

## A Comparison of the Seventeen 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. It has been estimated that some 200,000 people in Louisiana will lose employer coverage as companies eliminate staff and go out of business. Alabama, Mississippi, and Louisiana are all 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. CMS developed a waiver template and provided expedited approval of these waivers. Under the waivers states may:

- 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 December 17, 2005, seventeen waivers (from 15 states and the District of Columbia and Puerto Rico) had been approved, including waivers for Alabama, Mississippi, and Louisiana (see Appendix A).

### ELIGIBILITY AND ENROLLMENT

**Sixteen of the seventeen waivers provide five months of temporary Medicaid or SCHIP coverage to eligible "evacuees."** Under these waivers, states may accept applications for temporary coverage from August 24, 2005

to January 31, 2006 and provide up to five months of coverage through June 30, 2006. The waiver for Ohio authorizes a shorter temporary coverage period. Under its waiver, the state accepted applications from September 1, 2005 to December 1, 2005, and temporary coverage ended on December 31, 2005.

**All of the approved waivers use HHS-suggested eligibility guidelines (Table 1 and Appendix A).** States can provide temporary 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 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.

### **Sixteen waivers allow evacuees to self-attest displacement, income, and immigration status.**

Evacuees can self-attest to these factors, but they must 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) requires disabled evacuees to provide a physician statement verifying disability.

**At least twelve 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. The Texas waiver specifies that a resource test will not be used. Twelve waivers allow use of a test but do not specify whether the test will be implemented. The Alabama, Arkansas, Louisiana, and Mississippi waivers are silent regarding the use of a test.

**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 twelve of the seventeen 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. The other five waivers 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.

**Nine waivers allow additional services not otherwise covered for evacuees.** In seven 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. California and Puerto Rico can provide additional benefits but did not establish uncompensated care pools so the financing of these services remains unclear.

**Ten waivers allow evacuees to be charged Medicaid or SCHIP cost sharing requirements.** Eight of these waivers specify 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 seven waivers exempt evacuees from cost sharing.

## UNCOMPENSATED CARE POOL

**Eight 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. The levels and sources of funding for the pools were not specified under

the waivers and there is no information on how pool claims will be prioritized or paid to providers.

## FINANCING

**The financing of the temporary Medicaid coverage and uncompensated care pools 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, under separate “Memoranda of Understanding” (MOUs) signed between the federal government and the “Home” states of Louisiana, Mississippi, and Alabama, the “Home” states are responsible for the state share of Medicaid and SCHIP costs for Katrina evacuees receiving care in “Host” states.

The budget reconciliation conference bill currently pending in Congress would appropriate \$2 billion to cover the non-federal share of Medicaid and SCHIP costs for Katrina evacuees and the uncompensated care pools in the waiver states. However, there is no information on how these funds would be distributed among the waiver states or on the prioritization of funding. This provision differs from earlier Senate and House budget reconciliation bills that would provide open-ended, full federal funding for Medicaid and SCHIP costs for individuals who were living in designated parts of Louisiana, Mississippi and Alabama in the week prior to Hurricane Katrina regardless of whether they are now residing in a state with a Section 1115 waiver.

## CONCLUSION

To date, CMS has approved seventeen waivers 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 financing under the MOUs, which relies on the “Home” states to cover the state share of costs, leaves the mechanisms for the “Home” state payments unspecified and their ability to make such payments is uncertain given the devastation wrought to their economies. The appropriation pending in Congress would reduce the financial requirements of the “Home” states, but it is unclear how this appropriation would be distributed across the waiver states and whether the funding would be adequate. Further, the appropriation would not provide any federal funding to cover costs for Katrina survivors in states that have not obtained a Section 1115 waiver.

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**Appendix A:  
Provisions of the Seventeen Approved Katrina Waivers**

	Date of approval	Financing	Eligibility	Allows self-attestation of displacement, income, & immigration status?	Can apply resource test?	Must establish a process to transition qualified evacuees to regular Medicaid?	Minimum benefits	Allows additional benefits for evacuees?	Exempts evacuees from cost sharing?	Uncompensated Care Pool?
<b>Alabama</b>	September 22, 2005	Unclear	HHS guidelines	Yes	Not specified	No	Host state Medicaid or SCHIP	Yes	Yes	Yes
<b>Arkansas</b>	September 28, 2005	Unclear	HHS guidelines	Yes	Not Specified	No	Host state Medicaid or SCHIP	No	No	Yes
<b>California</b>	December 7, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid or SCHIP*	Yes	No	No
<b>District of Columbia</b>	September 28, 2005	Unclear	HHS guidelines	Not specified	Yes	No	Host state Medicaid or SCHIP	No	Yes	No
<b>Florida</b>	September 23, 2005	Unclear	HHS guidelines, to qualify as disabled must provide physician statement verifying disability	Yes	Yes	No	Host state Medicaid or SCHIP	No	No	No
<b>Georgia</b>	September 28, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid or SCHIP	Yes	No	Yes
<b>Idaho</b>	September 28, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid or SCHIP	No	Yes	No
<b>Indiana</b>	October 21, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid or SCHIP	No	No	No
<b>Louisiana</b>	November 10, 2005	Unclear	HHS guidelines	Yes	Not Specified	No	Host state Medicaid	Yes	Yes	Yes
<b>Maryland</b>	November 10, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid or SCHIP	No	No	No
<b>Mississippi</b>	September 22, 2005	Unclear	HHS guidelines	Yes	Not Specified	No	Host state Medicaid	Yes	No	Yes
<b>Nevada</b>	November 23, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid or SCHIP	No	Yes	No
<b>Ohio</b>	December 7, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid or SCHIP	No	No	No
<b>Puerto Rico</b>	October 6, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid	Yes	Yes	No
<b>South Carolina</b>	October 21, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid	Yes	No	Yes
<b>Tennessee</b>	October 6, 2005	Unclear	HHS guidelines	Yes	Yes	No	Host state Medicaid	Yes	No	Yes
<b>Texas</b>	September 15, 2005	Unclear	HHS guidelines	Yes	No	No	Host state Medicaid or SCHIP	Yes	Yes	Yes
<b>TOTAL YES</b>				<b>16</b>	<b>12</b>	<b>0</b>		<b>9</b>	<b>7</b>	<b>8</b>

\*The minimum benefits for evacuees enrolled under the waiver will be the state's Medicaid benefits. Evacuees who qualify for SCHIP will receive the state's SCHIP benefits, but they will be enrolled through the state's SCHIP plan rather than under the waiver.