

Medicaid Quarterly Wage Check Process

Response to HCR 43 of the 2019 Regular Legislative Session

September 2019



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Introduction

In February 2019, the Louisiana Department of Health (LDH, or “the Department”) began using wage data provided by the Louisiana Workforce Commission (LWC) to assess Medicaid eligibility on a quarterly basis. This process was implemented in response to concerns that Medicaid beneficiaries were not reporting changes in their personal circumstances timely, potentially resulting in the state making monthly capitation payments, also known as per member per month or “PMPM” payments, for individuals who are no longer eligible. While the frequency of renewal, the routine process by which all factors potentially affecting an individual’s eligibility are assessed, varies by program, many Medicaid beneficiaries are enrolled in programs where renewal occurs on an annual basis. Implementation of the quarterly wage check process allows LDH to assess income-based eligibility decisions on a more frequent basis.

The Quarterly Wage Check Process: Step-by-Step

To date, three quarterly wage checks have been performed. These took place in February 2019, May 2019, and August 2019. The processes for these checks varied slightly, as Department staff are continuously identifying opportunities for process improvement. However, the general steps as described below remain the same.

Step 1: Louisiana Businesses Send Wage Data to LWC

Each quarter, Louisiana businesses are required to send employee wage data to LWC. Businesses must provide this data no later than 30 days after the end of the quarter.

Step 2: LDH Sends Beneficiary Information to LWC

After the deadline for businesses to provide wage data to LWC, LDH produces a file containing demographic information for every individual that has a social security number (SSN) on file.¹ These are referred to as “target” individuals.

Step 3: LWC Sends Wage Results to LDH

For every target where there is a match on SSN, LWC provides the total amount the individual made during the quarter.

Step 4: LDH Compares Wages to Medicaid Programmatic Limits

For every target for whom LWC reports wages, the wages of all other individuals in the case that affect the target’s eligibility are compared to the income limit for the program in which the target is enrolled. If the wages exceed programmatic limits, the target’s information is sent to the eligibility and enrollment system for an eligibility determination.

Step 5: Eligibility Assessment

For all target individuals whose wages suggest that current income may be over programmatic limits, eligibility is reassessed, with some exceptions as outlined below.

¹ Per 42 CFR 435.910, social security numbers are not required to receive Medicaid benefits in certain instances.

February 2019 Wage Check

In February, eligibility was not assessed for several eligibility groups². These are listed below according to the rationale used to exclude them from this process:

| | |
|--|---|
| Children <i>Individuals in these programs have 12 months' continuous eligibility.</i> | |
| <ul style="list-style-type: none"> • CHAMP Child • LaCHIP (all except Phase IV) | <ul style="list-style-type: none"> • Family Opportunity Act Buy-In³ |
| Pregnant Women <i>Continuous eligibility through pregnancy and 60 days post-partum.</i> | |
| <ul style="list-style-type: none"> • CHAMP Pregnant Women | <ul style="list-style-type: none"> • LaCHIP Phase IV |
| Aged, Blind, and/or Disabled (ABD) <i>These populations typically do not have earned income.</i> | |
| <ul style="list-style-type: none"> • Qualified Individuals • Qualified Medicare Beneficiary • Specified Low-Income Medicare Beneficiary • Qualified Disabled Working Individuals | <ul style="list-style-type: none"> • Disabled Adult Children • Disabled Widows/Widowers and Divorced Spouses • Early Widows/Widowers • Pickle |
| Spend-Down Programs <i>Financial eligibility is already assessed quarterly in these programs in a separate process that checks wages.</i> | |
| <ul style="list-style-type: none"> • ABD Spend-Down Medically Needy • MAGI Spend-Down Medically Needy | <ul style="list-style-type: none"> • Community Choices Waiver Spend-Down Medically Needy |
| Nursing Home and Waiver Programs <i>To meet level of care requirements, unlikely that these individuals have earned income.</i> | |
| <ul style="list-style-type: none"> • Adult Day Health Care • Community Choices Waiver • PACE • Supports Waiver | <ul style="list-style-type: none"> • Long-Term Care • Long-Term Care Co-Insurance • Long-Term Care Spend-Down • New Opportunities Waiver • New Opportunities Waiver – Fund |

Using the February 2019 enrollment trends data⁴, a total of 902,163 individuals (54 percent of all enrolled) were excluded from the February wage check. Of these, 622,130 were children with continuous eligibility.

