State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-2756/P2
SWB:kjf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT ***to create*** 49.471 (4m) of the statutes; **relating to:** BadgerCare Plus and assistance for childless adults demonstration project purchase options.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Health Services to request a waiver or submit amendments to the state Medical Assistance plan to permit certain individuals whose income is greater than the income eligibility limit for the BadgerCare Plus program or the assistance for childless adults demonstration project to purchase coverage through these programs through a separate purchase option.

Currently, DHS administers the Medical Assistance program, which is a joint federal and state program that provides health services to individuals who have limited financial resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus program and the childless adult demonstration project. Under current law, certain parents and caretaker relatives with incomes of not more than 100 percent of the federal poverty line, before a 5 percent income disregard is applied, are eligible for BadgerCare Plus benefits. Under current law, childless adults who 1) are under age 65; 2) have family incomes that do not exceed 100 percent of the FPL, before a 5 percent income disregard is applied; and 3) are not otherwise eligible for Medical Assistance, including BadgerCare Plus, are eligible for benefits under the assistance for childless adults demonstration project.

This bill requires DHS to request a waiver from or submit amendments to the state Medical Assistance plan to the secretary of the federal Department of Health

and Human Services that would allow individuals whose income is greater than the eligibility limit for the BadgerCare Plus or the childless adults demonstration project, but who otherwise meet the eligibility requirements, to purchase coverage through a separate purchase option program that meets criteria specified in the bill. The bill requires DHS to submit a report providing information on the status on the progress of receiving a federal waiver and the results from actuarial and economic analyses that are necessary for a waiver proposal. If any necessary waiver or state plan amendments are approved, DHS must implement the program. The bill also requires DHS to seek any federal waiver and state Medical Assistance plan amendments necessary to allow qualified individuals who choose to purchase the BadgerCare Plus option or the childless adult demonstration project option to use advanced tax credits and cost–sharing credits, if eligible, to purchase one of these options. If DHS is authorized to implement the program, and if 1) any waiver or state plan amendment is necessary and is approved, or 2) DHS determines neither a waiver nor state plan amendment is necessary, DHS shall allow the use of advanced tax credits and cost–sharing credits to purchase the BadgerCare Plus option or the childless adult demonstration project option.

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

****NOTE: I have modified references to BadgerCare Plus Core in this version of the draft as we wanted to be sure to capture the substance of the program regardless of what the program is called by the department.

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

SECTION 1. 49.471 (4m) of the statutes is created to read:

49.471 **(4m)** PURCHASE OPTIONS FOR BADGERCARE PLUS AND THE ASSISTANCE FOR CHILDLESS ADULTS DEMONSTRATION PROJECT. (a) 1. The department shall, if required, request a waiver from or submit amendments to the state Medical Assistance plan to the secretary of the federal department of health and human services to establish a program that allows individuals with income above the maximum income eligibility limit applicable under this section or the assistance for childless adults demonstration project under s. 49.45 (23), and who otherwise meet the eligibility requirements under this section or under s. 49.45 (23), the option of purchasing

coverage through this section or through the demonstration project under s. 49.45 (23) instead of purchasing an individual health plan through private insurance.

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

(b) 1. The department shall coordinate the administration of the purchase options under this subsection with the programs under this section and s. 49.45 (23) to maximize efficiency and improve the continuity of care, consistent with the requirements of this section and s. 49.45 (23). The department shall seek to implement mechanisms to ensure the long–term financial sustainability of the programs under this section and s. 49.45 (23). These mechanisms must address issues related to minimizing adverse selection, the state financial risk and contribution, and negative impacts to premiums in the individual and group insurance markets.

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

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

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

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

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

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

(c) By March 1, 2018, the department of health services shall submit a report to the appropriate standing committee in each house of the legislature under s. 13.172 (3) that provides information on the status of the request for a federal waiver and the results from actuarial and economic analyses that are necessary for a waiver proposal.

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

(END)