

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

SENATE FILE NO. [Bill Number]

Medicaid-expansion alternative.

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

A BILL

for

1 AN ACT relating to Medicaid; providing for expansion of
2 coverage to low income persons as specified; authorizing a
3 Medicaid demonstration waiver; providing waiver
4 requirements as specified; creating the health care reserve
5 account; providing an appropriation; and providing for an
6 effective date.

7

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

9

10 **Section 1.** W.S. 42-4-401 through 42-4-404 are created
11 to read:

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ARTICLE 4

MEDICAID EXPANSION

42-4-401. Definitions.

(a) As used in this article:

(i) "Basic benefit plan" means a plan of limited health and wellness benefits, as specified in the state Medicaid coverage negotiated pursuant to W.S. 42-4-403(a), for those beneficiaries who have failed to contribute as required to a PHWA;

(ii) "Cost sharing" means any premiums charged for coverage, any required contributions to the PHWA and any copayments paid directly by an individual;

(iii) "Expanded benefit plan" means a plan of health and wellness benefits, as specified in the state Medicaid coverage negotiated pursuant to W.S. 42-4-403(a), for those beneficiaries who have contributed as required to a PHWA;

1 (iv) "Personal health and wellness account" or
2 "PHWA" means an account similar to a health savings
3 account, administered by the department or the department's
4 agent, that includes a beneficiary's contributions and
5 state contributions on behalf of the beneficiary, and used
6 for the beneficiary's health related cost-sharing expenses
7 as required under this article;

8
9 (v) "Rollover" means to transfer to an employer
10 sponsored or individually managed health coverage or
11 similar account when an individual leaves the Medicaid
12 program.

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14 **42-4-402. Medicaid expansion.**

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16 (a) The director of the department, the insurance
17 commissioner and the governor shall negotiate with the
18 centers for Medicare and Medicaid services of the United
19 States department of health and human services for a
20 demonstration waiver, state plan amendment, or a
21 combination of both, to provide Medicaid coverage effective
22 as soon as practicable after completion of the negotiations

1 pursuant to this section for all persons described under
2 section 1902(a)(10)(A)(i)(VIII) of the Social Security Act,
3 42 U.S.C. § 1396a(a)(10)(A)(i)(VIII).

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5 (b) Any expansion of Medicaid pursuant to this
6 section shall be subject to the following:

7

8 (i) The waiver shall be limited to a maximum
9 period of five (5) years without additional legislative
10 authorization;

11

12 (ii) The plan shall have two (2) levels of
13 alternative benefits available, a basic level and an
14 expanded level;

15

16 (iii) Nondisabled adults with incomes up to one
17 hundred thirty-three percent (133%) of the federal poverty
18 level, as defined in 42 U.S.C. 1396(e)(14)(I)(i), shall be
19 required to contribute to a personal health and wellness
20 account, modeled after a health savings account, in amounts
21 as provided in W.S. 42-4-405;

22

1 (iv) Individuals who make required contributions
2 to a PHWA shall be eligible, beginning the first of the
3 month after a beneficiary's first contribution to the PHWA,
4 for the expanded level of Medicaid benefits with no cost
5 sharing except for copayments made from the PHWA;

6

7 (v) Individuals with incomes between one hundred
8 percent (100%) and one hundred thirty-three percent (133%)
9 of the federal poverty level, as defined in 42 U.S.C.
10 1396(e)(14)(I)(i), who fail to make required contributions
11 to a PHWA shall be disenrolled from coverage under the
12 expanded benefit plan, moved to the basic benefit plan and
13 barred from reenrolling in the expanded benefit plan for
14 six (6) months. If an individual fails to make a
15 contribution to the PWHWA, the person shall be notified and
16 given thirty (30) days from the time the notification is
17 sent to make the contribution before the sanction in this
18 paragraph is implemented;

19

20 (vi) Individuals with incomes up to one hundred
21 percent (100%) of the federal poverty level who fail to
22 make required contributions to a PHWA shall be enrolled in

1 the basic level of Medicaid benefits with cost sharing,
2 which may exceed monthly PHWA contributions, and shall be
3 barred from reenrolling in the expanded benefit plan for
4 six (6) months;

5

6 (vii) Participants who are able to work and who
7 are not full-time students shall be enrolled in a work
8 assistance benefit at the time of application. The goal
9 shall be to enable as many participants as possible to be
10 employed at least twenty (20) hours per week. Work
11 assistance may include but is not limited to access to job
12 search facilities, resume assistance, skills-to-job
13 matching services, job training, vocational rehabilitation
14 and employment referral;

15

16 (viii) For beneficiaries with employer sponsored
17 insurance, the program shall provide a defined contribution
18 to the PHWA which may be used to cover the cost of the
19 beneficiary's premium and any cost sharing under the
20 employer plan, including deductibles and copayments;