While individuals in these groups were not considered target individuals whose eligibility could be terminated as a result of the wage check, any income reported for these individuals was considered when assessing eligibility for other members of the household.

² A description of each eligibility group can be found in Appendix B.

³ For this group, the only exception to continuous eligibility occurs when the parent fails to pay the monthly premium.

⁴ Monthly enrollment trends reports are available at <http://ldh.la.gov/index.cfm/page/1275>.

May 2019 Wage Check

As a result of continuous process improvement, the May 2019 quarterly wage check process was modified to reduce the number of excluded groups. In May, excluded groups included the following:

| Pregnant Women <i>Continuous eligibility through pregnancy and 60 days post-partum.</i> | |
|---|-------------------|
| • CHAMP Pregnant Women | • LaCHIP Phase IV |

Additionally, each managed care organization provided LDH with a list of pregnant women enrolled, as pregnant women may be enrolled in a program other than the two listed above. These individuals were also excluded from the wage check process.

Using May 2019 enrollment trends data, a total of 14,824 individuals (less than 1 percent of all enrolled) were excluded from the May wage check.

August 2019 Wage Check

In August, LDH again examined its procedures to determine if any improvements could be made. As a result of this analysis, it was determined that in addition to pregnant women, groups whose financial eligibility is determined using a methodology other than Modified Adjusted Gross Income (MAGI) should be excluded from the quarterly wage check process.

The quarterly wage check process does not currently contain the complex budgeting methodology needed to properly utilize income for non-MAGI programs. Including non-MAGI groups would have unnecessarily triggered notices for non-MAGI individuals and potentially lead to closure of eligible individuals for failure to respond. The quarterly wage check process is being updated to include the non-MAGI budgeting methodology and is anticipated to be operational for use in the November 2019 wage check.

A list of non-MAGI programs is available in Appendix A. The estimated number of individuals excluded is not yet available as of this report's publication date.

It should be noted that while children, defined as recipients between the ages of 0-19, were not excluded in this step of the process during May or August, they were not affected by the wage check process since children have 12 months of continuous eligibility. However, any income from a child was included in the household's income and applied to other target individuals in the household.

Step 6: Request for Information

Once eligibility is fully assessed by the eligibility and enrollment system with all eligibility factors taken into account, a request for information (RI) letter is sent to individuals whose income may be over programmatic limits. However, individuals who are actively in the renewal process are not sent an RI, as such a request would be duplicative of the renewal process.

An individual's Medicaid eligibility is terminated if:

- A response is not received within the allotted timeframe (10 days);
- The response confirms income over programmatic limits; or
- The response indicates other factors that result in ineligibility (ex. move out of state).

Results

The table below indicates the number of individuals who were sent a request for information, as well as the result of the request for information. These figures do not represent current eligibility statuses for each cohort, as some individuals may have returned to eligibility, while others may have since been closed for other reasons.

2019 Wage Check Results⁵

| | February 2019 | May 2019 | August 2019 ⁶ |
|-------------------------------------|---------------|----------|--------------------------|
| Request for Information Sent | 39,162 | 14,930 | 27,898 |
| Closed | 34,789 | 12,403 | |
| Approved | 4,168 | 1,661 | |
| Pending | 236 | 867 | |

Failure to respond to the RI was the single largest reason for closures in each of the wage checks conducted to date, comprising about 85 percent of closures in each wage check cycle. These closures do not necessarily indicate ineligibility for Medicaid benefits, and individuals may return to eligibility if supporting information is provided. The table below provides the number of individuals closed for each of the reasons listed.

