

One Hundred Third Legislature - Second Session - 2014

Introducer's Statement of Intent

LB887

Chairperson: Senator Kathy Campbell

Committee: Health and Human Services

Date of Hearing: January 29, 2014

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The intent of the Wellness in Nebraska Act is to provide health care coverage to approximately 55,000 uninsured and under insured newly eligible individuals, age 19 through 65 between 0 and 133% of the Federal Poverty Limit, who are not otherwise qualified for Medicaid, through a Medicaid expansion demonstration waiver.

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.

The Wellness in Nebraska Act will: 1) Utilize the newly eligible population and the corresponding funding available through the Affordable Care Act for innovation in health care delivery in both WIN Marketplace and WIN Medicaid through a focus on primary care with patient centered medical homes as its foundation, and the goal of improving both the quality of care and health cost containment; 2) Encourage the development of cost-conscious consumer behavior in consumption of health care services through cost sharing that requires monthly contribution of 2% of income for newly eligible between 50-133% FPL for health coverage, with incentive for waiver of contribution if members participate in wellness activities; 3) Utilize an Oversight Committee of the Legislature to 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, and d) Recommend reimbursement methodology to promote wellness, prevention, and chronic care management in a cost effective manner.

The Wellness in Nebraska Act through the WIN Marketplace will help the exchange Marketplace increase stability as the 20,000 plus newly eligible population will assisted 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

for members who will stay enrolled in the same plan regardless of whether coverage is subsidized through Medicaid or tax credits as members incomes increase.

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 will be left with no coverage assistance, no premium assistance and no tax subsidies to purchase insurance, leaving thousands of Nebraskans with out life-saving care and continuing the expensive uncompensated cost shifting to Nebraska health providers and health care consumers. WIN Medicaid will provide the medically frail and members with exceptional medical conditions in a manner that promotes coordinated care and chronic disease management through the development of health homes.

The Medicaid funding and Oversight Committee planning will result in new payment methodologies and innovative delivery systems for more efficient and quality care. Also, the WIN Marketplace and WIN Medicaid Coverage plans increase prevention. 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 members' incomes increase and they move to marketplace participation with tax subsidies and premium assistance.

The Wellness in Nebraska Act is a win for all Nebraskans as it improves the health of, and health care coverage for, uninsured adults in Nebraska in a manner that not only increases access, but strengthens Nebraska' health care system through health delivery innovation, coordination of care, wellness incentives, strengthening of the primary care system, chronic disease management and personal responsibility.

Principal Introducer: _____

Senator Kathy Campbell