

A Comparison of the Ten Approved Katrina Waivers

Hurricane Katrina has displaced tens of thousands of people from their homes. Now residing in other areas, many have significant medical and mental health needs. The areas affected by the Hurricane are some of the poorest in the country and had high uninsured rates and a large number of residents enrolled in Medicaid prior to the disaster. Many displaced people are now jobless, resulting in even higher poverty rates and losses of employer-sponsored coverage. Alabama, Mississippi, and Louisiana are reeling from significant infrastructure and revenue losses and face an unprecedented rebuilding effort.

Immediately following the disaster, states "hosting" evacuees sought to use Medicaid and SCHIP to support their health needs; however, four primary issues emerged. First, individuals eligible for Medicaid and SCHIP in their "Home" states needed to be eligible for and enroll in the "Host" state programs to receive assistance. Second, many individuals were newly uninsured and unable to pay for their health needs. Third, without Medicaid and SCHIP reimbursement, providers in the "Host" states could not be compensated for care provided to evacuees. Finally, because Medicaid and SCHIP are federal-state matching programs, "Host" states faced increased costs from enrolling evacuees.

On September 16, 2005, the Administration released a new Medicaid waiver initiative designed to assist states in providing temporary Medicaid coverage to certain groups of evacuees. This approach is an alternative to bipartisan legislation introduced in the Congress that would provide temporary Medicaid eligibility with 100% federal financing for a broader group of Katrina survivors. CMS developed a waiver template and is providing expedited approval of these waivers, which allow a state to:

- Provide up to five months of Medicaid or SCHIP coverage to certain, specified groups of evacuees.
- Receive authorization for an "uncompensated care pool" that can be used reimburse providers for the costs of furnishing services to uninsured evacuees who do not qualify for Medicaid or SCHIP and to pay for services not covered under Medicaid or SCHIP.

As of October 13, 2005, ten waivers (from 8 states and the District of Columbia and Puerto Rico) had been approved. Alabama and Mississippi have both received waivers; to date, there is no waiver for Louisiana.

ELIGIBILITY AND ENROLLMENT

All of the approved waivers use HHS-suggested eligibility guidelines (Table 1 and Appendix A). The waiver initiative allows states to provide temporary five-

month Medicaid or SCHIP eligibility to parents, pregnant women, children, disabled individuals, Medicare beneficiaries, and individuals in need of long-term care whose incomes fall below certain limits. States can accept applications for temporary coverage from August 24, 2005 to January 31, 2006. States choose whether to use the income eligibility rules of an evacuee's "Home" state (i.e., Louisiana, Alabama, or Mississippi) or HHS-suggested guidelines. Under either set of rules, states cannot extend Medicaid or SCHIP to adults without dependent children or to certain groups of immigrants, regardless of income.

Table 1:
HHS Eligibility Guidelines for Katrina Evacuees

Population	Income as % of FPL or SSI
Children	≤ 200% FPL
Pregnant women from LA and MS	≤ 185% FPL
Pregnant women from AL	≤ 133% FPL
Parents	≤ 100% FPL
Individuals with disabilities	≤ 300% SSI
Individuals in need of long-term care	≤ 300% SSI
Medicare beneficiaries	≤ 100% FPL
Adults without dependent children	Not Eligible

FPL=Federal poverty level, \$16,090 for family of three in 2005.
SSI=Supplemental Security Income level; 300% SSI = 218% FPL.

Nine of the ten waivers allow evacuees to self-attest displacement, income, and immigration status.

Evacuees can self-attest to these factors, but they are required to cooperate in demonstrating their status. It is unclear whether any documentation will be required. The District of Columbia's waiver does not specify whether evacuees can self-attest to these factors. Florida's waiver (the only waiver with this requirement) specifically requires disabled evacuees to provide a physician statement verifying disability.

At least six of the ten waivers permit a resource test.

Under the waiver template, states that use the HHS-suggested eligibility guidelines choose whether to apply a resource test to determine eligibility. Texas will not apply a resource test. Six waivers allow use of a test but do not specify whether the test will be implemented. The Alabama, Arkansas, and Mississippi waivers are silent regarding the use of resource tests.

None of the waivers require establishment of a process to transition qualified evacuees to regular Medicaid.

At the end of the temporary eligibility period, individuals must reapply under a permanent eligibility category. States are not required to provide applications for regular Medicaid or automatically redetermine eligibility for regular Medicaid.

BENEFITS AND COST SHARING

Under seven of the ten waivers, the minimum benefits for evacuees are the “Host” states’ Medicaid or SCHIP benefits, depending on which program an individual qualifies under. Children enrolled in SCHIP can have more limited benefits, higher cost sharing, and be subject to waiting lists not found in Medicaid. Because some “Host” state SCHIP eligibility standards differ from “Home” state standards, some children previously enrolled in Medicaid in their “Home” state may be enrolled in SCHIP. Further, because eligibility standards can vary by age, some families could have children enrolled in different programs. Also, children enrolled in SCHIP will be in a different program from their parents. Mississippi, Puerto Rico, and Tennessee provide evacuees full Medicaid benefits. None of the waivers provide evacuees more limited benefits than their standard Medicaid or SCHIP benefits, although this is an option under the waiver initiative.