Closure Reasons

| | February 2019 | May 2019 |
|--|---------------|----------|
| Failure to Respond | 29,499 | 10,334 |
| Income Over Limit | 3,453 | 1,450 |
| Transfer to New Program⁷ | 65 | 33 |
| Other⁸ | 1,862 | 586 |
| Total Closures | 34,789 | 12,403 |

⁵ These figures differ from previously reported numbers. A reporting error was discovered that has been corrected here.

⁶ Results of RIs not yet available.

⁷ These individuals were closed in the program originally identified for eligibility assessment but were opened in another program with a higher level of coverage per the eligibility hierarchy.

⁸ Examples of other reasons for closure include but are not limited to death, closure of postpartum eligibility period, requested withdrawal from program, etc.

Appendix A: Non-MAGI Program List

Acute Care Hospital
ADHC Waiver Spend-down MNP
Adult Day Health Care (ADHC)
Children's Choice Waiver (CCW)
Community Choices Waiver (CC)
Community Choices Waiver Spend-down MNP
Coordinated System of Care (CSoc)
Disabled Adult Children
Disabled Widows/Widowers and Divorced Spouses
Early Widows/Widowers
Family Opportunity Act Buy-In
Hospital Presumptive Eligibility (all except Former Foster Care)
Long Term Care
Long Term Care Spend-Down
LTC Co-Insurance
LTC Co-Insurance Spend down
Medicaid Purchase Plan
New Opportunities Waiver (NOW)
New Opportunities Waiver Spend-down MNP
New Opportunities Waiver-Fund
Program for All-Inclusive Care for the Elderly (PACE)
Pickle
Provisional Medicaid
Qualified Disabled Working Individuals
Qualified Individuals
Qualified Medicare Beneficiaries
Refugee Cash Assistance
Residential Options Waiver (ROW)
Residential Options Waiver Spend-down MNP
Specified Low-Income Medicare Beneficiary
Spend-Down Medically Needy
State Retirees
Supplemental Security Income (SSI)
Supports Waiver (SW)

**See Appendix B for a list of descriptions for each of the programs listed above.*

Appendix B: Medicaid Eligibility Group Descriptions

| | Program | Description | Income Limit |
|---|---|---|---|
| A. Children | A1. Child Health and Maternal Program (CHAMP) – Low Income Children | Ages 0 to 18 (through 19 th birthday) with other insurance | 142 percent of poverty; No assets test |
| | | Ages 6 to 18 (through 19 th birthday) Uninsured. Individuals receive an enhanced Louisiana Children’s Health Insurance Program rate | > 108 percent and up to 142 percent of poverty; No assets test |
| | | Ages 0 to 5 Uninsured | 142 percent of poverty; No assets test |
| | A2. Louisiana Children’s Health Insurance Program (LaCHIP) (Title XXI) | Ages 0 to 18 (through 19 th birthday) | > 142 percent and up to 212 percent of poverty; No assets test |
| | A3. LaCHIP Affordable Plan | Ages 0 to 18 (through 19 th birthday) | > 212 percent and up to 250 percent of poverty; Some cost sharing involved; No assets test |
| | A4. Deemed Eligible Child (DAC) | Age 0 (through first birthday) | Infants born to Medicaid eligible pregnant women |
| | A5. Child Welfare Office (CWO) Children | Children under age 18 in Foster Care programs through the Department of Children & Family Services’ Child Welfare Office | Eligibility determined by the Child Welfare Office |
| | A6. Children's Health Insurance Program Reauthorization Act (CHIPRA), Section 214 Children | Children up to age 19 who are lawfully residing in the United States, including those within their first five years of having certain legal status. | Dependent upon the particular children’s program for which they are otherwise eligible (Child Health and Maternal Program, Louisiana Children’s Health Insurance Program, etc.) |
| B. Families - Parents and Children | B1. Parent/Caretaker (PCR) Group | Parent/Caretaker relative who lives with a dependent child | 19 percent of poverty; No assets test |
| | B2. Modified Adjusted Gross Income (MAGI)– Related Medically Needy | Children and families who have income below regular Medically Needy income standards and are ineligible for other MAGI-related groups | 15 percent of poverty (individuals and couples); No assets test |
| | B3. MAGI Income – Related Spend-Down Medically Needy | Children and families who have more income than allowed but qualify once the amount spent on medical expenses is considered | No Limit. All income over 15 percent of poverty considered available to meet medical expenses for quarter; No assets test |
| | B4. Temporary Aid for Needy Families (TANF) Recipients | Recipients of cash assistance as determined by the Department of Children & Family Services | 15 percent of poverty; Assets limit: \$2,000 |
| | B5. Transitional Medicaid (TM) | Continues coverage for families who lost PCR or TANF eligibility because of an increase in earnings | No limit for first six months and 185 percent of poverty for coverage in seventh through twelfth month of transitional eligibility period; No assets test |

