

2017 DRAFTING REQUEST

Assembly Amendment (AA-AB885)

For: Gordon Hintz (608) 266-2254

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By: Chris

Secondary Drafters:

Date: 2/12/2018

May Contact: Jon (LFB)
Kelly (Sen. Erpenbach)

Same as LRB:

Submit via email: YES
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Pre Topic:

No specific pre topic given

Topic:

Medicaid expansion; BadgerCare buy-in

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tdodge 2/12/2018				
/1		eweiss 2/13/2018	mbarman 2/13/2018	mbarman 2/13/2018	

FE Sent For: <END>

WISCONSIN LEGISLATIVE REFERENCE BUREAU

Information Services 608-266-0341—Legal Services 608-266-3561



Accept Medicaid expansion

2017

Badger Care Buy-in 'AB 449



State of Wisconsin
2017 - 2018 LEGISLATURE

LRBa2103/1

TJD:...

emw&wj

Now -
by 8:30am

Joint
Finance

**ASSEMBLY AMENDMENT ,
TO ASSEMBLY BILL 885**

SA ✓
PWF ✓

1 At the locations indicated, amend the bill as follows:

2 1. Page 5, line 6: after that line insert:

3 "SECTION 3c. 49.45 (23) (a) of the statutes is amended to read:

4 49.45 (23) (a) The department shall request a waiver from the secretary of the
5 federal department of health and human services to permit the department to
6 conduct a demonstration project to provide health care coverage to adults who are
7 under the age of 65, who have family incomes not to exceed 100 133 percent of the
8 poverty line before application of the 5 percent income disregard under 42 CFR
9 435.603 (d), except as provided in s. 49.471 (4g), and who are not otherwise eligible
10 for medical assistance under this subchapter, the Badger Care health care program
11 under s. 49.665, or Medicare under 42 USC 1395 et seq.

12 SECTION 3d. 49.471 (1) (cr) of the statutes is created to read:

1 49.471 (1) (cr) “Enhanced federal medical assistance percentage” means a
2 federal medical assistance percentage described under 42 USC 1396d (y) or (z).

3 **SECTION 3e.** 49.471 (4) (a) 4. b. of the statutes is amended to read:

4 49.471 (4) (a) 4. b. The Except as provided in sub. (4g), the individual’s family
5 income does not exceed ~~100~~ 133 percent of the poverty line before application of the
6 ~~5 percent income disregard under 42 CFR 435.603 (d).~~

7 **SECTION 3f.** 49.471 (4g) of the statutes is created to read:

8 49.471 (4g) MEDICAID EXPANSION; FEDERAL MEDICAL ASSISTANCE PERCENTAGE. (a)
9 For services provided to individuals described under sub. (4) (a) 4. and s. 49.45 (23),
10 the department shall comply with all federal requirements to qualify for the highest
11 available enhanced federal medical assistance percentage. The department shall
12 submit any amendment to the state medical assistance plan, request for a waiver of
13 federal Medicaid law, or other approval request required by the federal government
14 to provide services to the individuals described under sub. (4) (a) 4. and s. 49.45 (23)
15 and qualify for the highest available enhanced federal medical assistance
16 percentage.

17 (b) If the department does not qualify for an enhanced federal medical
18 assistance percentage, or if the enhanced federal medical assistance percentage
19 obtained by the department is lower than printed in federal law as of July 1, 2013,
20 for individuals eligible under sub. (4) (a) 4. or s. 49.45 (23), the department shall
21 submit to the joint committee on finance a fiscal analysis comparing the cost to
22 maintain coverage for adults who are not pregnant and not elderly with family
23 incomes up to 133 percent of the poverty line to the cost of limiting eligibility to those
24 adults with family incomes up to 100 percent of the poverty line. The department
25 may reduce income eligibility for adults who are not pregnant and not elderly from

Insert 3-4

1 family incomes of up to 133 percent of the poverty line to family incomes of up to 100
2 percent of the poverty line only if this reduction in income eligibility levels is
3 approved by the joint committee on finance.

4 **2.** Page 14, line 4: after that line insert:

5 “(2m) INCREASING MEDICAL ASSISTANCE REIMBURSEMENT RATES. The department
6 of health services shall amend the state Medicaid plan to increase reimbursement
7 rates for providers of medical and long-term care services providers under the
8 Medical Assistance program for dates of service on and after July 1, 2018.”

