

SENATE FILE NO. SF0050

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
14 currently operating and those mandated by the Patient
15 Protection and Affordable Care Act, P.L. 111-148, and the
16 Health Care and Education Reconciliation Act of 2010, P.L.

1 111-152, hereinafter referred to collectively as "the
2 health care reform acts." The governor shall designate a
3 study oversight entity, which may be a state agency, more
4 than one (1) state agency or an ad hoc committee created by
5 the governor to conduct the study.

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

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

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

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22 (ii) The study shall examine the broad
23 categories, including physical, mental and dental health,

1 of the benefits associated with each program and account
2 for the cost of each benefit;

3

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

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

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17 (v) The study shall compare the cost of the
18 health care portion of each Medicaid program in paragraph
19 (i) of this subsection with the premium and other costs of
20 private insurance premiums and other associated costs if
21 the Medicaid clients were covered by private insurance;

22

23 (vi) The study shall determine the cost of the
24 state supporting Medicaid-like insurance premiums for

1 individuals who would otherwise be eligible for Medicaid
2 programs;

3
4 (vii) The study shall determine the cost of the
5 state supporting Medicaid-like insurance premiums using a
6 sliding scale of reasonable co-pays by clients whose income
7 is greater than one hundred percent (100%) of the federal
8 poverty level up to the level currently established for the
9 various Medicaid programs and up to the level proposed in
10 the federal health care reform acts;

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

15
16 (ix) The study shall evaluate options including,
17 but not limited to, the following:

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19 (A) Establishment of innovative service
20 delivery systems and models such as healthy frontiers and
21 accountable care organizations;

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

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2 (C) Implementation of cost-sharing at
3 levels that exceed Medicaid statutory limitations;

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5 (D) Implementation of alternative financing
6 mechanisms;

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8 (E) Establishment of insurance models such
9 as the child health insurance program for specific segments
10 of the Medicaid population;

11

12 (F) Establishment of managed Medicaid
13 models;

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15 (G) Establishment of innovative programs
16 similar to those developed by Medicaid programs in other
17 states.

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19 (x) The study shall separately identify
20 additional anticipated costs to each program affected by
21 proposed coverage limit changes included in the federal
22 health care reform acts, and those shall be noted and
23 considered as additions to predicted future costs of
24 current Medicaid programs;

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2 (xi) The study shall include any proposals in
3 the course of the study that demonstrate the possibility to
4 provide safety-net health insurance coverage for the
5 various Medicaid groups with a savings to the state or
6 enhanced coverage for recipients at a lesser or near
7 neutral cost.

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

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13 (i) To assist the people, the governor and the
14 legislature of Wyoming in deciding whether to accept the
15 new mandatory eligibility and other requirements of the
16 Medicaid program under the health care reform acts, to
17 withdraw from that program and establish an independent
18 state supported safety net program for health care by
19 setting forth the financial consequences of that decision
20 or to seek a waiver from centers for Medicare and Medicaid
21 services to reconfigure the methods that safety net
22 programs are offered by cooperative agreement between the
23 state and federal government;

24

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

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

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

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18 (e) Upon issuing a request for proposals, the
19 oversight entity shall submit a draft of the request to the
20 joint labor, health and social services interim committee
21 and the joint appropriations interim committee.

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23 (f) The study shall be completed by May 1, 2012,
24 unless the governor requires an earlier completion date,

1 and submitted to the joint labor, health and social
2 services interim committee and the joint appropriations
3 interim committee. The oversight entity shall present the
4 results of the study in person to these committees before
5 the 2013 general session of the legislature.

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

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11 **Section 2.** There is appropriated one hundred thousand
12 dollars (\$100,000.00) from the general fund to the
13 governor's office. This appropriation shall be for the
14 period beginning with the effective date of this act and
15 ending June 30, 2013. This appropriation shall only be
16 expended for the purpose of conducting the study and
17 preparing the report required by this act. Notwithstanding
18 any other provision of law, this appropriation shall not be
19 transferred or expended for any other purpose and any
20 unexpended, unobligated funds remaining from this
21 appropriation shall revert as provided by law on June 30,
22 2013. This appropriation shall not be included in the
23 governor's 2013-2014 standard biennial budget request.

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

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(END)