| Program | | Description | Income Limit |
|------------------------------------|--|---|--|
| C. Women | C1. CHAMP/LaMOMS/Pregnant Woman | Covers each month of pregnancy and 2-month postpartum period | 133 percent of poverty; No assets test |
| | C2. LaCHIP IV (Title XXI) | Covers conception to birth for low-income, pregnant mothers who are not otherwise eligible for Medicaid regardless of citizenship | 209 percent of poverty; No assets test |
| | C3. Breast and Cervical Cancer (BCC) | Women under age 65 diagnosed with breast or cervical cancer, in a precancerous condition or early stage cancer | 250 percent of poverty; No assets test |
| D. Aged, Blind and Disabled | D1. Disabled Adult Child (DAC) | Individuals over age 18 who become blind or disabled before age 22, and lost SSI eligibility on or after 7/1/87, as a result of entitlement to or increase in Social Security Administration Child Insurance Benefits | Social Security benefits are disregarded in determining countable income with limit 74 percent of poverty (+\$20); Asset limits: \$2,000 individual and \$3,000 couple |
| | D2. Disabled Widows/Widowers (DW/W) | Disabled individuals who lost SSI because of the 1984 Social Security Widow/er's re-computation | Social Security 1984 Widow/er's adjustment is disregarded in determining countable income with limit 74 percent of poverty (+\$20); Asset limits: \$2,000 individual and \$3,000 couple |
| | D3. Supplemental Security Income (SSI) Recipients | Aged and/or disabled individuals receiving SSI cash payments as determined by SSA | 74 percent of poverty(+ \$20); Asset limits: \$2,000 individual and \$3,000 couple |
| | D4. Substantial Gainful Activity (SGA) Disabled Widows/Widowers / Surviving Divorced Spouse | Individuals who are not entitled to Medicare Part A and lost SSI because of receipt of Social Security Disabled Widow/er's benefits | All cost of living raises and Social Security Disabled Widow/er's benefits are disregarded in determining countable income with 74 percent of poverty (+\$20); Asset limits: \$2,000 individual and \$3,000 couple |
| | D5. Pickle Amendment | Former SSI Recipients of two different groups of aged, blind and disabled who lost SSI eligibility due to Retirement, Survivors' and Disability Insurance (RSDI) cost of living increase | All cost of living raises are disregarded in determining countable income with limit 74 percent of poverty (+\$20); Asset limits: \$2,000 individual and \$3,000 couple |
| | D6. Provisional Medicaid (PM) | Aged and disabled individuals who meet SSI criteria without first having a SSI determination made by SSA | 74 percent of poverty (+\$20); Asset limits: \$2,000 individual and \$3,000 couple |
| | D7. Early Widows/Widowers (EW/W) | Individuals who lost SSI because of receipt of RSDI Early Widow/er's Benefits | Social Security Early Widow/er's benefits are disregarded in determining countable income with limit 74 percent of poverty (+\$20); Asset limits: \$2,000 individual and \$3,000 couple |
| | D8. Qualified Medicare Beneficiary (QMB) | Pays Medicare Part A and B premiums, deductibles and co-insurance | 100 percent of poverty (+\$20); Asset limits: \$7,730 individual and \$12,890. |
| | D9. Specified Low-Income Medicare Beneficiary (SLMB) | Pays Medicare Part-B premium only | > 100 percent and up to 120 percent of poverty (+\$20); Asset limits: \$7,730 individual and \$12,890. |

