

**As Reported by the House Finance and Appropriations
Committee**

**130th General Assembly
Regular Session
2013-2014**

H. B. No. 176

Representative Sears

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A B I L L

To amend section 101.391 and to enact sections 1
5111.0126, 5111.80, 5111.801, 5111.802, and 2
5111.947 of the Revised Code to require the 3
Medical Assistance Director to implement Medicaid 4
reforms, to permit the Medicaid program to cover 5
an additional group under certain circumstances, 6
to revise the duties of the Joint Legislative 7
Committee on Medicaid Technology and Reform, and 8
to make an appropriation. 9

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 101.391 be amended and sections 10
5111.0126, 5111.80, 5111.801, 5111.802, and 5111.947 of the 11
Revised Code be enacted to read as follows: 12

Sec. 101.391. (A) There is hereby created the joint 13
legislative committee on medicaid technology and reform. The 14
committee may review or study any matter that it considers 15
relevant to the operation of the medicaid program established 16
under Chapter 5111. of the Revised Code, with priority given to 17
the study or review of ~~mechanisms~~ both of the following: 18

(1) The reforms to be implemented under section 5111.80 of 19

<u>the Revised Code;</u>	20
<u>(2) Mechanisms</u> to enhance the program's effectiveness through improved technology systems and program reform.	21 22
<u>(B)(1)</u> The committee shall consist of five <u>the following</u> members:	23 24
<u>(a) Three</u> members of the house of representatives <u>from the majority party</u> appointed by the speaker of the house of representatives and five;	25 26 27
<u>(b) Two members of the house of representatives from the minority party</u> appointed by the speaker of the house of representatives;	28 29 30
<u>(c) Three</u> members of the senate <u>from the majority party</u> appointed by the president of the senate;	31 32
<u>(d) Two members of the senate from the minority party</u> appointed by the president of the senate. Not more than three members appointed by the speaker of the house of representatives and not more than three members appointed by the president of the senate may be of the same political party.	33 34 35 36 37
<u>(2)</u> Each member of the committee shall hold office during the general assembly in which the member is appointed and until a successor has been appointed, notwithstanding the adjournment sine die of the general assembly in which the member was appointed or the expiration of the member's term as a member of the general assembly. Any vacancies occurring among the members of the committee shall be filled in the manner of the original appointment.	38 39 40 41 42 43 44 45
<u>(C) The speaker of the house of representatives shall designate one of the members of the committee appointed under division (B)(1)(a) of this section to serve as a co-chairperson of the committee. The president of the senate shall designate one of</u>	46 47 48 49

the members of the committee appointed under division (B)(1)(c) of 50
this section to serve as the other co-chairperson. The 51
co-chairpersons shall call the committee to meet at least once 52
each quarter and shall arrange for the medical assistance director 53
to testify before the committee regarding the reforms to be 54
implemented under section 5111.80 of the Revised Code periodically 55
but not more than once each quarter. The co-chairpersons may 56
request assistance and staff support for the committee from the 57
legislative service commission. 58

(D) The committee has the same powers as other standing or 59
select committees of the general assembly. The committee may 60
employ an executive director. 61

Sec. 5111.0126. (A) Subject to division (B) of this section, 62
the medicaid program may cover the group, or one or more subgroups 63
of the group, described in the "Social Security Act," section 64
1902(a)(10)(A)(i)(VIII), 42 U.S.C. 1396a(a)(10)(A)(i)(VIII), if 65
both of the following apply: 66

(1) The federal medical assistance percentage for 67
expenditures for medicaid services provided to the group or 68
subgroup is at least the amount specified in the "Social Security 69
Act," section 1905(y), 42 U.S.C. 1396d(y), as of March 30, 2010; 70

(2) The medicaid program is able to cover the group or 71
subgroup in a manner that causes per recipient medicaid 72
expenditures to be reduced. 73

(B) The medicaid program shall cease to cover the group, and 74
any subgroup of the group, specified in division (A) of this 75
section if the federal medical assistance percentage for 76
expenditures for medicaid services provided to the group or 77
subgroup is lowered to an amount below the amount specified in the 78
"Social Security Act," section 1905(y), 42 U.S.C. 1396d(y), as of 79
March 30, 2010. An individual's disenrollment from the medicaid 80

program is not subject to appeal under section 5101.35 of the 81
Revised Code when the disenrollment is the result of the medicaid 82
program ceasing to cover the individual's group or subgroup under 83
this division. 84

Sec. 5111.80. (A) As used in this section: 85

"Exchange" has the same meaning as in 45 C.F.R. 155.20. 86

"Medicaid waiver component" has the same meaning as in 87
section 5111.85 of the Revised Code. 88

(B) Subject to section 5111.801 of the Revised Code, the 89
medical assistance director shall implement reforms to the 90
medicaid program that do all of the following: 91

(1) Improve the health of medicaid recipients while reducing 92
both of the following: 93

