

One Hundred Fourth Legislature - Second Session - 2016

Introducer's Statement of Intent

LB1032

Chairperson: Senator Kathy Campbell

Committee: Health and Human Services

Date of Hearing: February 10, 2016

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

LB 1032, The Transitional Health Insurance Program Act, creates the “Transitional Health Insurance Program,” or “T-HIP.”

T-HIP provides health coverage to a newly eligible population of adults ages 19-65 with incomes below 133% of the Federal Poverty Level (FPL) in a way that utilizes the private health insurance market, emphasizes personal responsibility, leverages employer-sponsored insurance, strengthens Nebraska’s health care system, emphasizes job training and employment, and supports transitioning individuals off public programs and into private coverage as they advance economically.

Individuals eligible for T-HIP fall in a coverage gap in which they are ineligible for traditional Medicaid coverage but have incomes below 100% FPL, making them ineligible for Health Insurance Marketplace subsidies to make insurance affordable. **LB 1032** would allow eligible Nebraskans to access health insurance in three ways. The majority of T-HIP participants would be enrolled in private health insurance through a premium assistance model in which Medicaid dollars are leveraged to purchase private health plans. Other participants with offers of cost-effective employer-sponsored insurance (where the employer pays no less than 50% of the total cost of the employee’s coverage) may receive assistance in purchasing employer-sponsored insurance. Finally, participants exempt from enrollment in premium assistance, including those determined “medically frail,” would be enrolled in Medicaid coverage. Program participants with incomes over 50% FPL must contribute 2% of their monthly household income as a premium, along with an enhanced copayment for non-emergency emergency room use.

LB 1032 also supports and encourages innovation and health care best practices by encouraging utilization of primary care, patient-centered medical homes, and health homes.

LB 1032 encourages employment by referring participants to employment and education programs, and creating the Transitional Health Insurance Employment Program, which provides education and skills training targeted at specific state workforce needs. **LB 1032** also calls for data collection and analysis of the impact of providing health insurance on transitioning participants off of public assistance programs.

Principal Introducer: _____

Senator John McCollister