21

1 (ix) Total cost sharing shall be limited to five
2 percent (5%) of household income;

3
4 (x) Provision of wellness benefits with
5 incentives, which may include additional PHWA contributions
6 by Medicaid, for those beneficiaries completing preventive
7 services recommended by the beneficiary's primary care
8 provider or for completing healthy behaviors specified in
9 the Medicaid coverage negotiated pursuant to W.S.
10 42-4-403(a), such as completing a smoking cessation
11 program;

12
13 (xi) Administration of the expanded Medicaid
14 program negotiated pursuant to this section shall be the
15 responsibility of the department. The department shall
16 carry out this responsibility through contracts with
17 private insurance carriers or third party administration,
18 subject to the following:

19
20 (A) Contracts shall be awarded pursuant to
21 requests for proposals, following to the extent practical
22 the normal state contracting processes;

1

2 (B) The bidders may be limited to those
3 companies, or a subset of those companies, offering a
4 qualified health plan pursuant to 42 U.S.C. section 18031
5 in Wyoming to individuals or small groups;

6

7 (C) Contracts may be awarded to multiple
8 bidders and the department is encouraged to award multiple
9 contracts to give Medicaid clients a choice;

10

11 (D) Contracts shall include the
12 administration of the PHWA accounts;

13

14 (E) Contracts shall include provisions for
15 financial reporting and payment of contractors as the
16 federal government may reasonably require in the Medicaid
17 coverage agreement negotiated pursuant to this section;

18

19 (F) Contracts may include risk sharing
20 provisions.

21

1 (c) Any negotiations for expansion of Medicaid
2 pursuant to this section may include the following
3 provisions:

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5 (i) Differential cost sharing, for emergent and
6 nonemergent use of an emergency room;

7

8 (ii) Programs to increase access to
9 transportation;

10

11 (iii) Optional Medicaid premium assistance for
12 adults with employer sponsored insurance and for children
13 to be covered through their parents' employer sponsored
14 insurance or exchange qualified health plan;

15

16 (iv) Reductions in cost sharing obligations for
17 beneficiaries who attain or maintain specified uniform
18 standards of healthy behaviors. Uniform standards shall
19 include, at a minimum, completion of an approved annual
20 health risk assessment to identify unhealthy
21 characteristics, including alcohol use, substance use

1 disorders, tobacco use, obesity and deficiencies in
2 immunization status.

3

4 **42-4-403. Medicaid expansion; federal funding**
5 **contingency.**

6

7 The program created by this article shall not be
8 administered during any time period in which the federal
9 medical assistance percentage, as currently provided
10 pursuant to 42 U.S.C. § 1396d(y), is less than ninety
11 percent (90%).

12

13 **42-4-404. Personal health and wellness accounts;**
14 **contributions; copayments; state funding.**

15

16 (a) Personal health and wellness accounts required
17 pursuant to this article shall be subject to the following:

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19 (i) A sliding scale for monthly contribution
20 based on a beneficiary's income as a percent of federal
21 poverty level;

22

1 (ii) Expanded benefit level beneficiaries
2 contributing consistently to their PHWA shall be eligible
3 to roll over unused account balances;

4

5 (iii) The PHWA for each beneficiary shall be in
6 the amount of two thousand five hundred dollars (\$2,500.00)
7 with appropriated Medicaid funds used to fund the
8 difference between beneficiary contributions and the full
9 account balance;

10

11 (iv) The Medicaid contribution to each PHWA may
12 be made over a period of time provided at least five
13 hundred dollars (\$500.00) is made at enrollment and may be
14 in part conditioned on health and wellness actions taken by
15 the beneficiary;

16

17 (v) If the PHWA has insufficient funds to pay
18 owed copayments, Medicaid shall pay the copayments and the
19 individual's contributions to the PHWA shall be increased
20 by fifty percent (50%) for each one thousand dollars
21 (\$1,000.00) or fraction thereof that Medicaid pays,

1 provided the increase shall be limited by the cost sharing
2 limits provided in this article.

3

4 (b) Copayments under the basic level of health
5 benefits shall be developed to encourage use of preventive
6 care services, outpatient services and preferred drugs, and
7 to discourage use of inpatient services, nonpreferred drugs
8 and nonemergency visits to emergency rooms.

9

10 **Section 2.** There is appropriated five dollars (\$5.00)
11 from the general fund to the department of health. This
12 appropriation shall be for the period beginning with the
13 effective date of this act and ending June 30, 2016. This
14 appropriation shall only be expended to provide for
15 administration of expanded Medicaid benefits as provided in
16 this act. Notwithstanding any other provision of law, this
17 appropriation shall not be transferred or expended for any
18 other purpose and any unexpended, unobligated funds
19 remaining from this appropriation shall revert as provided
20 by law on June 30, 2016.

21

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)