

SENATE FILE NO. SF0146

Medicaid expansion study.

Sponsored by: Senator(s) Scott, Bebout and Perkins and
Representative(s) MacGuire

A BILL

for

1 AN ACT relating to a possible expansion of the Medicaid
2 program; requiring a study of the benefits and costs of
3 expanding the Medicaid program; assigning duties to the
4 insurance department, the department of family services, the
5 department of health and the state library; providing for
6 actuarial and other studies; providing exceptions to state
7 contracting rules and regulations; setting reporting dates;
8 providing definitions; authorizing an additional at-will
9 position; providing appropriations; and providing for an
10 effective date.

11

12 *Be It Enacted by the Legislature of the State of Wyoming:*

13

14 **Section 1.**

15

1 (a) The insurance department shall conduct a study of
2 the possibility of expanding the Medicaid program including
3 an analysis of the costs and benefits of an expansion subject
4 to the following:

5

6 (i) Where appropriate and to the extent feasible
7 within study cost and time constraints the study shall use
8 actuarial principles in analyzing data and making estimates;

9

10 (ii) The study shall analyze the costs of a
11 conventional Medicaid expansion subject to the following:

12

13 (A) The analysis shall assume:

14

15 (I) The expansion is implemented as of
16 January 1, 2021;

17

18 (II) Rulemaking and obtaining federal
19 permission starts April 1, 2020;

20

21 (III) Initial enrollment takes place
22 during the open enrollment period in the fall of 2020; and

23

1 (IV) The first eligibility for benefits
2 is January 1, 2021.

3

4 (B) The analysis shall be reported on a
5 calendar year basis through 2026 and on a state fiscal year
6 basis, ending the state fiscal year ending June 30, 2026;

7

8 (C) The analysis shall show separately the
9 costs of benefits paid and all other costs labeled as
10 administrative costs, as provided pursuant to subsection (d)
11 of this section, and in distinguishing between these shall,
12 to the extent feasible, determine as the federal government
13 does the percentage of the costs federal Medicaid pays. The
14 report shall express these costs as a sum of federal and state
15 costs so that report recipients can calculate the separate
16 federal and state costs using their own estimates of the
17 percentage of benefits the federal government will pay. The
18 report shall also include tables showing the costs assuming
19 the current federal match for administrative costs with a
20 ninety percent (90%) federal match for benefits, and
21 separately using a fifty percent (50%) federal match for
22 benefits. The tables shall have a summary showing costs by
23 both calendar year and fiscal year adding both benefit and

1 administrative costs together, but showing the federal and
2 state costs separately;

3

4 (iii) The study shall, to the extent practical,
5 identify additional cost controls or cost containment
6 measures that an expansion could use with the permission of
7 the federal government through a 1115 waiver or otherwise.
8 The study shall indicate how or why the measures would reduce
9 costs or improve quality, but is not expected to include a
10 detailed financial or actuarial analysis of the cost control
11 or cost containment measures;

12

13 (iv) The analysis conducted pursuant to paragraph
14 (ii) of this subsection shall consider to the extent
15 practical:

16

17 (A) The age and gender distribution of
18 expected new enrollees;

19

20 (B) The health status of expected new
21 enrollees;

22

1 (C) The socioeconomic status of expected new
2 enrollees;

3

4 (D) The health care utilization rate,
5 including the effect of previously unmet health needs, of
6 expected new enrollees; and

7

8 (E) The experiences of other states that have
9 expanded Medicaid.

10

11 (v) The study shall briefly contrast the results
12 obtained by the analysis done pursuant to paragraph (ii) of
13 this subsection and the study conducted pursuant to 2011
14 Wyoming Session Laws, Chapter 194, and shall briefly explain
15 the principal differences between the two;

16

17 (vi) The study shall analyze the increase or
18 decrease in reimbursement to Wyoming health care providers,
19 especially hospitals and physicians, that would come from the
20 expansion analyzed pursuant to paragraph (ii) of this
21 subsection. The study shall estimate the revenue providers
22 receive from the expansion less any loss in revenue from
23 private insurance coverage, employer based self pay systems

1 and personal self pay including copayments and deductibles.
2 The analysis shall show separately any gains or losses to
3 Wyoming health care providers from coverage and provider
4 payments for people who will be enrolled in the Medicaid
5 expansion who are currently receiving subsidized coverage
6 through the health care exchange and people with other
7 coverage including employer paid coverage;

8

9 (vii) The study shall show for Medicaid and the
10 child health insurance programs any income cliffs where an
11 increase in a person's earnings causes a loss of benefits in
12 excess of the increase in earnings and shall integrate this
13 analysis with a general analysis of government welfare
14 programs for the same effect facilitated with information
15 provided under subsection (b) of this section;

16

17 (viii) The insurance department shall prepare and
18 include in the study a summary of the improvements to health
19 status or lack thereof to the population of individuals who
20 would receive Medicaid coverage due to an expansion of
21 Medicaid. The summary shall be based on the insurance
22 department's own analysis and the state library's literature

1 search and the department of health's comments provided under
2 subsection (c) of this section.

