ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB577

Hearing Date: Thursday February 28, 2013
Committee On: Health and Human Services
Introducer: Campbell
One Liner: Change provisions relating to the medical assistance program

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	5	Senators Krist, Howard, Crawford, Cook, Campbell
Nay:	1	Senator Watermeier
Absent:		
Present Not Voting:	1	Senator Gloor

Proponents:	**Representing:**
Senator Kathy Campbell	District #25
Jim Stimpson	Self
Jennifer Carter	Nebraska Appleseed
Rowen Zetterman	Nebraska Medical Association
Sharon Lind	Nebraska Hospital Association
Mary Ann Borgeson	Douglas County Board of Commissioners
Nancy Fulton	Nebraska State Education Association
Beatty Brasch	Center for People in Need
Russell Gronewold	Bryan Health and Alegent Creighton Health
Stacie Bleicher	Nebraska Chapter of American Academy of Pediatrics
Jessica Meeske	Self
Laila Gharzai	Self
Jonah M. Deppe	National Alliance on Mental Illness, NAMI NE
Jamie Peters	Nebraska Nurse Practitioners Association
Kathy Hoell	Self
Rebecca Rayman	Health Center Association of Nebraska
Jon Bailey	Center for Rural Affairs
Topher Hansen	Nebraska Association of Behavioral Health Organizations (NABHO)
Brad Meurrens	Disability Rights Nebraska
Jim Cunningham	Nebraska Catholic Conference
Monica Martz	Self
John Cavanaugh	Nebraska Child Healthcare Alliance and Building Bright Futures
Lowen Kruse	Self
Patricia Jurjevich	Nebraska Association of Regional Administrators
Linda Duckworth	League of Women Voters of Nebraska
Mark Intermill	AARP

Opponents:	**Representing:**

Vivianne Chaumont	DHHS Division of Medicaid and Long-term Care
Linda Rohman	Self
Mike Groene	Western Nebraska Taxpayers Association

Neutral: **Representing:**

Summary of purpose and/or changes:
The intent of LB 577 is to require Nebraska Medicaid to add the newly eligible adult population under the Patient Protection and Affordable Care Act to the Nebraska Medicaid state plan amendment; and outlines the health coverage provided under the program.

The bill provides for expanded eligibility to low-income adults who are age 19 to 65. The inclusion of this population will provide health coverage for uninsured childless adults from 0-138% of the Federal Poverty Level (FPL) when the 5% income disregard is included, for 2013 an individual income limit would be $15,856.

Additionally, some low income uninsured parents will also obtain coverage under this option. Currently, Nebraska parents are generally not covered by Medicaid above 54% FPL (in 2013-$8,375 for a family of two, $10,546 for a family of three).

In addition, by choosing this Medicaid option as outlined in LB 577 an inequity regarding subsidies within the ACA will be addressed. Under the ACA adults with incomes from 100%- 400% FPL are eligible for subsidies to purchase insurance in the health insurance exchanges. However, adults under 100% do not qualify for subsidies. Without the Medicaid benefits provided by this bill adults with incomes under 100% FPL ($11,490 a year in 2013) will not qualify for any assistance, leaving them uninsured and without any subsidies for purchasing coverage within the exchanges.

The ACA provides four options from which states may choose a benchmark benefit plan for the newly eligible adult population. The options are one of three commercial insurance products or a fourth "Secretary-approved coverage." The "Secretary-approved coverage" can include the Medicaid state plan benefit package offered in the state. LB 577 identifies the "Secretary-approved coverage" as the option and specifies that the Medicaid benefit coverage for the new adult group shall include the mandatory and optional coverage under traditional Nebraska Medicaid. Choosing the state's current Medicaid benefit package as the benchmark allows for continuity of coverage for individuals currently enrolled; it provides equity of coverage between current Medicaid enrollments and new eligibles; and it assures the health care needs of this population is met in a way that provides appropriate preventive care for health cost savings. Additionally, it has the advantage of administrative simplicity in determining eligibility and administrating benefits and making the program easier for enrollers to explain and for consumers to understand.

LB 577 specifies that the Medicaid new adult population benefit plan shall also include benefits required by the ACA as listed. Additionally the bill requires the benefit plan must comply with the requirements of the Mental Health Parity and Addiction Equity Act as required under the ACA.

The bill provides that the Essential Health Benefits described in section 1302(b) of the ACA, including habilitative services, are covered in the benefit plan as required for the newly eligible adult population. LB 577 defines habilitative services "as services designed to assist a person in acquiring, retaining, and improving the self-help, socialization, and adaptive skills necessary for daily living." This definition is modeled after the habilitative services definition currently found in Medicaid's 1915 Home and Community Based Waiver. Under this program, Nebraska Medicaid habilitative services means "services designed to assist individuals in acquiring, retaining, and improving the self help socialization and adaptive skills necessary to reside successfully in home and community based settings."

As a contingency, LB 577 provides, in the event of an unforeseen complication regarding the "Secretary-approved coverage" full Medicaid option, that the department is required to choose an alternative benchmark plan for the newly eligible adults under the ACA Medicaid expansion population as outlined. This requires the coverage of the newly eligible population to occur under a different option rather than not be implemented.

Finally, the bill reiterates that the newly eligible low income adult population will qualify for the enhanced federal medical assistance percentage (FMAP) as outlined in the ACA. From 2014 through 2016 the FMAP is 100% federal funds. In 2017 it is 95% federal funds, 2018 it is 94%, and 2019 it is 93% FMAP. From 2020 and beyond the FMAP is 90% federal funds and 10% state funds for the coverage of the newly eligible adult population under Medicaid.

Kathy Campbell, Chairperson