



M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



September 25, 1998

Nancy Ann Min-DeParle
Health Care Financing Administration
Center for Medicaid and State Operations
Family and Children's Health Program Group
7500 Security Boulevard • Mail Stop C4-14-16
Baltimore, Maryland 21244

ATTN: Ms. Nancy Goetches (Mail Stop S20407)

Dear **Ms.** Goetches:

This will confirm responses to HCFA's questions **as** provided in our telephone conference call of September 21, 1998. Noted below are HCFA's questions followed by our **responses**.

Section 2. General Background and Description of State Approach

2.2.1 While we understand that **you** do not have current data on uninsured children **by** race, ethnicity and geography, **we** believe this type of information is important in administering the program; e.g., evaluating the effectiveness of marketing **and** outreach programs. What methodology do **you** plan to use to obtain the required data to provide reliable information by race, ethnicity and geographic location?

The Title **XXI** State Plan (see amended page 4 and Exhibit 2.1) **has** been revised to incorporate projections of the LaCHIP population which reflect **race**, ethnicity and geographic location to **the** extent possible. For purposes of administering the program and evaluating the effectiveness of the outreach effort, our current Medicaid eligibility system is limited to race **and** geographic location **only** **and** does not incorporate codes for ethnicity. However, effective June, 1999 this system is being replaced with a **new** system **which will incorporate** ethnicity codes **and** will permit examination of the outreach effort by ethnic group.

2.3 In your crowd-out strategy, you indicate that you will require **a** three month gap in coverage in order to qualify for LaCHIP. Will **you** allow any exemptions for hardship cases such **as** when insurance is lost through no fault of the parents, such **as** involuntary loss of employment **or** loss of COBRA?

The initial rulemaking for this crowd-out policy included **an** exemption for loss of employment. **As** a result of public comment **the** term was further clarified. **The** final

definition has **been** incorporated into the attached amended page 6 of **the Title XXI State Plan and** addresses the types of exemptions specified in your **question**.

Section 5. Outreach and Coordination

5.1 What is the current status of the early planning and/or implementation of your outreach plan?

The outreach plan **is** currently on target for **distribution** of the shortened application and information brochure in mid-October. The application and brochure were reviewed **by** the Outreach Subcommittee of the LaCHIP Task Force **and** the **final** format is appealing and **user** friendly. The **17-page** application has been shortened to a one page (**front and** back) application which can be detached **from** the information brochure **and** mailed in. The application form **and** information brochure will be widely distributed to **not only** the Medicaid offices **and** application centers, but to non-traditional locations **such as** employers' lounges, stores, churches, etc. Counter displays and wall-mounted displays will be made available to outreach "partners" for their use **with** their target population.

Each Medicaid regional office **has** proposed **an** outreach plan **targeted** to the population in their region which incorporates **community** organizations, churches, schools, **and** other organizations serving children **as** well as employers of **marginal workers**. We have collaborated **with** the Office of Public Health in submitting Robert Wood Johnson Foundation grant **for** targeted outreach in two **areas** of the **state**. We have also collaborated **with** other state agencies **and** departments **such as** the Department of Social Services (Office of **Family** Support, Office of **Community** Services **Child Care** Assistance Program), Department of Education, Office of **Women's** Services, Department of **Labor**, Department of Agriculture, Department of Corrections, etc. We have also initiated partnering efforts **with** the Federally Qualified **Health** Centers, Rural **Health** Centers, **Community** Action agencies, Area Health Education Centers, Native American **tribes** **and** Headstart.

The 800 number (1-877-252-2447 [2LaCHIP]) will **be** implemented by October 5, 1998 **and** information will also be posted on the Department's website **as** well **as** a LaCHIP website. **This** website will include **an** application form which **can** be downloaded, the capability of requesting printed materials, **regional** coordinator contact, FAQs (frequently **asked** questions) and **statistics**. Internal **staff** for the LaCHIP Central Processing **unit** have **been** largely hired **and** **are** being trained. Regional office **staff** are being **trained** **and** provided **with** multi-media presentation materials to utilize **for** outreach **within** their **region**.

