SECRETARY

State of Louisiana

Department of Health and Hospitals
Office of Management and Finance

July 31, 2014

The Honorable John A. Alario, Jr., President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Charles E. Kleckley, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

The Honorable James R. Fannin, Chairman
Louisiana State House of Representatives
House Appropriations Committee
P.O. Box 4486, Capitol Station
Baton Rouge, LA 70804-4486

The Honorable Jack Donahue, Chairman
Louisiana State Senate
Senate Finance Committee
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Scott M. Simon, Chairman
House Health and Welfare Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

The Honorable David Heitmeier, Chairman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Dear President Alario, Speaker Kleckley, and Honorable Chairs:

Senate Bill No. 305 of the 2003 Regular Session requires that the Department of Health and Hospitals (DHH) submit certain information on a semi-annual basis regarding the Medicaid buy-in program, the Medicaid Purchase Plan, to the Joint Legislative Committee on the Budget and to the House and Senate health and welfare committees. The report is to include the status of MPP, the estimated value of the state, federal, and FICA taxes paid by the program's participants, and any recommendations for expanding coverage in the program. La-R.S. 24:772 also requires that the report be submitted to the President of the Senate and to the Speaker of the House.

The last report submitted to the legislature on January 31, 2014, contained data from the first half of SFY 14. Please accept this update that contains data for the entire SFY 14.

Program Overview

The Medicaid Purchase Plan (MPP) is an optional Medicaid program that provides health care coverage to individuals with disabilities who are employed and meet specific income requirements. MPP was implemented in January 2004 and it provides full medical coverage that

includes prescription drugs, hospital care, doctor services, medical equipment and supplies, and medical transportation. Since the inception of MPP, 8,351 individuals have been enrolled in the program. Enrollment as of June 30, 2014 was 867.

Positive Impact of MPP

In addition to the buying power that employed individuals bring to Louisiana's economy, many enrollees are paying premiums that help to offset the cost of the program. Since the inception of the program, a total of $1,303,386 in premiums have been collected. In SFY14, $110,529 in premiums were paid to DHH for enrollment in MPP. The enrollees are tax paying citizens who contributed $543,600 in federal taxes (includes FICA and federal income tax) and $68,456 in state taxes during SFY 14.

The Department recognizes that work is a fundamental part of adult life for people with and without disabilities. The Medicaid Purchase Plan is an essential component of supporting individuals with disabilities as they strive to become self-sufficient.

Thank you for allowing us the opportunity to present information regarding MPP. Mr. Edward Fowler with the Bureau of Health Services Financing /Medical Vendor Administration (Medicaid) is available to discuss this letter with you should you have any questions or comments. Please contact Mr. Fowler at (225) 342-7242 with any questions or comments you may have.

Sincerely,

Jeff Reynolds
Undersecretary

Cc: The Honorable Members of the House Health and Welfare Committee
The Honorable Members of the Senate Health and Welfare Committee
The Honorable Members of the Joint Legislative Committee on the Budget
David R. Poynter Legislative Research Library