Six waivers allow additional services not otherwise covered for evacuees. In five of these states, if they provide additional services (e.g., mental health counseling, home and community-based long term care services) to evacuees, the services will be paid for from the uncompensated care pools authorized under their waivers. Puerto Rico has the authority to provide additional benefits but did not establish an uncompensated care pool, so it is unclear how additional benefits would be financed.

Five states impose Medicaid or SCHIP cost sharing requirements on evacuees. The waivers for three of these states (Florida, Georgia, and Tennessee) note that providers are responsible for collecting copayments and cannot deny care based on inability to pay. The waivers for the other two states that charge evacuees cost sharing (Arkansas and Mississippi) do not address this issue. The remaining five waivers exempt evacuees from cost sharing.

FINANCING OF TEMPORARY MEDICAID COVERAGE

The financing of temporary Medicaid coverage remains unclear. According to the waivers, states will use the standard Medicaid and SCHIP funding processes, which would require state matching payments, resulting in added costs to “Host” states. However, according to separate MOUs signed between the federal government and the “Home” states of Louisiana, Mississippi, and Alabama, the “Home” states will be responsible for the state share of Medicaid and SCHIP costs for Katrina evacuees receiving care in “Host” states.

Neither the waivers nor the MOUs specify when, how, and to whom the “Home” states will make their payments. It is also not clear whether they will pay based on their own

state matching rates (30% for Alabama and Louisiana and 24% for Mississippi) or based on the “Host” state rates, which are generally higher (the highest is 42%). Further, given the huge economic and infrastructure losses in the affected states, it is unclear whether they will be able to pay these costs. The Administration has stated that it is working with Congress to address the situation.

The Florida waiver approval letter includes language not found in the other waivers that states, “Florida will be allowed to use Federal funds to provide health care coverage to evacuees and to provide Medicaid eligibility to evacuees.” The exact meaning of this statement remains unclear. Current federal law prohibits the use of federal funds to pay the state share of Medicaid costs.

UNCOMPENSATED CARE POOL

Six waivers authorize an uncompensated care pool in addition to the temporary Medicaid coverage. These pools can be used to reimburse providers that incur uncompensated care costs for furnishing services to uninsured evacuees (including adults without dependent children) and to pay for services not covered under the states’ Medicaid or SCHIP programs that are provided to evacuees. The pools are available for expenses incurred from August 24, 2005 to January 31, 2006. Information has not been provided regarding the levels and sources of funding for the pools or on how pool claims will be prioritized or paid to providers.

CONCLUSION

To date, CMS has approved ten waivers under its new waiver initiative designed to provide health care services to Hurricane Katrina survivors. The waivers provide assistance to some groups of survivors. However, many survivors in need, particularly adults without dependent children, remain ineligible for Medicaid or SCHIP and could only gain assistance from providers in states that also authorized uncompensated care pools through their waivers. Across the approved waivers, there is variation in the criteria used to determine eligibility and the benefits and cost sharing for evacuees.

Critical components of the waivers remain unclear. The levels and sources of funding for the uncompensated care pools as well as their payment mechanisms are not specified. Further, the financing of temporary Medicaid and SCHIP coverage, which relies on the “Home” states for the state share of costs, leaves the mechanisms for the “Home” state payments unspecified. The ability of the “Home” states to make such payments given the devastation wrought to their economies remains uncertain.

For additional copies of this fact sheet (#7420), please visit www.kff.org.

**Appendix A:
Provisions of the Ten Approved Katrina Waivers, as of October 13, 2005**

	Alabama	Arkansas	District of Columbia	Florida	Georgia	Idaho	Mississippi	Puerto Rico	Tennessee	Texas
Date of approval	September 22, 2005	September 28, 2005	September 28, 2005	September 23, 2005	September 28, 2005	September 28, 2005	September 22, 2005	October 6, 2005	October 6, 2005	September 15, 2005
Financing of Temporary Coverage	Unclear	Unclear	Unclear	Unclear	Unclear	Unclear	Unclear	Unclear	Unclear	Unclear
Eligibility	HHS guidelines	HHS guidelines	HHS guidelines	HHS guidelines To qualify as disabled must provide physician statement verifying disability	HHS guidelines	HHS guidelines	HHS guidelines	HHS guidelines	HHS guidelines	HHS guidelines
Allows self-attestation of displacement, income, & immigration status? (Yes = 9)	Yes	Yes	Not Specified	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Can apply resource test? (Yes = 6)	Not Specified	Not Specified	Yes	Yes	Yes	Yes	Not Specified	Yes	Yes	No
Must establish a process to transition qualified evacuees to regular Medicaid? (Yes = 0)	No	No	No	No	No	No	No	No	No	No
Minimum benefits	Host state Medicaid or SCHIP	Host state Medicaid or SCHIP*	Host state Medicaid or SCHIP*	Host state Medicaid or SCHIP	Host state Medicaid or SCHIP	Host state Medicaid or SCHIP	Host state Medicaid	Host state Medicaid	Host state Medicaid	Host state Medicaid or SCHIP
Allows additional benefits for evacuees? (Yes = 6)	Yes	No	No	No	Yes	No	Yes	Yes	Yes	Yes
Exempts evacuees from cost sharing? (Yes = 5)	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes
Uncompensated Care Pool? (Yes = 6)	Yes	Yes	No	No	Yes	No	Yes	No	Yes	Yes

* Arkansas and the District of Columbia do not have separate SCHIP programs.