



A Public-Private Partnership Coordinating Medicaid & Private Health Insurance

Bill Perkins
La Dept of Health & Hospitals
Medicaid Eligibility Special Services Manager



Purpose of Training

- Raise awareness of state law
- Provide information on DHH policy governing hospitals
 - Roles & responsibilities
 - Procedures
- Introduce Medicaid payment of private insurance co-pays & deducts for certain cases

A Few Facts About Medicaid

- State-federal health insurance program based on need
- Can have other health insurance; Medicaid is payer of last resort
- Income/assets of parents counted except when child will not be in home for >30 days
- Newborns automatically eligible for one year when born to Medicaid- enrolled mother

How a Child Can Become Eligible for Medicaid W/O Regard of Parent's Income

- Physical or mental condition meeting Social Security definition of childhood disability, and
- Child is continuously not in home with parent(s) for 30 days or longer
 - Newborn who has not left hospital
 - Later admission, then
- Parent income is not counted and eligible for Medicaid until the child goes home

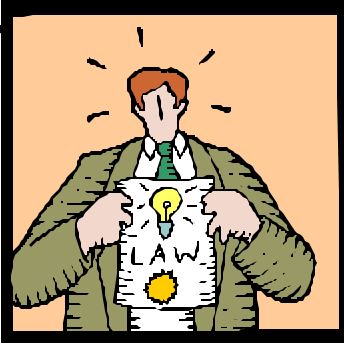
Some Relevant Facts About Private Health Insurance

- Can be through commercial insurer or employer can be “self insured”
- Commercial insurance is regulated by the Louisiana Department of Insurance
- Monthly premium, co-pays, deductibles
- Dependent coverage requires payment of higher premiums

Some Relevant Facts about Department of Health & Hospitals

- Louisiana Health Insurance Premium Payment Program (LaHIPPP)
- A Medicaid program that:
 - May reimburse ESI for Medicaid recipients and policy holder
 - Based on an Average Annual Medicaid Cost (AAMC) it must be cost-effective to enroll a recipient
 - Medicaid will pay the actual copay, coinsurance, deductible amounts for the Medicaid recipient for a Medicaid covered service

Act 269 – Also Known as “Baby Bill”



Upon birth a child shall be enrolled in their parent's health insurance

- Enacted in 2004
- DHH issued rule in 2005 defining responsibilities of hospitals
- Low number of notifications from insurers
- Resolution (HR 86) in 2006 requesting DOI and DHH “study” implementation

Problem the “Baby Bill” Was Intended to Fix

- High cost newborns not added to private insurance plans for which they were eligible
 - Parent wanted to add child but failed to make request within 30 days, or
 - Parent consciously did not add child
 - Concerns about additional premium
 - Concerns about exhausting lifetime maximum
 - Insurers allegedly advising them that Medicaid would pay in full
- Improve access to specialty care

How Medically Fragile Newborns Get Added to Private Insurance

Before Baby Bill

- Parent must initiate request to insurer to add newborn
- 30 day window in which to add newborn
- Coverage of newborn can be terminated for non-payment of premium

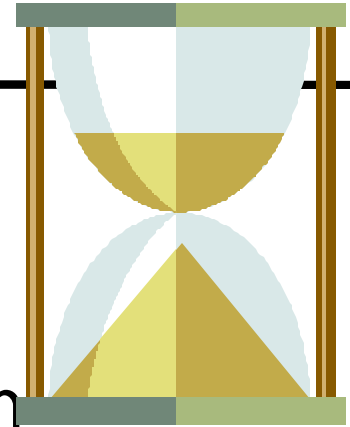
After Baby Bill

- Hospital initiates notice to mother's insurer to add newborn
- Hospital notifies DHH
- 7 day window for above
- Insurer cannot terminate newborn without first giving 90 day written notice to DHH (who may opt to pay the premium)

DOI-DHH Joint Review of Baby Bill Implementation

- HR 86 requested that DHH and DOI report on the process of the Baby Bill
- DOI surveys insurance carriers
- DHH surveys hospitals; identifies general lack of awareness
- Findings of HR 86 submitted to Legislature
 - Limited jurisdiction of DOI
 - DHH staffing issues
 - Families having to choose between higher out-of-pocket costs and restricted access to providers

So Why the Rush for Hospitals to Notify Insurer & DHH?

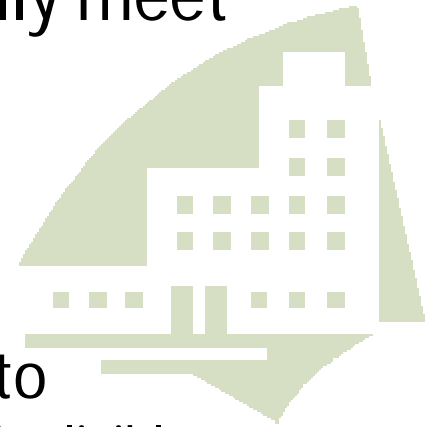


- We want to know about newborns that will likely be eligible for Medicaid
- We can reimburse the employee's share of premium through our LaHIPP program
- Medicaid pays only after primary insurer has made payment
 - Providers get higher reimbursement from private insurance
 - Provider can submit claim to Medicaid for payment of family's out-of-pocket charges
 - Co pays
 - Deductibles
- **Very narrow administrative window**

Hospital Responsibilities

The Baby Bill

- Identify all newborns who could potentially meet the childhood disability definition
 - NICU
 - low birth weight,
 - developmental issues
 - Within 7 days of birth, initiate notification to
 - the insurance company for policy to which child is eligible to be added
 - DHH Special Services Section
 - Use the Third Party Liability Notification of Newborn Child(ren) Form
- Advise family of potential Medicaid eligibility & make referral



Insurance Carrier Responsibilities

The Baby Bill

- Send acknowledgement to DHH advising if any additional premium due
- Add the child to insurance eligibility file retroactive to date of birth *without need for paperwork by parent*
- Send DHH 90 day notice prior to terminating coverage due to non-payment

DHH /Medicaid Responsibilities

The Baby Bill

- Expedite enrollment of obviously eligible newborns into Medicaid
- Provide Medicaid ID# of newborn if applicable, to provider(s)
- Monitor private insurance status & reimburse policy holder for premium through LaHIPP if case qualifies
- Reimburse providers for actual patient responsibility when claim is submitted with EOB

Enrolling Medicaid Eligible Children in Private Insurance is a Win-Win-Win!

For Providers

- Higher reimbursement
- Can bill DHH for patient responsibility

For Families

- Access to more providers than through Medicaid only
- **Payment by Medicaid of out-of-pocket** costs if provider submits claim

For Medicaid & Taxpayers

- Reduction of expenditures—state and federal dollars
 - Premium cost offset by employer contributions
 - Prevents shifting of costs to Medicaid for which an insurer is legally liable
-

Contact Information

Bill Perkins

Phone: (225) 342-8935

Fax: (225) 376-4682

Email: bperkins@dhh.la.gov

Premium Assistance

Emma Fontenot

Phone: (225) 342-5767

Fax: (225) 376-4808

Email: efonteno@dhh.la.gov