

ENROLLED ACT NO. 93, SENATE

SIXTY-FIRST LEGISLATURE OF THE STATE OF WYOMING  
2011 GENERAL SESSION

AN ACT relating to the administration of government and the 2010 federal health care reform; creating a legislative advisory committee; providing for the development of cost estimates for the mandatory coverage expansion of the Medicaid program; requiring a report; providing report requirements and specifying its expected uses; providing appropriations; and providing for an effective date.

*Be It Enacted by the Legislature of the State of Wyoming:*

**Section 1.**

(a) The governor shall conduct a study to develop estimates of the cost of the expansion of the Medicaid program mandated by the Patient Protection and Affordable Care Act, P.L. 111-148, and the Health Care and Education Reconciliation Act of 2010, P.L. 111-152, hereinafter referred to collectively as "the health care reform acts." The governor shall designate a study oversight organization, which may be a state agency, more than one (1) state agency or an ad hoc organization created by the governor to conduct the study.

(b) There is created a Medicaid cost study oversight legislative advisory committee. The committee shall advise the governor and the study oversight organization on the conduct of the study. The advisory committee shall have four (4) members appointed as follows:

(i) Two (2) members appointed by the president of the senate, one (1) of whom he shall designate as cochairman. One (1) appointee shall be a member of the senate appropriations committee and one (1) appointee shall be a member of the senate labor, health and social services committee;

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(ii) Two (2) members appointed by the speaker of the house of representatives, one (1) of whom he shall designate as cochairman. One (1) appointee shall be a member of the house appropriations committee and one (1) appointee shall be a member of the house labor, health and social services committee.

(c) The oversight organization shall have the authority to contract with experts and consultants as may be useful in conducting the study and making the cost estimates.

(d) The study shall be subject to the following:

(i) The results of the study shall be expressed in the total annual costs for each category of expansion and for each of the relevant years, without regard to state and federal shares. The results of the study shall be presented in a format that facilitates further cost estimates using various estimates of federal and state cost sharing. If differing cost shares are likely for differing categories of costs, the total costs shall be broken down into these differing categories in a subordinate table in the report. The study shall include a table in an addendum, appendix or footnote showing the results of the federal and state cost shares as per federal law at the time of the completion of the study and may also show the results using any other combinations of federal and state cost shares which the oversight organization believes to be relevant;

(ii) The annual cost estimates shall be shown in state fiscal years, calendar years and federal fiscal years;

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(iii) The first years for which the annual costs are shown shall be the first years in which the mandatory expansion is scheduled to be in effect for a portion of the year. The last year for which cost estimates are shown shall be the final year included in the state's biennium commencing July 1, 2018 and ending June 30, 2020;

(iv) The results shall be expressed assuming all eligible people participate in the program and may also be expressed assuming only a percentage of those eligible actually participate, provided the assumptions used in estimating the percentage of actual participation are explicitly stated;

(v) The study shall determine and show separately, before including in the final totals, the costs for the populations now categorically eligible who will become eligible due to the expansion in the financial eligibility to one hundred thirty-eight percent (138%) of the federal poverty level. The study shall assume that the cost experience for these populations will be similar to the similar populations now in Wyoming Medicaid unless there is specific reason to believe the costs for an identified population will be different;

(vi) The study shall attempt to determine the actual costs for serving those in the expanded program who become eligible due to the removal of the categorical eligibility restrictions considering:

(A) The age and gender distribution of the expected new enrollees;

(B) The health status of expected new enrollees;

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(C) The socio-economic status of expected new enrollees;

(D) The health care utilization rate, including the effect of previously unmet health needs, of expected new enrollees;

(E) The probable effect of federal and state laws requiring, providing or limiting services offered and cost controls employed. The study shall explore any cost control measures that may apply to Wyoming, such as payment based on medical outcome rather than for specific procedures. The study shall assume that existing state laws, regulations and practices will continue. However, if current state laws, regulations or practices conflict with the federal health care reform acts or other federal laws, the study shall identify those laws, regulations or practices and assume that they will be changed to conform with federal requirements.

