
October 12, 2005

MANY KATRINA SURVIVORS SEEKING MEDICAID IN LOUISIANA SHELTERS REMAIN WITHOUT COVERAGE

Medicaid Categorical Eligibility Rules Continue to be the Major Barrier

by Donna Cohen Ross

While legislation introduced by Senators Charles Grassley and Max Baucus (S.1716) to provide temporary, fully federally funded Medicaid coverage to low-income hurricane survivors remains blocked in the Senate, indigent individuals seeking health care coverage at more than 200 shelters throughout Louisiana continue being denied enrollment in the Medicaid program. The principal reason: many of these Katrina survivors do not fit into one of the traditional categories of people that Medicaid covers — children, pregnant women, parents or caretakers of minor children, and elderly or seriously disabled people.

Unless Congress acts to suspend these restrictions for a temporary period for hurricane survivors who are impoverished, as the Grassley-Baucus bill would do, eligibility workers will have to continue not to approve Medicaid coverage for these applicants. Destitute adults without minor children — including individuals who are ill or injured and may have lost everything in the hurricane — will continue to be turned away.

The latest data from the Louisiana Department of Health and Hospitals indicate that during the week ending October 7, requests for Medicaid coverage at shelters increased further, as did the number of indigent people whom the state could not approve for Medicaid because they do not fall into one of Medicaid's traditional eligibility categories.

Update on Individuals Seeking Medicaid at Louisiana Shelters ¹

The Louisiana Department of Health and Hospitals, which administers the Medicaid program in the state, reports that as of October 7:

- Approximately 8,400 households have sought Medicaid coverage in the aftermath of Hurricanes Katrina and Rita at one of about 200 shelters. Approximately 6,700 Medicaid applications have been submitted.

¹ These data update the information released in a Center analysis released on September 26, 2005: *Medicaid Categorical Eligibility Rules Are Proving A Major Obstacle to Getting Health Coverage to Impoverished Katrina Victims in Louisiana: Pending Legislation Would Address Coverage Gaps in Louisiana and Other States* by Donna Cohen Ross and Victoria Wachino

- Of the applications submitted, 42 percent have been approved and the applicants enrolled in Medicaid.
- But eligibility workers have been unable to approve coverage for *over half* of the applications (approximately 58 percent). While some of these applicants will qualify when application processing is completed, a large percentage of the applications cannot be approved because the applicant does not fit into one of the traditional Medicaid eligibility categories.

The Department also reports that a new procedure has been put in place in some regions of the state so that eligibility workers will be able to enroll individuals in Medicaid quickly and efficiently *if* Congress should act to suspend temporarily the categorical eligibility rules for impoverished hurricane survivors. Prior to September 16, eligibility workers had been "screening out" people who appeared not to qualify. Since then, in a number of areas of the state, workers have begun placing these applications in a "pending" status. By pending the applications (rather than screening people out or denying their applications because they do not fit into a traditional Medicaid category), eligibility workers will better be able to enroll such applicants promptly if Congress should act on the Grassley-Baucus legislation.

That legislation is supported by the National Governors Association, which requested legislation along these lines a month ago, as well as by many leading health organization and charities such as the American Medical Association and the Red Cross.