3

4 (b) The department of family services shall furnish the
5 insurance department for inclusion in the study required by
6 subsection (a) of this section a chart or table depicting all
7 government welfare programs paying benefits based on low
8 income and showing the income levels at which benefits are
9 reduced and the extent that this reduction exceeds the
10 additional income earned.

11

12 (c) The state library shall conduct a search of the
13 academic literature on the improvements to health status or
14 lack thereof from Medicaid coverage as compared with having
15 no insurance coverage and having private coverage. The search
16 shall concentrate on literature quantifying the improvements
17 or lack thereof of the Medicaid program generally and on
18 studies analyzing the experience of the Oregon Medicaid
19 expansion immediately before the enactment of the federal
20 reform where Oregon determined based on chance who was to
21 receive the coverage and who was not. The results of this
22 literature search shall be conveyed to the department of
23 health and the insurance department for inclusion in the study

1 required by subsection (a) of this section. The department of
2 health shall forward its comments on the results of the
3 literature search to the insurance department for inclusion
4 in the study required by subsection (a) of this section.

5

6 (d) The department of health shall furnish the
7 insurance department for inclusion in the study required by
8 subsection (a) of this section its estimate of the
9 administrative costs of expanding the Medicaid program
10 including separately the initial start up costs and the
11 ongoing administrative costs. This estimate shall include an
12 estimate of how much of these administrative costs the federal
13 government will provide. The estimate shall assume a
14 conventional Medicaid expansion.

15

16 (e) Not later than November 15, 2019, the insurance
17 department shall furnish copies of the study to the governor
18 and relevant state agencies, the legislative service office
19 for distribution to any legislator requesting a copy, the
20 joint labor, health and social services interim committee and
21 the joint appropriations committee. Copies shall be available
22 to the public in both electronic and hard copy form, and a
23 copy of the study shall be specifically given to any person

1 or group informing the secretary of state's office of their
2 intent to submit an initiative on Medicaid expansion.

3

4 (f) As used in this act:

5

6 (i) "Conventional Medicaid expansion" means an
7 expansion of the Medicaid program that can be achieved by an
8 amendment to the Medicaid state plan and does not require a
9 1115 waiver from the federal government;

10

11 (ii) "1115 waiver" means a demonstration waiver of
12 requirements under Medicaid law and regulations that may be
13 obtained from the federal government pursuant to section 1115
14 of the federal Social Security Act, 42 U.S.C. § 1315, which
15 governs the Medicaid program.

16

17 (g) In conducting the study, the insurance department
18 is authorized to contract for and use the services of
19 consultants and actuaries and is specifically authorized to
20 do so without complying with the state's system for procuring
21 these services.

22

23 **Section 2.**

1

2 (a) There is appropriated one hundred fifty thousand
3 dollars (\$150,000.00) from the general fund to the insurance
4 department for the purpose of performing the study and
5 preparing the report required by this act. This appropriation
6 shall be for the period beginning with the effective date of
7 this act and ending June 30, 2020. Notwithstanding any other
8 provision of law, this appropriation shall not be transferred
9 or expended for any other purpose and any unexpended,
10 unobligated funds remaining from this appropriation shall
11 revert as provided by law on June 30, 2020.

12

13 (b) There is appropriated one hundred ten thousand
14 dollars (\$110,000.00) from the general fund to the insurance
15 department for the purpose of funding one (1) additional
16 position to accomplish the purposes of this act. This
17 appropriation shall be for the period beginning with the
18 effective date of this act and ending June 30, 2020. This
19 appropriation shall only be expended for the purposes of
20 hiring an at-will employee to provide services to further the
21 studies and report required by this act. Notwithstanding any
22 other provision of law, this appropriation shall not be
23 transferred or expended for any other purpose and any

1 unexpended, unobligated funds remaining from this
2 appropriation shall revert as provided by law on June 30,
3 2020.

4

5 **Section 3.** This act is effective immediately upon
6 completion of all acts necessary for a bill to become law as
7 provided by Article 4, Section 8 of the Wyoming Constitution.

8

9

(END)