(a) The cost of health care; 94

(b) Uncompensated health care costs. 95

(2) Control medicaid expenditures and reduce the rate of 96
increase in expenditures; 97

(3) Enroll at least eighty per cent of medicaid recipients in 98
any of the following: 99

(a) The care management system established under section 100
5111.16 of the Revised Code; 101

(b) Group health plans pursuant to section 5111.13 of the 102
Revised Code; 103

(c) A medicaid component established in accordance with the 104
"Social Security Act," section 1906A, 42 U.S.C. 1396e-1, that 105
provides premium assistance subsidies for qualified 106
employer-sponsored coverage to medicaid recipients under nineteen 107
years of age and the parents of such recipients; 108

<u>(d) A medicaid component established in a manner consistent</u>	109
<u>with the definition of "medical assistance" in the "Social</u>	110
<u>Security Act," section 1905(a), 42 U.S.C. 1396d(a), that provides</u>	111
<u>payments for insurance premiums for medical or other type of</u>	112
<u>remedial care for medicaid recipients, other than the following:</u>	113
<u>(i) Recipients who are at least sixty-five years of age;</u>	114
<u>(ii) Recipients who are disabled and entitled to health</u>	115
<u>insurance benefits under the medicare program but not enrolled</u>	116
<u>under part B of the medicare program.</u>	117
<u>(e) A medicaid waiver component that provides premium</u>	118
<u>assistance for medicaid recipients to purchase qualified health</u>	119
<u>plans through an exchange.</u>	120
<u>(4) Require medicaid recipients to assume greater personal</u>	121
<u>responsibility under both of the following:</u>	122
<u>(a) The cost-sharing program instituted under section</u>	123
<u>5111.0112 of the Revised Code;</u>	124
<u>(b) A medicaid component that incorporates the objectives of</u>	125
<u>health savings accounts through value-based insurance designs.</u>	126
<u>(5) Ensure that medicaid recipients who abuse narcotics</u>	127
<u>receive proper treatment and are unable to access the narcotics</u>	128
<u>they abuse through the health care system;</u>	129
<u>(6) Promote employment-related services and job training</u>	130
<u>available under medicaid and other programs to lower medicaid</u>	131
<u>caseloads by assisting able-bodied, adult medicaid recipients into</u>	132
<u>the workforce;</u>	133
<u>(7) Make the administration of the medicaid program more</u>	134
<u>efficient and establish the state as a national leader in</u>	135
<u>preventing medicaid fraud and abuse;</u>	136
<u>(8) Support health care payment innovations in the private</u>	137
<u>sector by assisting other purchasers of health care services and</u>	138

health care providers by leveraging the medicaid program's 139
purchasing power. 140

Sec. 5111.801. (A) The medical assistance director shall 141
implement the reforms under section 5111.80 of the Revised Code in 142
accordance with all of the following: 143

(1) The medicaid state plan approved by the United States 144
secretary of health and human services, including amendments to 145
the plan approved by the United States secretary; 146

(2) Federal medicaid waivers granted by the United States 147
secretary, including amendments to waivers approved by the United 148
States secretary; 149

(3) Other types of federal approval, including demonstration 150
grants, that establish requirements for the reforms; 151

(4) Except as otherwise authorized by a federal medicaid 152
waiver granted by the United States secretary, all applicable 153
federal statutes, regulations, and policy guidances; 154

(5) All applicable state statutes. 155

(B) The medical assistance director shall seek federal 156
approval for all of the reforms to be implemented under section 157
5111.80 of the Revised Code that require federal approval. None of 158
the reforms that require federal approval shall be implemented 159
without receipt of the federal approval. However, a reform that 160
requires federal approval may begin to be implemented before 161
receipt of the federal approval if federal law permits 162
implementation to begin before receipt of the federal approval. 163
Implementation shall cease if federal approval is ultimately 164
denied. 165

Sec. 5111.802. Not later than December 31, 2014, and the last 166
day of each calendar year thereafter, the medical assistance 167

director shall submit to the general assembly, in accordance with 168
section 101.68 of the Revised Code, a full report on the progress 169
being made in implementing the reforms under section 5111.80 of 170
the Revised Code. The report may include recommendations for 171
legislation that would support the reforms. 172

Sec. 5111.947. There is established in the state treasury the 173
Ohio medicaid reform fund. All federal funds the state receives 174
for the federal share of medicaid expenditures for the eligibility 175
group or subgroups authorized by section 5111.0126 of the Revised 176
Code shall be deposited into the fund. All money in the fund shall 177
be used as the federal share of medicaid expenditures for that 178
eligibility group or those subgroups. 179

Section 2. That existing section 101.391 of the Revised Code 180
is hereby repealed. 181

Section 3. The Director of Budget and Management may create 182
any necessary accounts or line items for the Ohio Medicaid Reform 183
Fund established under section 5111.947 of the Revised Code. All 184
money deposited into the Fund under that section during fiscal 185
year 2014 and fiscal year 2015 is hereby appropriated for those 186
fiscal years. 187