ONE HUNDRED THIRD LEGISLATURE - SECOND SESSION - 2014
COMMITTEE STATEMENT
LB887

Hearing Date: Wednesday January 29, 2014
Committee On: Health and Human Services
Introducer: Campbell
One Liner: Adopt the Wellness in Nebraska Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

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

Proponents:	**Representing:**
Senator Kathy Campbell	District 25
Kim Russell	Bryan Health
Kevin Nohner	Nebraska Medcial Association
Todd Ruhter	Self
Oksana Kling	Self
Sharon Lind	Nebraska Hospital Association
Anisah Nabilah Nu'Man	Lincoln Alumni Chapter, Delta Sigma Theata, Inc
Lynn Redding	Self
Deb Schorr	Lancaster & Douglas Counties, Nebraska Assocation of County Officials
Jim Otto	Nebraska retaurant Assocation, Nebraska Retail Federation
Sarita Penka	Self
Amber Hansen	Community Action of Nebraska
Richard Brown	Health Center Association of Nebraska
Paul Homer	Student Delegates
Jordan Delmundo	Nebraska AIDS Project
Melissa Florell	Nebraska Nurses Association
Jon M. Bailey	Center for Rural Affairs
Sarah Gershen	Self
Jessica Meeske	Nebraska Dental Association
Kay Oestmann	Friends of Public Health
John Cavenaugh	The Holland Children's Movement
John Hansen	Nebraska Farmers Union
James Goddard	Nebraska Appleseed
Mark Intermill	AARP
Nancy Fulton	Nebraska State Education Association
Michael Chiltenden	The ARC of Nebraska
Brian Mary	Self
Brad Meurrens	Disability Rights- Nebraska

Lowen Kruse	OTOC, IMN

Opponents:	**Representing:**
Doug Kagan	Nebraska Taxpayers for Freedom
Paul Von Behren	Self
Kerry Winterer	DHHS
Bruce Ramage	Nebraska Department of Insurance
Matt Litt	Americans for Prosperity Nebraska
Dick Clark	Platte Institute
Martin Swanson	Nebraska Department of Insurance
Mary Gerdes	Self
George Levy	Self

Neutral:	**Representing:**

Summary of purpose and/or changes:

LB 887, the Wellness in Nebraska Act provides, through Medicaid expansion demonstration waivers, health care coverage to uninsured and underinsured newly eligible individuals, age 19 through 64 between 0 and 133% of the Federal Poverty Limit. Coverage will begin January 1, 2015, or as soon after as the waivers are accepted. In order to maximize the federal funds available to the state, within thirty day of enactment of LB 887, the department will apply for Medicaid expansion for the newly eligible adult population within the Medicaid managed care program, through a State Plan Amendment, until the demonstration waivers takes effect.

The WIN Act provides coverage: (1) through the WIN Marketplace with health insurance premiums paid by Medicaid funds (a) to purchase qualified health plans on the health benefit exchange for newly eligible with 100-133% FPL or (b) through payment of the employee portion of employer sponsored insurance (if determined by the state to be cost effective); and (2) through WIN Medicaid Coverage with Medicaid managed care for newly eligible (a) at or below one hundred percent of the federal poverty level or (b) at or below one hundred thirty-three percent federal poverty level for newly eligibles who are medically frail or have exceptional medical conditions.

The Medicaid funding is provided through an enhanced match of federal funds: for 2014-2016 federal funds will cover 100% of costs, for 2017-95%, for 2018-94%, for 2019-93% and for 2020 and after 90% federal funds. The administrative costs are a 50%-%50% match; and the IT costs are 90% federal funds with 10% state funds.
Newly eligible individuals may enroll in WIN coverage if they provide all information regarding residence, financial eligibility, citizenship immigration status, eligibility for employer-sponsored health insurance and is determined to be eligible by the department for WIN coverage.

WIN Marketplace Newly eligible adult members will select a commercial health plan, through the Health Benefits Exchange (also known as the Marketplace). Members will select from a commercial high value silver plan. The Medicaid program will pay the premium, plus any co-pays, co-insurance deductible and wrap-around benefits for the qualified health plan (QHP) to health plan issuer on the individual's behalf. The commercial plan will provide coverage for comprehensive health services as required including Essential Health Benefits that include: ambulatory patient services, emergency services, hospitalization, mental health and substance use disorder services, rehabilitative and habilitative services, laboratory services, preventive and wellness services, and prescription drugs. In addition, wrap around benefits required by Medicaid that are not covered by QHP such as non-emergency transportation, early preventative screening, diagnosis and treatment services for individuals under twenty-one years of age and dental will be provided by the department. Monthly contributions of 2% of income for newly eligible adults participating in the Marketplace Coverage plan will be required after the first year of WIN. The WIN Marketplace will provide incentives for members to engage in health and wellness activities that will provide the opportunity to waive monthly contributions.
Initially the preventive services and wellness activities shall include an appointment with a primary care physician and a health risk assessment. There will be no co-payments under WIN, except for a copay for the inappropriate utilization of the emergency room. Marketplace Coverage through a QHP will allow individuals to stay on the same plan on the