| Program | | Description | Income Limit |
|-----------------|---|--|--|
| | D10. Qualified Individual (QI) Category 1 | Pays Medicare Part-B premium only | > 120 percent and up to 135 percent of poverty (+\$20); Asset limits: \$7,730 individual and \$12,890 couple. |
| | D11. Qualified Disabled Working Individual (QDWI) | Pays Medicare Part-A for individuals under age 65 who lost SSA disability benefits and premium free Part-A coverage | 200 percent of poverty; Asset limits: \$4,000 individual and \$6,000 couple |
| | D12. Long Term Care (LTC) (includes Home and Community Based Services (HCBS) Program of All Inclusive Care for the Elderly (PACE), and Institutions) | Individuals who meet the level of care criteria for institutional care (nursing homes and ICF/ID) or home and community-based services) | 222 percent of poverty (3 times the limit for SSI recipients); Asset limits: \$2,000 individual and \$3,000 couple (both reside in an institution); or \$126,420 for an institutionalized individual with a community spouse (one not residing in an institution) |
| | D13. LTC and HCBS Medically Needy Spend-Down | Individuals who meet the level of care criteria for institutionalized care or home and community-based services | All income over 222 percent of poverty is considered available to meet medical expenses. Asset limits: \$2,000 individual or \$126,420 for an institutionalized individual with a community spouse |
| | D14. Non-MAGI Medically Needy Spend-Down | Qualified individuals and families who have more income than allowed but qualify once the amount spent on medical expenses is considered. | All income over 15 percent of poverty is considered available to meet medical expenses for quarter – For Long Term Care (institutions only) all income over 222 percent of poverty; Asset limits: \$2,000 individual or \$126,420 for an institutionalized individual with a community spouse. |
| | D15. Acute Care | Individuals who have been or are expected to be in a medical institution for a continuous period of 30 days | 74 percent of poverty (+\$20); Asset limits: \$2,000 individual and \$3,000 couple or \$126,420 for an institutionalized individual with a community spouse |
| | D16. Medicaid Purchase Plan (MPP) | Working individuals that are age 16 to 64 with disabilities that matches SSA standards that can buy health coverage offered by Louisiana Medicaid | 100 percent (+\$20) of poverty; Asset limit: \$10,000 individual/couple |
| | D17. Family Opportunity Act (FOA) | Offers Medicaid Buy-in for children under age 19 with disabilities who are not eligible for SSI disability benefits due to income | 300 percent of poverty; Families above 200 percent of poverty must pay a premium; No assets test |
| E: Other | E1. Tuberculosis (TB) infected | Persons who have been diagnosed as, or are suspected of, being infected with tuberculosis | 155 percent of poverty; No assets test |
| | E2. Emergency Services for Illegal/Ineligible Aliens | Coverage of illegal/undocumented aliens and documented aliens under the Medicaid 5-year bar for life-threatening emergency situations and labor/delivery of newborns | Must meet all requirements of another Medicaid program except for U.S. citizenship |
| | E3. Youth Aging Out of Foster Care (YAOFC) | Individuals age 18 to 21 released from the Foster Care program due to turning age 18 | No income or assets test |

| Program | | Description | Income Limit |
|----------|----------------------------|---|--|
| | E4. Former Foster Children | Individuals age 18 to 26 released from the Foster Care program due to turning age 18 | No income or assets test |
| | E5. Take Charge Plus | Women and men of any age for family planning-related services | 133 percent of poverty; No assets test |
| F. Adult | F1. Adult Group | Individuals age 19 through 64 who are not eligible for Medicaid in another program and are not eligible for or enrolled in Medicare | 133 percent of poverty; No assets test |

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