

Document ID: AETAMA-096945	Title: (AMA) 7000.12 Act 421 - Children’s Medicaid Option CMO TEFRA Katie Beckett Program Louisiana Policy	
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Document Type: Policy and Procedure		

PURPOSE

The purpose of this policy is to describe and provide guidance regarding Aetna Better Health's process for prior authorization decision-making for Act 421-CMO Children's Medicaid Option (TEFRA/Katie Beckett) program. The program includes members eighteen (18) years or younger with severe disabilities, defined as a medically determinable physical or mental impairment that results in marked and severe limitations and has lasted or is expected to last at least one year, or to result in death. The Louisiana Department of Health will determine eligibility.

SCOPE

The scope of this policy applies to the Louisiana Prior Authorization staff and all colleagues processing Louisiana authorization requests for Act 421 CMO authorization requests..

POLICY

It is the policy of the plan that specific state directives, in addition to MCG® criteria are used when processing authorization requests for the 421 Katie Beckett children's authorization requests. Louisiana state qualifications, authorization and documentation requirements must be met. It defines additional Louisiana state qualifications and authorization and documentation requirements.

PROCEDURE

NA

EXHIBIT(S):

STANDARD

Children under the age of nineteen (19), who have a disability as defined by the Social Security Administration and meet the level-of-care for a nursing facility, hospital or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD)¹. These are children with special healthcare needs due to medically determinable physical or mental impairment that resulted in marked and severe limitations and has lasted or is expected to last at least one year or to result in death. This requires individualized healthcare approach These members require the

¹ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model Contract Section 2.3.1.9

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level of care given at an Intermediate Care Facility, a nursing home or hospital but with support, can be safely cared for at home. Members qualify with resources under \$2,000 excluding parental resources.

TEFRA programs may also be referred to as the Katie Beckett program waiver was created as a result of a United States federal law that can help families with children younger than 19 years old who have a disability receive their care in their homes rather than an institution. Children that previously did not qualify for Medicaid because of parental income, may now qualify for services under the 421 waiver.

A state team reviews and determines if a child has a disability as stated in the eligibility requirements. This team is called the Medical Eligibility Determination Team (MEDT). To determine eligibility, they receive medical information from the regional office of Office for Citizens with Developmental Disabilities called the Human Services District Authority. The child's medical needs may qualify them for the designation of Special Health Care Needs (SHCN). This allows for a close focus to care for these members. 421 Children may have Medicaid as a primary or secondary insurance. The primary insurance should process the request first and their explanation of benefits should be included in the request for Medicaid Precertification.

Participants who receive coverage via the ACT 421 Children's Medicaid Option are mandatorily enrolled in Medicaid Managed Care for all Medical covered services² and have freedom of choice to choose the MCO. This population falls under the special-needs population and the MCO will meet the contractual requirements set forth to manage this population.³

ELIGIBILITY⁴

- Successful completion of the Louisiana Medicaid application found online. (This may require up to 90 days.)
- Enrollees must be 18 years old or younger
- Enrollees must be a Louisiana resident and a United States citizen or a qualified non-citizen
- Enrollees must have a severe chronic disability that is recognized under the definition of disability utilized in the Supplemental Security Income program of the Social Security Administration, regardless of whether the child is eligible to receive benefits under the program.
- Enrollee meets an institutional level of care need usually provided in a hospital, skilled nursing facility, or intermediate care facility (ICF) for individuals with Intellectual Disabilities (ICF/IDD).⁵

² 2026 Louisiana Medicaid MCO Manual p. 248

³ 2026 Louisiana Medicaid MCO Manual Provider Manual page 271

⁴ 2022 Louisiana Department of Health Medicaid ACT Children's Medicaid Option (TEFRA/Katie Beckett) at <https://LDH.LA.gov/page/3985>

⁵ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model Contract Section 2.3.1.9

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- Qualifications is not based on a diagnoses or disability alone. Qualification is also based on the child's medically documented institutional level of care needs from the preceding twelve (12) months.
- Consideration is given to the child's age and the expected developmental level of functioning for their particular age group.
- Enrollees have a Statement of Approval (SOA) letter from the Office of Citizens for Developmental Disability (OCDD) approved by the local Human Services District authority in the member's area.
- Enrollee child does not have total assets (resources) exceeding \$2,000 in value, excluding parental income.
- Excluding the income of parents, the child's income is less than three (3) times the Federal Benefit Rate (FBR), referred to as the individual Special Income Limit (SIL)
- Care can be provided safely at home for less than the cost of institutional care.
- An annual renewal notice sent by LDH for redetermination of eligibility is required in order to maintain eligibility.⁶
- May have a Chisholm designation in addition to an ACT 421 enrollment.