A mass media **campaign** will be conducted **via** television and radio public service **announcements** **as** well **as** appearances on talk **shows**, public **affairs** programs, cable bulletin boards. Press releases and articles **will** be provided to both major daily newspapers as well as local **and** weekly newspapers. Periodicals **and** newsletters will be utilized **as** appropriate and available at little or no cost.

The marketing strategy will be sustained and **on-going** rather than just a one-time blitz at the beginning. Additional strategies will be developed to **address** specific target audiences as these are identified as in need of further outreach efforts.

- 5.2** You indicate that under LaCHIP the children currently receiving health insurance under the Blue Cross Caring for Children Program would be eligible for Medicaid. Is the Caring Program health insurance coverage as defined in **45 CFR 144.103**? Is the Caring program a "health insurance issuer licensed by the State"?

Blue Cross of Louisiana has advised (see attached September 24, 1998 letter) that the Caring Program for Children is a program and not a "health insurance issuer licensed by the state". This is a service they provide and is not an "insurance product".

Section 9. Strategic Objectives and Performance Coals

- 9.3.7** In your description of your quality evaluation you would use **child** access to care as an indicator of quality. Specifically, you would look at specific indicators for children under **6 years of age**. Considering that eligibility for this program, unless changed, is from age **6 to 19**, these indicators may not be relevant. Similarly, you indicate that you would use **EPSDT** screens for birth to age 18 - please modify this indicator to make it more applicable to the plan.

We inadvertently translated over those quality indicators developed for our managed care and primary care case management programs without regard to age categories applicable to the LaCHIP population. Please replace your Exhibit 9.3.7.7 with the revised Exhibit 9.3.7.7 attached.

9.9-9.10

1. The budget you provided estimates expenditures by **State fiscal** years rather than Federal fiscal years and does not provide the estimated Federal and State shares. Please revise the budget according to Federal fiscal years and provide both Federal and State share estimates.

Please replace your Exhibit 9.10 with the revised Exhibit **9.10** attached which provides estimates by Federal fiscal years and provides Federal and State share estimates.

2. Your estimates of the administrative expenditures of the program, for State fiscal year 1998-99, exceed the allowable **10%** of your total estimated expenditures (assuming that you chose to claim matching funds as the expenditures are incurred). As you may know, the enhanced matching rate for administrative expenditures under the CHIP program is limited to the first 10% of total expenditures. You have several options regarding expenditures in

excess of that amount (please refer to the Dear State Official letter dated -- December 8, 1997 regarding financial reporting), please indicate how you will claim the excess. ..

As denoted on the revised Exhibit 9.10, based on Federal **fiscal year** estimates, the State does not anticipate exceeding the 10% limit on administrative expenditures for the **LaCHIP** program- If **the limit is** exceeded, **we** plan to claim **these** expenditures under **the regular** Medicaid administrative match.

3. **Please describe the source(s) for the State's share of the Title XXI expenditures and provide assurances that it complies with section 1903 (w).**

The State's **share of** the Title XXI expenditures is anticipated to come **from** State General **Funds as** directly appropriated by the **Louisiana** Legislature (see attached portions of Appropriations bill). These **funds are in accordance** with **section 1903(w)**.

4. **From where does the State derive the following numbers --identifying 72,512 uninsured children eligible for Medicaid, enrolling 29,412 into Title XIX and enrolling 28,350 into Title XXI?**

The explanation for deriving the above-referenced **numbers has** been incorporated into the **attached new** Exhibit 9.2.

It is anticipated that these responses **and the mended Title XXI State Plan** pages attached **will** adequately resolve your concerns **and issues**. **Your** cooperation and assistance in not "stopping the clock" to **try to ensure** approval prior to **our** proposed implementation date of November 1, 1998 **is greatly** appreciated. If **further** clarifications are needed, please advise **and we shall** provide **a** prompt response.

Sincerely,

David W. Hood

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Secretary

Attachments

cc: James Ogé, HCFA-Dallas
Art Pagan



The Caring Program for Children

September 24, 1998

P. J. Mills
Chairman

Paul A. Dykes
President

Mr. David Hood, Secretary
Department of Health and Hospitals
P.O. Box 629
Baton Rouge, Louisiana 70821-0269

Dear Mr. Hood:

The Louisiana Child Caring Foundation is a non-profit corporation organized to operate exclusively for charitable and educational purposes and which is tax exempt under Section 501 (c) (3) of the U.S. Internal Revenue Code. It is a private foundation sponsored by Louisiana Health Service & Indemnity Company, d/b/a Blue Cross and Blue Shield of Louisiana.