Exchange as their income increases above 133%, they are no longer eligible for Medicaid and begin to pay for premiums. The delivery innovation includes emphasis on whole-person orientation and incorporating primary care systems as a foundation of care, including patient-centered medical homes. The Wellness in Nebraska Act through the WIN Marketplace will provide additional stability to the Exchange as the 20,000 plus newly eligible population assist in lowering the cost to all Nebraska Marketplace participants. The involvement of the 100-133% newly eligible population in the Marketplace will, also, help reduce the churning between Medicaid and the Marketplace- saving state funds and providing stability in coverage for members who will stay enrolled in the same plan regardless of whether coverage is subsidized through Medicaid or tax credits as member incomes increase.

WIN Employer-sponsored Insurance New eligibles with access to employer-sponsored insurance (ESI) will participate in the WIN employer sponsor insurance premium program if the department determines such participation to be cost effect to the state. Premium payments for the employee portions of the coverage shall be made by the department for the continued purchase of employer-sponsored insurance. The department shall provide for wrap-around benefits that are not covered by the ESI. This WIN ESI policy will support the continuation of employer-sponsored insurance by maintaining the members on the ESI group plan, if cost effective, thereby supporting employers' provision of insurance, lower cost participation for all employees participating in the group plan, lower cost to the Medicaid program, and providing the newly eligible employee with Medicaid subsidy.

WIN Medicaid Managed Care New eligibles between 0-100% FPL will be provided coverage through through Managed Care. Coverage will include mandatory and optional Medicaid services required by the current Nebraska Medicaid Program and an additional services required under the Affordable Care Act. Members are required to schedule, within the first sixty days of enrollment, an appointment with a primary care provider, and where available, participate in a patient-centered medical home. After the first year of WIN there is a monthly contributions of 2% of income for adults with incomes greater than 50% of the Federal Poverty Level. To encourage wellness and preventative services the contributions are waived after the first year if the member completes preventive services and/or wellness activities that include the initial appointment, a yearly exam, and a risk assessment. The monthly contributions are utilized rather than co-payments, except for inappropriate use of the emergency room when there was no medical emergency. The WIN Medicaid Coverage will assist in health care reform by enhancing delivery systems through innovations and utilizing the managed care system to focus on primary care and patient centered medical homes, emphasize preventive care, and encourage the appropriate utilization of services in the most cost-effective manner. Without WIN Medicaid the 0-100% FPL newly eligible population will be left with no coverage assistance, no premium assistance and no tax subsidies to purchase insurance, leaving thousands of Nebraskans without life-saving care and continuing the expensive uncompensated cost shifting to Nebraska health providers and health care consumers.

WIN Medically frail and exception medical needs Newly eligible members with FPL from 0-133% that are medically frail or have exceptional medical conditions shall be covered under Medicaid managed care. Medically frail or exceptional medical condition means a disabling mental disorder, a serious and complex medical condition, and physical or mental disability that significantly impair an individual's ability to perform one or more activities of daily leaving. Medically frail or exceptional medical condition includes at least two chronic conditions, or one chronic condition and the risk of a second chronic condition, or a serious and persistent mental health condition. The waiver application for WIN shall include a pilot program requiring each managed health organization to provide at least three health homes programs for this population. Health homes shall provide intensive care management and patient navigation services headed by a primary care provider who shall lead a multidisciplinary team which shall collectively take responsibility for the health related needs of the patient to provide integrated cost effective quality services.

Health Delivery Innovations The goal of WIN is to engage newly eligible participants in health care and leverage the corresponding financial resources made available through the ACA to assist in the transformation of Nebraska's health care system to quality patient-centered wellness, coordinated appropriate level of care and value-based reimbursement. WIN shall include health care innovations and integrated care models to deliver health care to newly eligible individual through WIN with an emphasis on whole person orientation and incorporating primary care systems. A foundational component of such innovations and integrated care models shall be participation in patient-centered medical homes.

