{deleted text} shows text that was in HB0174 but was deleted in HB0174S01.

inserted text shows text that was not in HB0174 but was inserted into HB0174S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

Representative Wayne A. Harper proposes the following substitute bill:

# CONTRACTING FOR MEDICAID ELIGIBILITY DETERMINATION SERVICES

2011 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate	Sponsor:	

#### **LONG TITLE**

## **General Description:**

This bill {amends the Medicaid program to require} requires the Department of Health {to issue a request for proposal for a private entity} and the Department of Workforce Services to {determine} study the state's Medicaid eligibility {on behalf of the state Medicaid program} determination system.

## **Highlighted Provisions:**

This bill:

- requires the {Department of Health to issue a request for proposal for the determination of Medicaid eligibility by August 15, 2012;
- establishes some requirements for the request for proposal;

- requires reports}study of the state's eligibility determination system for Medicaid to
  determine whether consolidation of the system or privatization would create greater
  efficiencies; and
  - requires a report of the study to the Legislature before awarding a contract for determining Medicaid eligibility; and
  - makes technical amendments} Legislature's Health and Human Services Interim
     Committee and the Social Services Appropriations Sub-committee prior to October
     20, 2011.

## Money Appropriated in this Bill:

None

#### **Other Special Clauses:**

None

#### **Utah Code Sections Affected:**

#### <del>{AMENDS:</del>

**26-18-3**, as last amended by Laws of Utah 2010, Chapters 149, 323, 340, and 391

**26-18-15**, as enacted by Laws of Utah 2008, Chapter 390

35A-1-102, as last amended by Laws of Utah 2002, Chapter 58

#### **ENACTS**:

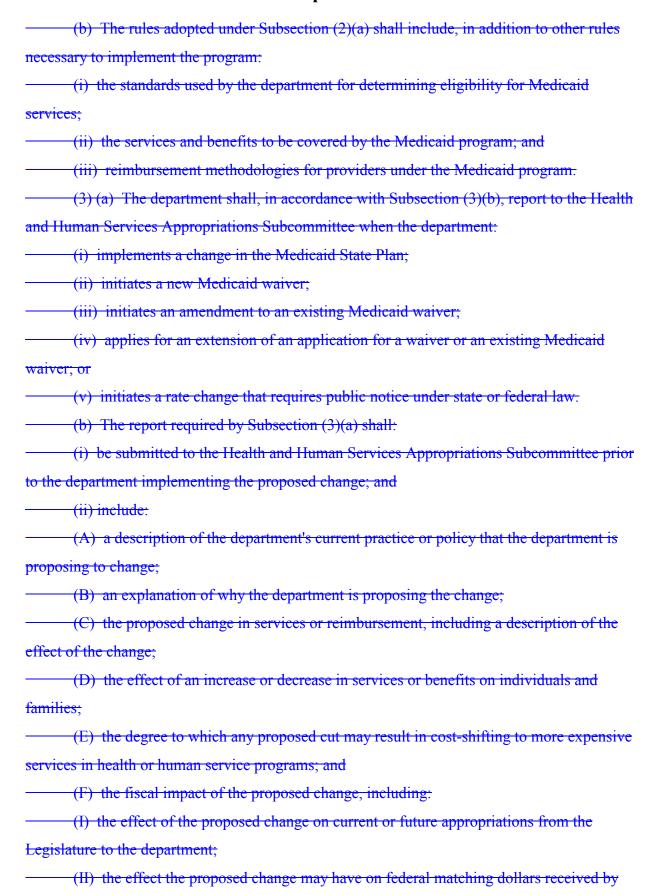
**26-18-3.3**, Utah Code Annotated 1953

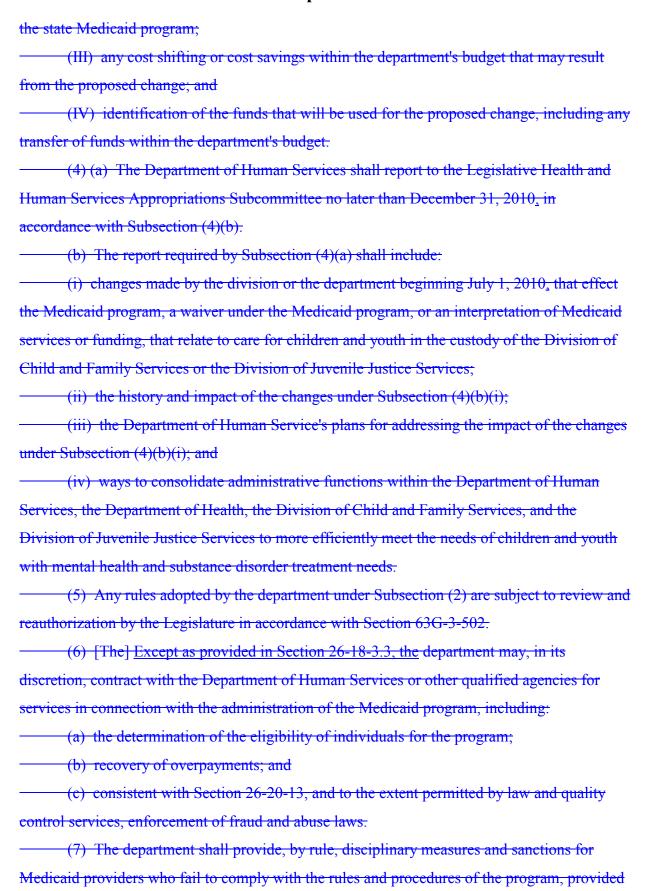
*Be it enacted by the Legislature of the state of Utah:* 

Section 1. Section 26-18-3.3 is {amended to read:

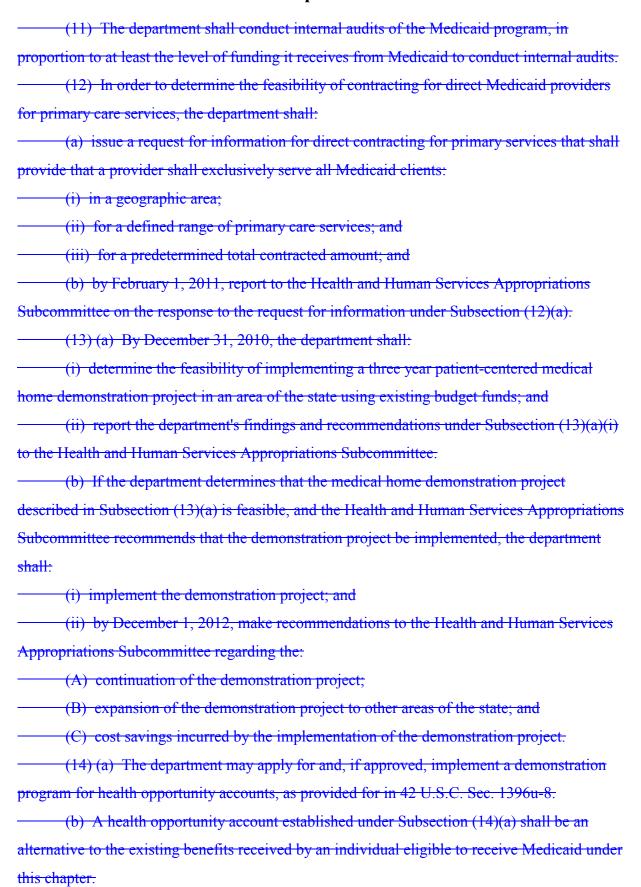
26-18-3. Administration of Medicaid program by department -- Reporting to the Legislature -- Disciplinary measures and sanctions -- Funds collected -- Eligibility standards -- Internal audits -- Studies -- Health opportunity accounts.

- (1) The department shall be the single state agency responsible for the administration of the Medicaid program in connection with the United States Department of Health and Human Services pursuant to Title XIX of the Social Security Act.
- (2) (a) The department shall implement the Medicaid program through administrative rules in conformity with this chapter, Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the requirements of Title XIX, and applicable federal regulations.



