

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB441

Chairperson: Senator Merv Riepe

Committee: Health and Human Services

Date of Hearing: March 08, 2017

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

The intent of LB 441 is to require the Nebraska Department of Health and Human Services, Division of Medicaid and Long-Term Care to amend Nebraska's Medicaid state plan to cover the newly eligible population under the Patient Protection and Affordable Care Act (ACA) and to outline 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 0-133% of the Federal Poverty Level (FPL). For 2016, the 133% FPL for an individual was \$11,880 per year, or \$990/month. Additionally, some low-income uninsured parents will also obtain coverage under this bill. Currently, Nebraska parents are generally not covered by Medicaid above 58% FPL. In 2016, 58% FPL was \$11,688 per year, or \$974/month for a family of three.

The ACA provides four options from which states may choose a plan to cover the newly eligible adult population. The options are one of three commercial insurance products or "Secretary-approved coverage". The Secretary-approved coverage can include the Medicaid state plan benefit package offered in the state. LB 441 identifies the Secretary-approved coverage as the option for Nebraska's coverage and specifies that the Medicaid benefit coverage for the newly eligible adult group shall include mandatory and optional coverage under 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 enrollees and new eligibles; and it assures the health care needs of this population are met in a way that provides appropriate preventive care for cost savings. Additionally, it has the advantage of administrative simplicity for determining eligibility, administering benefits, and explaining the program to consumers. It would also allow for these newly eligible enrollees to be brought under the Heritage Health umbrella. In other words, LB 441 seeks to expand Medicaid eligibility in the simplest, most cost-effective manner.

Principal Introducer: _____

Senator Adam Morfeld