

# **Proposed New, Changed, and Deleted Amendments to HB 5001 and HB 5002 Compared to House Adopted HB 29 and HB 30**

**HB 5001:** The proposed amendments to House Bill 5001 include one changed amendment (306 #2h), one new amendment (Item 4-14 #1h) and one deleted amendment (Item 475 #1h) compared to the adopted House Bill 29.

**HB 5002:** The proposed amendments to House Bill 5002 include one new amendment (Item 281 #1h), two changed amendments (Item 266 #1h and Item 303 #1h), and one deleted amendment (Item 474 #1h) compared to the adopted House Bill 30.

The proposed changes are described below, by topic area:

## **Medicaid Transformation Requirements**

- Both House Bills 5001 and 5002 include amendments (Items 306 #2h and Item 303 #1h respectively) modifying provisions related to the Medicaid transformation requirements for the Training, Education, Employment and Opportunity Program (TEEOP).
- Language is added to disenroll non-exempt individuals who do not meet the TEEOP requirements three months out of the plan year, unless the failure to comply or report compliance is the result of a catastrophic event or circumstances beyond the beneficiary's control. Individuals would be allowed to reenroll in the program in the next plan year.
- Language is modeled after Arkansas' recently approved federal Medicaid waiver to implement work requirements.

## **State Innovation Waiver of Individual Insurance Market Requirements**

- Item 281 #1h in House Bill 5002 is a new amendment, offered by Chairman Jones, which would authorize the Secretary of Health and Human Resources to develop and apply for a state innovation waiver under Section 1332 of the federal Patient Protection and Affordable Care Act to implement innovative solutions to help stabilize the individual insurance market.
- Language requires the State Corporation Commission Bureau of Insurance to provide technical assistance as requested.

- The Secretary is required to report on the waiver to the House Appropriations and Senate Finance Committees and the House and Senate Committees on Labor and Commerce.
- Implementation of the waiver is contingent upon an appropriation of non-federal funding, if needed.
- State Innovation Waivers offset state program financing with federal “pass-through” funding equal to the federal savings generated by reducing premiums in the individual health insurance market.
- Four states have received federal approval to implement waivers to stabilize the individual health insurance markets through the development of reinsurance and state high risk programs (Alaska, Hawaii, Minnesota and Oregon).
- 13 states considered legislation in 2018 related to the implementation of a Section 1332 Waiver.

### **Revenue Reserve Fund**

- Both House Bills 5001 and 5002 include amendments (Item 4-14 #1h in HB 5001 and Item 266 #1h in HB 5002) modifying provisions relating to the Revenue Reserve Fund established in Code pursuant to Chairman Jones’ House Bill 763, 2018 Session of the General Assembly.
- The amendment in HB 5001 is a new amendment, offered by the Governor, which would require that 100% of any fiscal year 2018 revenue surplus remaining after the mandatory Revenue Stabilization Fund and Water Quality Improvement Fund Part A requirements are met, be deposited into the Revenue Reserve Fund at year-end close.
- Language included in House Bill 29 as introduced by the Governor and adopted by the House required 50% of the surplus to be deposited to the Fund.
- The House budget included a separate amendment (Item 475 #1h) directing a portion of the surplus to a state employee bonus. This amendment has been deleted to reflect the commitment of 100% of any available surplus to the Revenue Reserve.
- In House Bill 5002, companion amendments address the same issue. The House adopted amendment relating to the Revenue Reserve Fund (Item 266 #1h) is modified to reflect the larger deposit in FY 2018 and the provisions of House Bill 763.
- The HB 5002 amendment package also deletes Item 474 #1h, which mirrored the language in HB 29 relating to the state employee bonus.