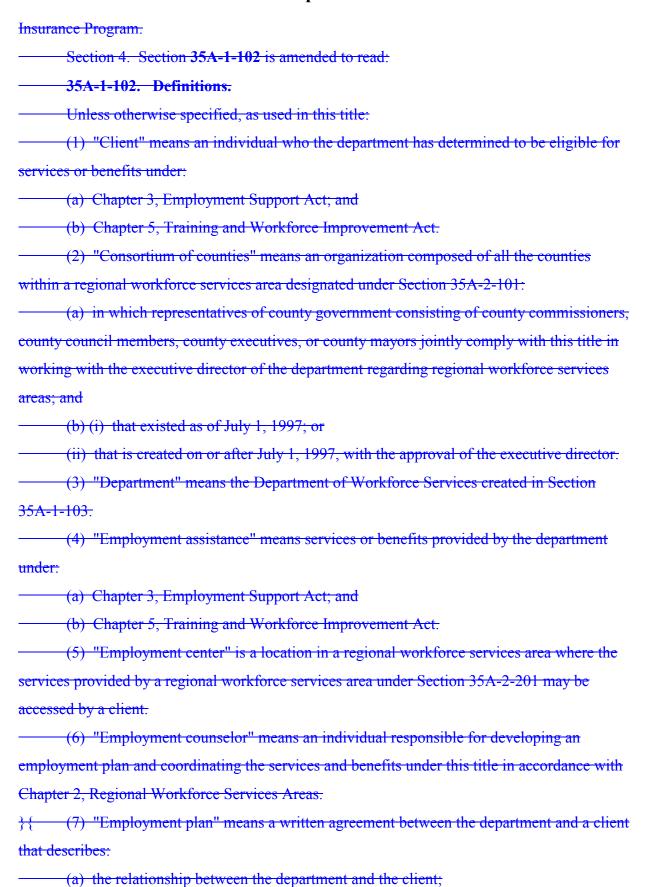


that sanctions imposed administratively may not extend beyond:
(a) termination from the program;
(b) recovery of claim reimbursements incorrectly paid; and
(c) those specified in Section 1919 of Title XIX of the federal Social Security Act.
(8) Funds collected as a result of a sanction imposed under Section 1919 of Title XIX
of the federal Social Security Act shall be deposited in the General Fund as dedicated credits t
be used by the division in accordance with the requirements of Section 1919 of Title XIX of
the federal Social Security Act.
(9) (a) In determining whether an applicant or recipient is eligible for a service or
benefit under this part or Chapter 40, Utah Children's Health Insurance Act, the department
shall, if Subsection (9)(b) is satisfied, exclude from consideration one passenger vehicle
designated by the applicant or recipient.
(b) Before Subsection (9)(a) may be applied:
(i) the federal government must:
(A) determine that Subsection (9)(a) may be implemented within the state's existing
public assistance-related waivers as of January 1, 1999;
(B) extend a waiver to the state permitting the implementation of Subsection (9)(a); or
(C) determine that the state's waivers that permit dual eligibility determinations for
cash assistance and Medicaid are no longer valid; and
(ii) the department must determine that Subsection (9)(a) can be implemented within
existing funding.
(10) (a) For purposes of this Subsection (10):
(i) "aged, blind, or disabled" shall be defined by administrative rule; and
(ii) "spend down" means an amount of income in excess of the allowable income
standard that must be paid in cash to the department or incurred through the medical services
not paid by Medicaid.
(b) In determining whether an applicant or recipient who is aged, blind, or disabled is
eligible for a service or benefit under this chapter, the department shall use 100% of the federa
poverty level as:
(i) the allowable income standard for eligibility for services or benefits; and
(ii) the allowable income standard for eligibility as a result of spend down.