(vii) The study shall include an estimate for the costs associated with individuals with incomes above the eligibility minimums who can be expected to take steps to intentionally reduce their incomes to become eligible. Unless a different estimate is used based upon expert opinion, the study shall assume that fifty percent (50%) of persons with income between one hundred thirty-eight percent (138%) and one hundred fifty percent (150%) of the federal poverty level, and who have expensive chronic medical conditions or conditions that require expensive nonemergency medical treatment, will experience reduced income to become eligible for Medicaid. Unless a different estimate is used based upon expert opinion, the study shall assume that twenty-five percent (25%) of persons with income greater than one hundred fifty percent (150%) and less than two hundred percent (200%) of the federal poverty

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level, and who have expensive chronic medical conditions or conditions that require expensive nonemergency medical treatment, will experience reduced income to become eligible for Medicaid;

(viii) To the extent feasible, in estimating the costs for the newly eligible enrollees, the study shall use Wyoming experience and shall modify costs based on private or other governmental programs by factors to account for the costs for the Medicaid and the other populations based on historical experience for Medicaid and the private or other governmental programs, for comparable populations adjusted for severity of health status;

(ix) The study shall identify the explicit cost effects, if any, of any new federal requirements under the health care reform acts on the Medicaid program for those eligible in Wyoming at the time of the enactment of the health care reform acts. If relevant, these cost effects shall be shown separately and included in the final cost estimates;

(x) The study shall estimate the administrative costs, including the costs of additional eligibility determinations, itemize these costs separately and include them in the final cost estimates;

(xi) The study shall identify any explicit savings to the state general fund due to the elimination or reduction of any current program or institutions which will no longer be needed because its enrollees may or shall be transferred to the Medicaid program pursuant to the health care reform acts or other federal law;

(xii) The study shall consider any other factors the governor or the oversight organization deems relevant

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considering the expected uses of the study identified in subsection (d) of this section;

(xiii) The study shall set forth the probable ongoing costs of the current Medicaid program, assuming the program in effect on the day before the enactment of the health care reform acts.

(e) In conducting the study and reporting its results, the oversight organization and any contractors shall consider that the study is expected to be used:

(i) To assist the people, the governor and the legislature of Wyoming in deciding whether to accept the new mandatory eligibility and other requirements of the Medicaid program under the health care reform acts or to withdraw from that program, by setting forth the financial consequences of that decision;

(ii) To assist the executive branch and legislative budget staff in making accurate budget estimates for the cost of Medicaid expansion, if accepted;

(iii) To help form the basis for an application for a Medicaid waiver covering all or part of the newly eligible population, the purpose of the waiver being to reduce the cost of the eligibility expansion by using additional cost control techniques;

(iv) To allow legislators and members of the public who are not expert in Medicaid costs to make their own cost estimates using data from the study and varying key assumptions, including estimates of the respective federal and state cost shares.

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(f) Before letting any contract, the oversight organization shall submit a draft of the request for proposal or other document governing the contract to the joint labor, health and social services interim committee and the joint appropriations interim committee.

(g) The study shall be completed by September 1, 2012, unless the governor requires an earlier completion date, and submitted to the joint labor, health and social services interim committee and the joint appropriations interim committee. The oversight organization shall be prepared to present the results of the study to these committees before the 2013 general session of the legislature.

(h) The study shall be available to the people and the legislature on at least one (1) relevant website and in hard copy.

(j) Members of the legislative advisory committee shall be paid salary, per diem and mileage as provided in W.S. 28-5-101 for their official duties as members of the task force.

**Section 2.**

(a) There is appropriated one hundred thousand dollars (\$100,000.00) from the general fund to the governor's office. This appropriation shall be for the period beginning with the effective date of this act and ending June 30, 2013. This appropriation shall only be expended for the purpose of conducting the study and preparing the report required by this act. Notwithstanding any other provision of law, this appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this

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appropriation shall revert as provided by law on June 30, 2013. This appropriation shall not be included in the governor's 2013-2014 standard biennial budget request.

(b) There is appropriated twenty thousand dollars (\$20,000.00) from the general fund to the legislative service office for payment of salary, per diem and mileage for legislative advisory committee members. Any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2013.

(c) Notwithstanding the procurement procedures established pursuant to W.S. 9-2-1016(b)(iv), the department, in developing requests for proposals and considering any bids to perform the study required by this act, shall consider any cost savings and efficiencies which may result from use of the study and the entity which conducted the 2010 Medicaid cost study submitted to the department.

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**Section 3.** This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the Senate.

\_\_\_\_\_  
Chief Clerk