The Louisiana Child Caring Foundation offers a service to the children enrolled in the program, and not a product.

The Louisiana Child Caring Foundation is not an insurer and is not regulated by the Louisiana Department of Insurance. It does not meet the definition of a group health plan or health insurance issuer and does not provide group or individual health insurance coverage, all as defined under federal law. The coverage it affords is not creditable coverage under Section 2701 (c) of the Public Health Service Act (42 U.S.C. 300gg (c) as referred to in Section 2110e (2) of Title XXI, the Social Security Act. Accordingly, children participating in the Louisiana Child Caring Foundation are considered uninsured and are eligible for Title XXI coverage if they otherwise meet eligibility requirements.

We trust that the foregoing is sufficient to support inclusion of the Louisiana Child Caring Foundation children into the LaCHIP program, but please let us know if further information regarding the Louisiana Child Caring Foundation is required.

Sincerely,

Pat Robinson
Executive Director

Kathryn M. Sullivan
Vice President Treasurer

John H. Maginnis
Vice President
Assistant Secretary

Eric W. Harrington
Vice President

Pat Robinson
Executive Director

Sissee Reinhardt
Program Manager

Section 2. General Background and Description of State Approach to Child Health Coverage (Section 2102 (a)(1)-(3)) rad (Section 2105)(c)(7)(A)-(B))

- 2.1. Describe the extent to which, and manner in **which**, children in the state including targeted low-income children **and** other classes of children, by **income level and other** relevant factors, **such as** race **and** ethnicity **and** geographic **location**, currently have creditable health coverage (as defined in section 2110(c)(2)). To the extent feasible, **make** a distinction **between** creditable coverage **under** public health **insurance programs and** public-private **partnerships** (See Section 10 for annual report requirements).

Louisiana has chosen to target children who are **six years** of age but **under 19 years** of and who are from families with incomes at or below 133 percent of **the** federal poverty level (FPL). Health benefits coverage **will** be provided to these children through **a** Medicaid expansion that **will** cover children who are between ages **6 and** up to **19 years and** who are from families with incomes above the March **31, 1997** Medicaid eligibility standard and at or below **133** percent of the FPL. The expansion will serve an estimated additional 28,350 children. Louisiana **will** implement this expansion on November **1, 1998**.

Children Below 200% FPL - See attached Exhibit 2.1.

As denoted **on** this Exhibit, a large proportion of uninsured children tend to be in the higher age group of **14** through **18** years. The majority of children are anticipated to be in Metropolitan Statistical Areas (MSAs). The numbers on the revised Exhibit **2.1** do not **include** **“underinsured”** children except those whose insurance does not meet the definition of **a** **“creditable health insurance plan.”**

Creditable Coverage

Little is **known** about children with privately provided creditable coverage. There **is** only one private foundation, Blue Cross/Blue Shield’s Caring Program for Children which provides limited health services coverage to children in the state **who** may otherwise be uninsured. This does not meet the definition of creditable coverage. Participation is currently limited to children below **133%** of **FPL** and less than **1,000** children are covered. The only creditable public coverage available is Medicaid. However, much care is provided to the uninsured **by** the State’s **public** hospital **system which** **functions** as a **“safety net”** system.

- 2.2. Describe **the** current **state** efforts to provide or **obtain** creditable health coverage for uncovered children by **addressing:** (Section 2102)(a)(2)

- 2.2.1. The steps **the** state is currently taking to identify **and** enroll all uncovered children **who** are eligible to participate in public **health insurance programs (i.e. Medicaid and state-only child health insurance):**

Louisiana currently outstationas Medicaid eligibility workers at the State's eleven public disproportionate share hospitals. In addition, Louisiana has approximately **300** certified Medicaid Application Centers throughout the state that offer opportunities for assistance in applying for Medicaid for children at **locations** other than the ((welfare office". These include Community Action Agencies, **Head** Start, School-based Health Centers, churches and other **faith-based** organizations and health care providers, etc. (A complete current listing of Medicaid application centers is available for review.)

