

BILL ANALYSIS

C.S.H.B. 2539
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Human Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Medicaid opt-out refers to a program option allowing Medicaid eligible's (and potentially the eligible's family members) with access to employer based health insurance to "opt-out" of the Medicaid program and "opt-in" to their employer's insurance plan. Under an opt-out, the state pays the employee's portion of the health insurance premium up to the projected monthly Medicaid premium for that individual. The individual opting out is responsible for paying for any additional premium amount, as well as for cost sharing and deductible requirements under employer's health insurance plan.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2539 requires the Health and Human Services Commission (Commission) to seek a waiver from an appropriate federal agency under which a person who is eligible for or is a recipient of medical assistance may choose to opt out of receiving services under the medical assistance program and instead enroll in a group health benefit plan offered by an employer. Consistent with the terms of the waiver, the substitute requires the Commission to provide for payment of the employee's share of the required premiums, except that if the employee's share of the required premiums exceeds the estimated Medicaid cost for the individual's risk group. The Commission is required to ensure that the participation by the person in the opt-out program is on a voluntary basis and the Commission may not require any person to opt out of receiving medical assistance services. A participant in the opt out program is limited to the health benefits coverage provided under the health benefits plan in which the participant enrolls. The substitute requires the commission to develop procedures by which a participant in the opt-out program may, at the participant's option, resume receiving benefits and services under the medical assistance program instead of through a group health benefit plan. The substitute requires the Commission to implement an outreach campaign to educate applicants for the recipients of medical assistance regarding the opt-out program.

If before implementing any provision of this Act, a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the affected state agency is required to request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute language changes the wording on line 24, page one from "Medicaid premium rate for the participant" to "estimated Medicaid cost for the individual's risk group". This definition reflects more accurately how the Health and Human Services Commission (Commission) will compare rates of Medicaid participants.

The Substitute adds subsection (f) on page 2, line 16 through 19 of the substitute to direct the Commission to develop procedures for a participant in the opt-out program to opt back in.