

2015 DRAFTING REQUEST

Bill

Received: 2/16/2015 Received By: tdodge
Wanted: Today Same as LRB: -1238
For: Jon Erpenbach (608) 266-6670 By/Representing: Kelly
May Contact: Drafter: tdodge
Subject: Medical Assistance Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Sen.Erpenbach@legis.wisconsin.gov
Carbon copy (CC) to: tamara.dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Require DHS to request waiver for premium assistance program for those with incomes 100 to 133 percent of the poverty line

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	tdodge 2/16/2015	csicilia 2/16/2015		_____	srose 2/16/2015	mbarman 2/16/2015	State

FE Sent For:

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intro

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State of Wisconsin
2015 - 2016 LEGISLATURE

173511

LRB-1238/2
TJD:cjs:jf

Due 2/16 Mon.
ASAP

2015 BILL

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Companion -
no changes

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1 AN ACT to create 49.4713 of the statutes; relating to: premium and
2 cost-sharing assistance for health plans through the Medical Assistance
3 program.

Analysis by the Legislative Reference Bureau

Currently, the Department of Health Services (DHS) administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited financial resources. Some MA services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus (BC+) and BadgerCare Plus Core (BC+ Core) programs. Certain parents and caretaker relatives and certain childless adults with incomes of not more than 100 percent of the federal poverty line (FPL), before a 5 percent income disregard is applied, are currently eligible for BC + or BC+ Core benefits.

The federal Patient Protection and Affordable Care Act (ACA) creates American health benefit exchanges through which individuals purchase coverage under a qualified health plan, which is health insurance that meets certain criteria under the ACA. Generally, under the ACA, individuals with household incomes between 100 and 400 percent of the FPL who purchase certain qualified health plans through the American health benefit exchanges (exchanges) qualify for income tax credits to subsidize some of the cost of purchasing the qualified health plan. Qualified health plans may require cost-sharing, such as deductibles or copayments, and the ACA provides certain individuals who purchase specific plans through an

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exchange with reductions in cost-sharing. The ACA also provides financial assistance through an enhanced federal medical assistance percentage (FMAP) to states that expand their Medicaid programs. The enhanced FMAP under the ACA applies to certain newly eligible individuals whose family income level is up to 133 percent of the FPL.

This bill requires DHS to create a premium assistance program to pay premiums and any cost-sharing amounts to assist eligible parents or caretaker relatives and eligible childless adults in purchasing coverage through a qualified health plan offered through an American health benefit exchange. Eligible parents or caretaker relatives and eligible childless adults are those who would otherwise be eligible for BC+ or BC+ Core except that their family income exceeds the eligibility requirements for BC+ or BC+ Core but does not exceed 133 percent of the FPL. The bill also requires that DHS ensure that individuals who become eligible for BC+ or BC+ Core while having coverage under a qualified health plan that is offered by an insurer that also offers a managed care plan for the MA program are allowed to transition from the qualified health plan to the managed care plan. DHS must also ensure that eligible parents, caretaker relatives, and childless adults are allowed to enroll in qualified health plans throughout the year and not solely during open enrollment periods determined by the federal government.

DHS is required to submit a request for any necessary approval to the federal government to implement the premium assistance program and to qualify for the highest available enhanced FMAP for eligible childless adults, parents, and caretaker relatives in the premium assistance program, childless adults eligible for BC+ Core, and, if considered newly eligible under the ACA, parents and caretaker relatives eligible for BC+. If DHS does not receive federal approval for the premium assistance program or does not qualify, or ceases to qualify, for an enhanced FMAP, DHS must submit a cost analysis to the Joint Committee on Finance (JCF). If JCF approves of eliminating the premium assistance program, DHS is not required to implement the premium assistance program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 49.4713 of the statutes is created to read:
- 2 **49.4713 Premium assistance program. (1) DEFINITIONS.** (a) “Eligible
- 3 childless adult” means an individual who is eligible under s. 49.45 (23) (a) except that
- 4 his or her family income exceeds the income level described in s. 49.45 (23) (a) but
- 5 does not exceed 133 percent of the poverty line.

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1 (b) “Eligible parent or caretaker” means an individual who satisfies the criteria
2 in s. 49.471 (4) (a) 4. a. and whose family income exceeds the income level described
3 in s. 49.471 (4) (a) 4. b. but does not exceed 133 percent of the poverty line.

4 (c) “Enhanced federal medical assistance percentage” means a federal medical
5 assistance percentage described under 42 USC 1396d (y) or (z) on January 1, 2015.

6 (d) “Qualified health plan” means a plan defined in 42 USC 18021 (a) that is
7 offered through any American health benefit exchange, as described in 42 USC
8 18031, that is operating in the state.

9 **(2) PREMIUM AND COST-SHARING ASSISTANCE; MANAGED CARE PLANS.** (a) The
10 department shall establish a premium assistance program to pay premiums and any
11 cost-sharing amounts from moneys allocated for the Medical Assistance program for
12 any eligible childless adult and any eligible parent or caretaker to purchase coverage
13 under a qualified health plan.

14 (b) The department, and the office of the commissioner of insurance if
15 necessary, shall ensure that an individual who becomes eligible for a program under
16 s. 49.45 (23) or s. 49.471 while having coverage under a qualified health plan that
17 is offered by an insurer that also offers a managed care plan for the Medical
18 Assistance program may transition from the qualified health plan to the managed
19 care plan.

20 (c) The department, and the office of the commissioner of insurance if
21 necessary, shall ensure that eligible childless adults and eligible parents and
22 caretakers are allowed to enroll in qualified health plans throughout the year and
23 not solely during an open enrollment period determined by the federal government.

24 **(3) FEDERAL APPROVAL.** (a) The department shall submit any amendment to the
25 state medical assistance plan, request for a waiver of federal Medicaid law, or other

BILL

1 request for other approval required by the federal government to implement the
2 premium assistance program under sub. (2) and to qualify for the highest available
3 enhanced federal medical assistance percentage for eligible childless adults and
4 eligible parents and caretakers under this section, for individuals described under
5 s. 49.45 (23) (a), and for any individuals described under s. 49.471 (4) (a) 4. that are
6 considered newly eligible under 42 USC 1396d (y) (2) (A).

7 (b) If the department does not receive federal approval for a premium
8 assistance program substantially similar to sub. (2) or does not qualify, or ceases to
9 qualify, for an enhanced federal medical assistance percentage requested under par.
10 (a), the department shall submit to the joint committee on finance a fiscal analysis
11 comparing the cost of the premium assistance program to only providing benefits
12 under s. 49.45 (23) and s. 49.471. If the joint committee on finance approves of
13 eliminating the premium assistance program, the department is not required to
14 implement the premium assistance program under sub. (2).

15 (END)

Barman, Mike

From: Becker, Kelly
Sent: Monday, February 16, 2015 10:08 AM
To: LRB.Legal
Subject: Draft Review: LRB -1735/1 Topic: Require DHS to request waiver for premium assistance program for those with incomes 100 to 133 percent of the poverty line

Please Jacket LRB -1735/1 for the SENATE.