WIN Oversight Committee The WIN Oversight Committee shall be chaired by the Health and Human Services

Committee Chairperson and include as members: two members for the Health and Human Services Committee; two members of the Appropriations Committee; two members of the Banking, Commerce and Insurance Committee; and two at-large members of the Legislature. All member shall be appointed by the Executive Committee of the Legislature. This Oversight Committee will coordinate with the executive branch and health care stakeholders to: a) apply to CMS for the demonstration waivers, b) plan for health care innovations, including the increase of patient centered medical homes and health homes to care for individuals with complex health needs, c) review emergency room usage to improve appropriate health intervention and treatment systems, d) develop policies for purposes of minimizing the disruption of care for individuals moving between Medicaid, the Exchange and Employer provided insurance to minimize churning, and d) recommend reimbursement methodology to promote value based payments, wellness, prevention, and chronic care management in a cost effective manner. The Oversight Committee may hire a consultant with training and expertise in health care system innovation and Medicaid, preferably including specialized knowledge and experience in the process of applying and negotiating Medicaid waivers. The committee may, also, utilize stakeholders in work groups to assist with the WIN Act.

Wellness Activities The wellness plan offers members the predictability and certainty of monthly financial contribution, which can be eliminated through the completion of healthy behaviors. Required contributions will provide individuals with consistent program policies and assist in developing financial management skills that will help as member income increases and they move to Marketplace participation through tax subsidies and premium assistance. Preventive care services and wellness activities shall include, but are not limited to, the engagement of a primary care provider within sixty days of enrollment, an annual physical and completion of an approved health risk assessment to identify unhealthy characteristics, including chronic disease, alcohol use, substance use disorders, tobacco use, obesity and immunization status.

WIN Evaluation and Contingency Plan if Federal Funds are reduced The demonstration waiver application will include an evaluation of WIN. If the federal funding under the ACA falls below ninety percent, the Legislature in the first regular legislative session following such reduction in federal funding shall review WIN to determine how to mitigate the impact on state expenditures and review health coverage options available for person receiving coverage under WIN.

Explanation of amendments:
The Committee Amendment divides "medically frail and exceptional medical condition" in to two definitions and provides consistency in the use of the terms throughout the bill. Adds "primary care" definition. The definition reflects the Institute of Medicine definition and the examples from current Nebraska statute. Under primary care provider changes the "advance care practitioner" to "advance practice registered nurse", who are the only advanced care practitioner covered under Nebraska credentialing.

The Committee Amendment, also: takes out risk bearing in the Accountable Care Organization; clarifies that wrap-around services are not to be part of a QHP but that DHHS will provide for the services required under CMS; takes out the requirement that the DOI "promote" two or more QHP in the exchange; removes the requirement that all participating carriers in the health benefit exchange shall offer coverage conforming to WIN; clarifies that WIN beneficiaries have access to the same network and comparable coverage in in Marketplace without discrimination in network because an individual is a WIN participant; removes the language that the Oversight Committee recommendations for policy for transition may include managed care companies being required to provide QHP in the exchange because some Medicaid Managed Care Companies do not provide any commercial insurance; removes the requirement that as a part of the health risk assessment members receive information on, and discuss with their provider, advance directives.

The Committee Amendment removes the requirement for PCMH to be certified, or plan to be certified, by January 1, 2016. Instead, gives the Oversight Committee responsibility for reviewing national certification entities' certification requirements, the PCMH Agreement experience, and the PCMH Pilot to recommend certification standards for Nebraska PCMH.

The Committee Amendment adds that the Oversight Committee will make a proposal for a Coordinator of Medicaid Quality Improvement and Cost Analysis to review Quality in Nebraska Medicaid. This may include responsibilities re health care analytics for quality improvement, cost and outcome metrics, analyzing trends, etc.

Additionally, the amendment requires an actuarial study to provide statistical data and analysis for the waiver applications to enact WIN. It provides as a contingency that if CMS does not approve the WIN Marketplace waiver, the WIN Marketplace newly eligibles population will participate in the WIN Medicaid waiver.

Finally, the Committee Amendment adds the language of LB 578, as amended by the proposed HHS LB 578 Committee Amendment, to redirect a portion of the funding previously used to subsidize health insurance coverage for Nebraskans with pre-existing conditions through the Nebraska Comprehensive Health Insurance Pool to a newly-created Health Care Access and Support Fund. This new fund shall be used to financially support the health care coverage costs provided through the Medicaid state plan amendment and waivers for newly eligible adults below the 133% poverty level required under the Wellness in Nebraska Act.

Kathy Campbell, Chairperson