

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. _____

Medicaid options study.

Sponsored by: Joint Labor, Health and Social Services
Interim Committee

A BILL

for

1 AN ACT relating to the administration of government,
2 Medicaid and the 2010 federal health care reform; providing
3 for a study related to options for reconfiguring of the
4 Medicaid program; requiring a report; providing report
5 requirements; providing an appropriation; and providing for
6 an effective date.

7

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

9

10 **Section 1.**

11

12 (a) The governor shall conduct a study to develop
13 estimates of the cost of redesigning the Medicaid programs

1 currently operating and those mandated by the Patient
2 Protection and Affordable Care Act, P.L. 111-148, and the
3 Health Care and Education Reconciliation Act of 2010, P.L.
4 111-152, hereinafter referred to collectively as "the
5 health care reform acts." The governor shall designate a
6 study oversight entity, which may be a state agency, more
7 than one (1) state agency or an ad hoc committee created by
8 the governor to conduct the study.

9
10 (b) The oversight entity shall have the authority to
11 contract with experts and consultants as may be useful in
12 conducting the study and making the cost estimates.

13
14 (c) The study shall be subject to the following:

15
16 (i) The study shall examine each Medicaid
17 program that provides healthcare paid by the state and
18 federal government and determine the total annual cost of
19 healthcare benefits per enrolled persons who are part of
20 each program. The cost shall be broken down by state
21 share, federal share, client share and any other costs,
22 administrative or otherwise hidden, that are part of each
23 program;

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2 (ii) The study shall examine the broad
3 categories, including physical, mental and dental health,
4 of the benefits associated with each program and account
5 for the cost of each benefit;

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7 (iii) The study shall collect information from
8 insurance companies to determine premium costs of private
9 insurance providing equivalent or nearly equivalent
10 benefits for similarly grouped clients, considering such
11 factors as age, geographic area and eligibility category;

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13 (iv) The study shall summarize the basic
14 insurance policy benefits package that is available using a
15 median value of individual and group health insurance
16 premium paid in the state of Wyoming and compare the
17 benefits with those provided by the various Medicaid
18 programs;

19

20 (v) The study shall compare the cost of the
21 healthcare portion of each Medicaid program in paragraph
22 (i) of this subsection with the premium and other costs of

1 private insurance premiums and other associated costs if
2 the Medicaid clients were covered by private insurance;

3

4 (vi) The study shall determine the cost of the
5 state supporting Medicaid-like insurance premiums for
6 individuals who would otherwise be eligible for Medicaid
7 programs;

8

9 (vii) The study shall determine the cost of the
10 state supporting Medicaid-like insurance premiums using a
11 sliding scale of reasonable co-pays by clients whose income
12 is greater than one hundred percent (100%) of the federal
13 poverty level up to the level currently established for the
14 various Medicaid programs and up to the level proposed in
15 the federal health care reform acts;

16

17 (viii) The study shall report the total
18 appropriations necessary to support each program by fiscal
19 year through the 2019-2020 biennium;

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21 (ix) The study shall evaluate options including,
22 but not limited to, the following:

23

1 (A) Establishment of innovative service
2 delivery systems and models such as healthy frontiers and
3 accountable care organizations;

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5 (B) Provision of more limited benefits for
6 a specific population than the Medicaid statute requires;

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8 (C) Implementation of cost-sharing at
9 levels that exceed Medicaid statutory requirements;

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11 (D) Implementation of alternative financing
12 mechanisms;

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14 (E) Establishment of insurance models such
15 as the child health insurance program for specific segments
16 of the Medicaid population;

17

18 (F) Establishment of managed Medicaid
19 models;

20

21 (G) Establishment of innovative programs
22 similar to those developed by Medicaid programs in other
23 states.

1

2 (x) The study shall separately identify
3 additional anticipated costs to each program affected by
4 proposed coverage limit changes included in the federal
5 health care reform acts, and those shall be noted and
6 considered as additions to predicted future costs of
7 current Medicaid programs;

8

9 (xi) The study shall include any proposals in
10 the course of the study that demonstrate the possibility to
11 provide safety-net health insurance coverage for the
12 various Medicaid groups with a savings to the state or
13 enhanced coverage for recipients at a lesser or near
14 neutral cost.

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16 (d) In conducting the study and reporting its
17 results, the oversight entity and any contractors shall
18 consider that the study is expected to be used:

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20 (i) To assist the people, the governor and the
21 legislature of Wyoming in deciding whether to accept the
22 new mandatory eligibility and other requirements of the
23 Medicaid program under the health care reform acts, to

1 withdraw from that program and establish an independent
2 state supported safety net program for healthcare by
3 setting forth the financial consequences of that decision
4 or to seek a waiver from centers for Medicare and Medicaid
5 services to reconfigure the methods that safety net
6 programs are offered by cooperative agreement between the
7 state and federal government;

8

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

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

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20 (iv) To allow legislators and members of the
21 public who are not expert in Medicaid costs to make their
22 own cost estimates using data from the study and varying

1 key assumptions, including estimates of the respective
2 federal and state cost shares.

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4 (e) Upon issuing a request for proposals, the
5 oversight entity shall submit a draft of the request to the
6 joint labor, health and social services interim committee
7 and the joint appropriations interim committee.

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9 (f) The study shall be completed by May 1, 2012,
10 unless the governor requires an earlier completion date,
11 and submitted to the joint labor, health and social
12 services interim committee and the joint appropriations
13 interim committee. The oversight entity shall present the
14 results of the study in person to these committees before
15 the 2013 general session of the legislature.

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

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21 **Section 2.** There is appropriated three hundred
22 thousand dollars (\$300,000.00) from the general fund to the
23 governor's office. This appropriation shall be for the

1 period beginning with the effective date of this act and
2 ending June 30, 2013. This appropriation shall only be
3 expended for the purpose of conducting the study and
4 preparing the report required by this act. Notwithstanding
5 any other provision of law, this appropriation shall not be
6 transferred or expended for any other purpose and any
7 unexpended, unobligated funds remaining from this
8 appropriation shall revert as provided by law on June 30,
9 2013. This appropriation shall not be included in the
10 governor's 2013-2014 standard biennial budget request.

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

16

17

(END)