- (c) Subsection (14)(a) is not intended to expand the coverage of the Medicaid program. Section 2. Section 26-18-3.3 is enacted to read: 26-18-3.3. Privatization Study of Privatization of eligibility determination. (1) {On or before August 15, 2012, the} The department shall {issue a request for proposal} work with the Department of Workforce Services, the Department of Human Services, and the Privatization Policy Board created in Section 63I-4-201 to study the state's eligibility determination system for the state Medicaid program in accordance with this section{ for the administration of the program to determine eligibility of individuals for the: <del>(a) }</del>. (2) (a) The study shall include the state's eligibility determination system for the following programs: (i) the state Medicaid program; (\frac{\fb\ii}{\text{ii}}) the Utah Children's Health Insurance Program created under Chapter 40. Utah Children's Health Insurance Act; (\{\frac{\tan}{\text{iii}}\) the Primary Care Network\{\text{ demonstration project}\}; and (\{\dagger}\) the Utah Premium Partnership\{\text{demonstration project.}} (2) The request for proposal shall: (a) require a bidder to follow the state Medicaid plan eligibility guidelines adopted in the state plan and by the department under Subsection 26-18-3(2)(b); and (b) prohibit the bidder from implementing a change to \. (b) The study shall include: (i) the workflow and operations of the eligibility determination <del>{unless the department</del>} and the entity under contract with the department meet the reporting requirements of Section <del>28-18-3</del>} systems for the programs described in Subsection (2)(a); and (ii) efficiencies that may be obtained through: (A) consolidation of the eligibility determination systems; (B) privatization of the eligibility determination systems; and (C) other technology or organizational solutions for the eligibility determination systems.
  - (3) The department {:
  - (a) the Department of Workforce Services, and the Privatization Polity Board shall,

prior to \{\text{making a determination under Subsection (3)(b)}\}\)October 20, \{\text{provide a}\}\2011\,\) report to the Legislature's {Executive Appropriations} Health and Human Services Interim Committee and to the Social Services Appropriations Subcommittee regarding : (i) the <del>{responses to} findings of the <del>{requests for proposals;}</del> study and <del>{</del></del> (ii) any recommendations and options regarding the advantages and disadvantages to the state in privatizing the eligibility determination system \(\frac{\text{versus contracting with a state}}{\text{total}}\) agency for the eligibility determination system; and (b) may: (i) select the most responsive bidder to the request for proposals and privatize the eligibility determination system; or (ii) determine that: (A) the responses to the request for proposals are not responsive; and (B) the state Medicaid program eligibility determination should be provided through a contract with a state agency under Subsection 26-18-3(6)}. Section 3. Section 26-18-15 is amended to read: 26-18-15. Process to promote health insurance coverage for children. (1) The [Department of Workforce Services] entity under contract with the department to implement the eligibility system for the state program, the State Board of Education, and the department shall: (a) collaborate with one another to develop a process to promote health insurance coverage for a child in school when: (i) the child applies for free or reduced price school lunch; (ii) a child enrolls in or registers in school; and (iii) other appropriate school related opportunities; (b) report to the Legislature on the development of the process under Subsection (1)(a) no later than November 19, 2008; and (c) implement the process developed under Subsection (1)(a) no later than the 2009-10 school year. (2) The Department of Workforce Services shall promote and facilitate the enrollment of children identified under Subsection (1)(a) without health insurance in the Utah Children's Health Insurance Program, the Medicaid program, or the Utah Premium Partnership for Health



under Section 35A-1-201.	
(9) "Public assistance" means:	
(a) services or benefits provided under Chapter 3, Employment Support Act;	
(b) if the department is under contract with the Department of Health pursuant to	
<u>Section 26-18-3, medical assistance provided under Title 26, Chapter 18, Medical Assistance</u>	
Act;	
(c) foster care maintenance payments provided from the General Fund or under Title	
IV-E of the Social Security Act;	
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(e) any other public funds expended for the benefit of a person in need of financial,	
medical, food, housing, or related assistance.	
(10) "Regional workforce services area" means a regional workforce services area	
established in accordance with Chapter 2, Regional Workforce Services Areas.	
(11) "Stabilization" means addressing the basic living, family care, and social or	
psychological needs of the client so that the client may take advantage of training or	
employment opportunities provided under this title or through other agencies or institutions.	
Legislative Review Note	
as of 2-2-11 2:49 PM	
Office of Legislative Research and General Counsel	• )
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