



# SENATE BILL 408: Rural Healthcare Access & Savings Plan Act.

2021-2022 General Assembly

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<b>Committee:</b>		<b>Date:</b>	June 29, 2022
<b>Introduced by:</b>	Sens. Burgin, Krawiec, Perry	<b>Prepared by:</b>	Jennifer Hillman
<b>Analysis of:</b>	Fourth Edition		Staff Attorney

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**OVERVIEW:** *SB408 would do all of the following:*

(1) *Create a Joint Legislative Committee on Medicaid Rate Modernization and Savings (Committee) that would hear a Medicaid Modernization Plan (Plan) to be developed by the Department of Health and Human Services (DHHS) by December 15, 2022. The Plan would:*

- *Add Medicaid coverage for adults aged 18-64 with incomes up to 133% of the federal poverty level beginning on a date to be proposed by the Secretary of DHHS.*
- *Propose legislation to enact increased hospital assessments to pay the nonfederal share of an increase to Medicaid hospital reimbursements through the Hospital Access and Stabilization Program (HASP).*
- *Propose legislation for new hospital assessments, called health system assessments, to provide funding for the nonfederal share of the cost of the additional Medicaid coverage.*
- *An investment of \$1 billion to address the opioid, substance abuse, and mental health crisis using savings from the additional federal Medicaid match available under the American Rescue Plan Act (ARPA).*
- *Include specific proposals to increase access to healthcare in rural areas of the State.*

*The Committee would make recommendations regarding the Plan, and the General Assembly would take action to enact the all or part of the Plan on or after December 16, 2022.*

(2) *Direct the Secretary of Commerce to collaborate with identified stakeholders to develop a plan for a comprehensive workforce development program.*

(3) *Direct DHHS to pursue work requirements for the Medicaid program if there is an indication that work requirements would receive federal approval.*

**BILL ANALYSIS:**

**Section 1** of the bill would do all of the following:

- Create the Joint Legislative Committee on Medicaid Rate Modernization and Savings (Committee), consisting of six members of the House of Representatives and six members of the Senate. The Committee's assigned tasks would include (i) oversight of specified aspects of the Medicaid program and (ii) making a recommendation regarding DHHS's Medicaid Modernization Plan, as required by Section 1.2 of the bill, at its December 15, 2022, meeting. (**Section 1.1**)
- Require DHHS to develop a Medicaid Modernization Plan (Plan). (**Section 1.2**) The Plan must include the following:

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- An adjustment of Medicaid eligibility to include adults aged 18-64 with incomes up to 133% of the federal poverty level with a start date to be proposed by the Secretary of DHHS.
- Proposed legislation to trigger the discontinuation of the additional Medicaid coverage if: (i) the federal share of the cost of providing the coverage becomes less than 90% or (ii) the nonfederal share of the cost of the coverage cannot be fully funded through the following sources: revenue from the gross premiums tax due to the coverage; increases in intergovernmental transfers due to the coverage; the health system assessment enacted in Section 1.6 of the bill; and savings to the State attributable to the coverage that correspond to State General Fund budget reductions to other State programs.
- Proposed legislation to enact increased hospital assessments to pay the nonfederal share of an increase to Medicaid hospital reimbursements through the Hospital Access and Stabilization Program (HASP), that meets all requirements contained in Section 1.10 of the bill.
- Proposed legislation for new hospital assessments, called health system assessments, that provide funding for the nonfederal share of the cost of the additional Medicaid coverage and that meet all requirements in Section 1.6 of the bill.
- An investment of \$1 billion to address the opioid, substance abuse, and mental health crisis using savings from the additional federal Medicaid match available under the American Rescue Plan Act (ARPA).
- Specific proposals to increase access to healthcare in rural areas of the State.
- Establish an ARPA Temporary Savings Fund to hold any savings realized by the Division of Health Benefits from the enhanced federal medical assistance percentage (FMAP) available under the American Rescue Plan Act (ARPA) for states that expand Medicaid. (**Section 1.3**)
- Increase hospital assessments to provide funding for the nonfederal share of the cost of the Medicaid coverage added under the Medicaid Modernization Plan, as follows:
  - Establish hospital assessments to generate funding for the nonfederal share of the service costs and the administrative costs associated with the additional coverage, including county administrative costs. Temporary hospital assessments would generate funding for the nonfederal share of start-up costs and costs during the initial period of coverage (**Section 1.5**), and the health system assessments would generate continued funding beginning July 1, 2023. (**Section 1.6**)
  - Require hospital assessment funds representing the county share of administrative costs of providing the coverage in the Medicaid Modernization Plan be paid to the counties.
  - Make conforming changes to the existing modernized hospital assessments related to the addition of this coverage. (**Section 1.7**)
- Direct DHHS to request federal approval for increased Medicaid reimbursements to hospitals at the maximum reimbursement amount is permitted under federal law and that can be funded entirely through increased hospital assessment receipts that are in addition to the receipts under the health system assessment. (**Section 1.10**) This initiative is referred to as the Healthcare Access and Stabilization Program (HASP). Any approved increased reimbursement to hospitals would be effective upon the General Assembly's enactment of legislation to fund the nonfederal share of that increased reimbursement.

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**Section 2** of the bill would do all of the following:

- Direct the Secretary of Commerce (Commerce) to develop a plan to create a seamless, statewide, comprehensive workforce development program that includes both existing programs and the development of new programs. Commerce is required to develop this plan in collaboration with identified stakeholders. (**Section 2.1**)
- Direct DHHS, in collaboration with Commerce, to develop a referral plan that includes consultation with a workforce development case manager for assessing the employment status and barriers to employment of Medicaid and other social service programs beneficiaries. (**Section 2.2**)
- If there is any indication that work requirements as a condition of participation in Medicaid may be authorized by CMS, require DHHS to enter into a negotiation with CMS to develop a plan for work requirements.

**EFFECTIVE DATE:** Except as otherwise provided, the bill would be effective when it becomes law.