ENROLLED ACT NO. 92, SENATE

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

AN ACT relating to the administration of government, Medicaid and the 2010 federal health care reform; providing for a study related to options for reconfiguring of the Medicaid program; requiring a report; providing report requirements; providing for legislative advice as specified; 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 redesigning the Medicaid programs currently operating and those 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 entity, which may be a state agency, more than one (1) state agency or an ad hoc committee created by the governor to conduct the study.

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

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

(i) The study shall examine the Medicaid state plan that provides health care paid by the state and federal government and determine the total annual cost of health care benefits per enrolled persons who are part of each program. The cost shall be broken down by state share, federal share, client share and any other costs,

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administrative or otherwise hidden, that are part of each program;

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

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

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

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

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

(vii) The study shall determine the cost of the state supporting Medicaid-like insurance premiums using a sliding scale of reasonable co-pays by clients whose income is greater than one hundred percent (100%) of the federal

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poverty level up to the level currently established for the various Medicaid programs and up to the level proposed in the federal health care reform acts;

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

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

(A) Establishment of innovative service delivery systems and models such as healthy frontiers and accountable care organizations, including health homes, medical homes, primary care medical homes and total health records;

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

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

(D) Implementation of alternative financing mechanisms;

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

(F) Establishment of managed Medicaid models;

(G) Establishment of innovative programs, including waivers, similar to those developed by Medicaid programs in other states;

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(H) Block grants;

(J) Voucher systems.

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

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

(xii) The study shall include:

(A) Recommended methods to obtain eligibility and participation information;

(B) Recommended methods to track and analyze utilization rates;

(C) Analysis of the implications of the program options considered pursuant to this section on the information needs.

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

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(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, to withdraw from that program and establish an independent state supported safety net program for health care by setting forth the financial consequences of that decision or to seek a waiver from centers for Medicare and Medicaid services to reconfigure the methods that safety net programs are offered by cooperative agreement between the state and federal government;

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

(iii) To help form the basis for an application for a Medicaid waiver covering all or part of the current and 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.

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

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

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

The joint labor, health and social (q) services interim committee, augmented by two (2) members of the senate appropriations committee appointed by the president members and two (2) of the senate of the house appropriations committee appointed by the speaker of the house of representatives, shall advise the governor and the study oversight entity on the design and breadth of the study and on a mid-study revision thereof.

(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 augmented labor, health and social services committee shall be paid salary, per diem and mileage as provided in W.S. 28-5-101 for their official duties required by subsection (g) of this section.

### Section 2.

(a) There is appropriated one hundred thousand (\$100,000.00) from the general dollars fund to the qovernor'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 legislators performing services required by subsection (g) of section 1 of this act. Any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2013.

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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