Eligibility for cash **assistance** (Temporary Assistance for Needy Families known in Louisiana **as** Family Income Temporary Assistance Program-**FITAP**) is determined **by** the Department of Social Services (**DSS**), Office of Family Security. The Department of Health and Hospitals has a memorandum of understanding with **DSS** to determine initial and ongoing Medicaid eligibility using **7/16/96** eligibility criteria for applicants determined eligible for cash assistance, Applications rejected because of income and resources are referred on-line to DHH for exploration of Medicaid eligibility. Individuals **who** lose eligibility for cash assistance receive **an** additional **month** of Medicaid eligibility while they are referred **to** BHSF to determine continuing eligibility **for** Medicaid only. Possible eligibility in all Medicaid Programs is evaluated before Medicaid is terminated.

The Maternal and Child Health Section of the Office of Public Health also provides referrals **to** Medicaid via its Women, **Infants** and Children (**WIC**) and prenatal clinics **as well as** a toll-free hotline through which they **try to** link callers with available resources for medical and social services.

- 2.2.2. **The** steps the **state is** currently **taking** to identify **and** enroll all uncovered children **who are eligible** to participate in **health insurance programs that involve a public-private partnership:**

Louisiana's Department of Health and Hospitals is not directly involved in a public-private partnership concerning health insurance for children, but **makes** referrals to the private insurance program "Caring for Children" **as** appropriate. A denied Medicaid application is necessary to qualify for the

program.

- 2.3. Describe how the new State Title XXI program(s) is(are) designed to be coordinated with such efforts to increase the number of children with creditable health coverage so that only eligible targeted low-income children are covered:

(Section 2102)(a)(3)

Given that this first phase of Title XXI is an expansion of Medicaid coverage up to 133% of federal poverty, problems with "crowd out" are not anticipated to be significant. The shortened application for Title XXI Medicaid expansion includes a question on whether the applicant has insurance and the state will continue to pursue the availability of insurance from the absent parent- In addition, provisions which require a three month gap in insurance coverage are being incorporated into the Title XXI Medicaid expansion policy (as noted in the Title XIX State Plan change for LaCHIP Medicaid expansion). This provision includes the following hardship exemptions:

- 1) Loss of employment due to a lay-off, down-sizing, resignation, firing, etc.;
- 2) Death of the parent whose employment provided access to dependent coverage;
- 3) Change of employment to an employer that does not provide an option for dependent coverage;
- 4) Discontinuation of health benefits for all employees of the applicant's employer;
- 5) Expiration of coverage periods established by the Consolidated Omnibus Reconciliation Act of 1985 (COBRA); or
- 6) Termination of health benefits due to a long term disability of the parent whose employment provided access to dependent coverage.

DEMOGRAPHICS of LaCHIP (TITLE XXI) ELIGIBLES

Exhibit 2.1
Revised 9/24/98

INCOME	1st Phase	2nd Phase	3rd Phase	TOTAL
Age Groups	< 133% FPL	< 150% FPL	< 200% FPL	
Birth to 6 years	0	5,000	15,000	20,000
6 to 14 years	5,100	6,300	7,300	18,700
14 through 18 yrs	32,700	3,000	7,900	43,600
TOTAL	37,800	14,300	30,200	82,300

CHARACTERISTICS of ELIGIBLES @ 133% FPL

AGE	% Eligibles
Birth to 6 years	0.00%
6 through 10 years	19.16%
11 through 15 years	18.26%
14 through 18 yrs	62.58%
TOTAL	100.00%

RACE	% Eligibles
White	47.11%
Black	48.92%
Other	3.98%
TOTAL	100.01%

GENDER	% Eligibles
Male	44.82%
Female	55.18%
TOTAL	100.00%

GEOGRAPHIC	% Eligibles
MSA (Urban)	80.29%
Non-MSA (Rural)	19.71%
TOTAL	100.00%

File: Exhib2.1.123

Above data is based on calculations from available census data by Kenneth E. Thotpe, Ph.D., Tulane University School of Public Health, Institute for Health Services Research