9 **3.** Page 14, line 9: after that line insert:

10 “(2m) MEDICAID EXPANSION. In the schedule under section 20.005 (3) of the
11 statutes for the appropriation to the department of health services under section
12 20.435 (4) (b) of the statutes, the dollar amount for fiscal year 2018-19 is decreased
13 by \$203,000,000 to provide Medical Assistance to certain adults with family incomes
14 up to 133 percent of the federal poverty line.

15 (3m) MEDICAL ASSISTANCE REIMBURSEMENT RATES. In the schedule under section
16 20.005 (3) of the statutes for the appropriation to the department of health services
17 under section 20.435 (4) (b) of the statutes, the dollar amount for fiscal year 2018-19
18 is increased by \$²⁰123,000,000 to provide a purchase option under BadgerCare Plus
19 under section 49.471 (4m) of the statutes.

20 **SECTION 13m. Effective dates.** This act takes effect on the day after
21 publication, except as follows:

1 INSERT 3-4

2 **SECTION 3g.** 49.471 (4m) of the statutes is created to read:

3 49.471 (**4m**) PURCHASE OPTIONS FOR BADGERCARE PLUS AND THE ASSISTANCE FOR
4 CHILDLESS ADULTS DEMONSTRATION PROJECT. (a) 1. The department shall, if required,
5 request a waiver from or submit amendments to the state Medical Assistance plan
6 to the secretary of the federal department of health and human services to establish
7 a program that allows individuals with income above the maximum income
8 eligibility limit applicable under this section or the assistance for childless adults
9 demonstration project under s. 49.45 (23), and who otherwise meet the eligibility
10 requirements under this section or under s. 49.45 (23), the option of purchasing
11 coverage through this section or through the demonstration project under s. 49.45
12 (23) instead of purchasing an individual health plan through private insurance. The
13 department shall also include a request for any federal waiver or state Medical
14 Assistance plan amendments necessary to allow an option for small businesses to
15 purchase coverage for their employees under this section as part of the small
16 business health options program through an exchange under 42 USC 18031.

17 2. The department shall seek any federal waiver and state Medical Assistance
18 plan amendments necessary to allow individuals who qualify under subd. 1. to use
19 advanced tax credits and cost-sharing credits, if eligible, to purchase one of the
20 options described under subd. 1.

21 (b) 1. The department shall coordinate the administration of the purchase
22 options under this subsection with the programs under this section and s. 49.45 (23)
23 to maximize efficiency and improve the continuity of care, consistent with the

1 requirements of this section and s. 49.45 (23). The department shall seek to
2 implement mechanisms to ensure the long-term financial sustainability of the
3 programs under this section and s. 49.45 (23). These mechanisms must address
4 issues related to minimizing adverse selection, the state financial risk and
5 contribution, and negative impacts to premiums in the individual and group
6 insurance markets.

7 2. The purchase option program shall include, at a minimum, all of the
8 following attributes:

9 a. Establishment of an annual per enrollee premium rate similar to the average
10 rate paid by the state to managed care plan contractors.

11 b. Establishment of a benefit set equal to the benefits covered under this section
12 and s. 49.45 (23).

13 c. Annual enrollment that is limited to the same annual open enrollment
14 periods established for the programs under this section and s. 49.45 (23).

15 d. The ability for the department to adjust the purchase option's actuarial value
16 to a value no lower than 87 percent.

17 e. Reimbursement mechanisms for addressing potential increased costs to the
18 programs under this section and s. 49.45 (23).

19 (c) By March 1, 2019, the department of health services shall submit a report
20 to the appropriate standing committee in each house of the legislature under s.
21 13.172 (3) that provides information on the status of the request for a federal waiver
22 and the results from actuarial and economic analyses that are necessary for a waiver
23 proposal.

24 (d) If any necessary waiver or amendments to the state plan described under
25 par. (a) 1. are approved, the department shall implement the program. If the

1 department is authorized to implement the program, and if any waiver or state plan
2 amendment described under par. (a) 2. is necessary and is approved, or if the
3 department determines neither a waiver nor state plan amendment is necessary, the
4 department shall allow the purchase options described under par. (a) 2.

5 END INSERT 3-4