EXCLUSIONS:

Enrollees approved for an Office of Citizens for Developmental Disability waiver will no longer be eligible for the ACT 421 enrollment.⁷

RESPONSIBILITIES:

The MCO will authorize needed health services for 421–CMO enrollees including services that will help prevent institutionalization and are not available or less available under private insurance plans. 421 Katie Beckett children often have a primary private insurance. ACT 421 members will be referred to care management via email at AetnaBetterHealthofLA-CMReferral@AETNA.com.

The MCO will provide comprehensive and preventive health care services for 421-CMO enrollees by authorizing services for core benefits and services including but not limited to doctor visits; pharmacy medications; speech, occupational and physical therapy; applied behavioral analysis; hospital services; dental services; durable medical equipment; patient care services (PCS), skilled nursing, home health and extended home health nursing if medically necessary.

Provider contracts or single case agreements may be considered during the authorization process to prevent interruptions in care. The MCO will offer a Network Provider Agreement and will obtain LDH's written approval prior to terminating provider agreements for those serving children under the Act 421 Children's Medicaid Option, subject to 42 CFR.

⁶ Louisiana Department of Health website Informational Flyer for ACT 421 page 2

⁷ Louisiana Department of Health.LA.gov/assets/Medicaid/ACT_421_FAQ p.10

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R §431.52 and excluding ICF/IIDs.⁸ All Act 421 Children's Medicaid Option Katie Beckett children are considered Special Health Care Needs children.⁹ Act 421 Children can also receive a Chisholm designation simultaneously.

Authorizations for members transitioning into Aetna Better Health MCO, will be continued for up to ninety (90) calendar days or until the member may reasonably transfer to a preferred provider without disruption. Aetna Better Health will honor prior authorizations issued prior to the member transitioning to the Act 421-CMO Children's Medicaid Option TEFRA Katie Beckett program

DEFINITIONS:

- 1. Human Services District Authority** - Regional offices of the Office for Citizens with Developmental Disabilities (OCDD) that collaborate with Louisiana Department of Health (LDH) to perform level of care assessments to determine eligibility for special services. Regional directories can be found on the LDH website.
- 2. Medical Eligibility Determination Team (MEDT)** - A state team that reviews and determines if a child has a disability as stated in the eligibility requirements. The team reviews information provided by the Human Services District Authority and their collection of documents and assessments. This review averages 30 days to make a determination.
- 3. Office of Citizens for Developmental Delays** - A state office that assists in an assessment to determine severe and chronic disabilities with substantial functional limitations and need for active treatment.
- 4. Special Health Care Needs (SHCN)** - Individuals of any age with a behavioral health disability, physical disability, developmental disability, or other circumstances that place their health and ability to fully function in society at risk, requiring individualized care approaches.¹⁰ The special needs population requires a close focus to meet contractual requirements to manage this population.
- 5. Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)** - A United States federal law that can help families with children younger than 19 years old who have a disability receive their care in their homes rather than an institution. TEFRA programs may also be referred to as the Katie Beckett program waiver. CMS approved the program as a State Plan Amendment and became effective Jan 11, 2022.¹¹

REVIEW AND REVISION HISTORY

⁸ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model Contract, Section 2.9.7.5.11

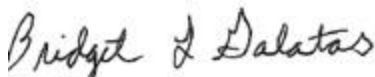
⁹ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model Contract page 10

¹⁰ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model Contract page 10.

¹¹ Louisiana Medicaid Website <https://ldh.la.gov/pages/3985>

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Date	Revision No.	Reason for Change	Sections Affected
1/1/22	001	New Policy	All
4/6/23	002	Reviewed and revised with new contract	All
4/4/24	003	Reviewed; no revisions	All
4/9/25	004	Reviewed; updated format,references & signatory lines.	All
7/9/25	005	Reviewed; Updated reference,header & signatory lines	All; p.5
08/27/25	1.00	New Document	N/A
06/30/26	2.0	Annual Review No changes	N/A

Aetna Medicaid Administrators LLC



Bridget Galatas
Chief Executive Officer



Antoinette Logarbo M.D.
Chief Medical Officer

REFERENCES/RESOURCES:

- 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model Contract , page 10, Section 2.3.1.9; 2.9.7.5.11;
- 2026 Louisiana Medicaid Managed Care Organization Manual (MCO) p.173
- 2019 Legislative Act 421 – Children's Medical Option
- Louisiana Department of Health Medicaid Act 421 Children's Medicaid Option (TEFRA/Katie Beckett) at <https://Idh.la.gov/page 3985>