# Benefits Cliff Task Force

### Minutes of the<MeetNo1> 4th Meeting

### of the 2022 Interim

### <MeetMDY1> October 20, 2022

**Call to Order and Roll Call**

The<MeetNo2> 4th meeting of the Benefits Cliff Task Force was held on<Day> Thursday,<MeetMDY2> October 20, 2022, at<MeetTime> 3:00 PM, in<Room> Room 129 of the Capitol Annex. Senator Jason Howell, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members:<Members> Senator Jason Howell, Co-Chair; Representative Jonathan Dixon, Co-Chair; Senators Michael J. Nemes, and Phillip Wheeler; Representatives Josh Bray, and Russell Webber.

Guests: Eric Friedlander, Secretary, Cabinet for Health and Family Services; Carrie Banahan, Deputy Secretary, Cabinet for Health and Family Services; Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Kelsey Underwood, Product Manager, Georgia Center for Opportunity; Eric Cochling, Chief Program Officer and General Counsel, Georgia Center for Opportunity; Erik Randolph, Director of Research, Georgia Center for Opportunity; Buzz Brockway, Vice President of Public Policy, Georgia Center for Opportunity; Lesa Dennis, Deputy Commissioner, Department for Community Based Services, Cabinet for Health and Family Services; Todd Trapp, Assistant Director, Division of Family Support, Department for Community Based Services, Cabinet for Health and Family Services; and Laura Begin, Staff Assistant, Department for Community Based Services, Cabinet for Health and Family Services.

LRC Staff: Janine Coy, Chris Joffrion, Kirk Smith, and Sasche Allen.

**Approval of Minutes**

A motion to approve the minutes of the September 22, 2022 meeting was made by Representative Dixon, seconded by Senator Nemes, and approved by voice vote.

**Cabinet for Health and Family Services Update on the Basic Health Program:**

**What is it and what is the status of development?**

Eric Friedlander, Secretary of the Cabinet for Health and Family Services (CHFS); Carrie Banahan, Deputy Secretary of CHFS; and Veronica Judy-Cecil, Deputy Commissioner of the Department for Medicaid Services, gave an overview of a Basic Health Plan (BHP) that would be designed to cover low-income individuals through state contracted health plans that offers limited low-cost options for consumers with incomes over Medicaid eligibility limits. According to Cabinet leadership, CHFS formulated a BHP as a result of House Joint Resolution 57 from the 2021 Regular Session that directed CHFS to establish a working group to assess the feasibility of implementing a bridge insurance program. A BHP would be used to provide coverage for individuals between 139 and 200 percent of the federal poverty level. Federal funding is available, and states choosing to implement a BHP can receive 95 percent of the amount of the premium tax credit that would have been provided to an individual if the individual would have enrolled in a Marketplace plan. The Cabinet has estimated the projected cost of coverage for a BHP would be $238.9 million with $232.2 million in projected federal BHP funding. Approximately 40,000 to 75,000 individuals are expected to be eligible for the BHP if implemented.

Responding to questions from Senator Wheeler, Cabinet leadership explained that a BHP would be attractive to individuals in various situations such as those who are uninsured, those who are transitioning off Medicaid due to an income increase, individuals who do not have an employer coverage option, or individuals who have unaffordable employer coverage. In response to follow up questions, Secretary Friedlander discussed the potential for increased premiums for those remaining in the Exchange if a BHP is implemented, the potential for individuals participating in the BHP losing access to certain providers, and the future of funding for a BHP when federal subsidies are exhausted.

Answering a question from Representative Bray, Secretary Friedlander reiterated the groups of Kentuckians that could take advantage of a BHP and the eligibility requirements for the Cabinet’s proposed BHP. In response to a follow up, the Secretary discussed how an outpatient Hospital Rate Improvement Program (HRIP) for Medicaid patients could benefit rural hospitals. The Secretary said several managed care organizations have expressed interest in a BHP and several have expressed they would not participate.

Addressing questions from Senator Howell, Secretary Friedlander described alternatives to a BHP, and said the options were discussed with the Cabinet’s consultant group.

Replying to comments made by Representative Webber, the Secretary stated the Cabinet proceeded with developing a BHP due to the language contained in the budget passed during the 2022 Regular Session.

**Addressing the Benefits Cliff in Kentucky**

Kelsey Underwood, Product Manager for Georgia Center for Opportunity (GCO), and Erik Randolph, the Director of Research for GCO, discussed a benefits cliff calculator that was developed by GCO that utilizes a computational model to convert tax and program eligibility requirements in benefit amounts. The nonprofit organization has produced studies on all 50 states and developed a benefits cliff model that will include 12 states by the end of 2022.

Representative Dixon requested more information on GCO’s job search tool platform be provided to the task force.

In response to a question from Senator Howell, Buzz Brockway, Vice President of Public Policy at GCO, discussed economic development and combining workforce programs in Georgia and the delivery of workforce services in Utah.

**Cabinet for Health and Family Services Update on** **the Kentucky Transitional Assistance Program and the Kentucky WORKS Program**

Lesa Dennis, Deputy Commissioner for the Department for Community Based Services, Todd Trapp, Assistant Director for the Division of Family Support, and Laura Begin, Staff Assistant for the Department for Community Based Services, gave an overview on the Kentucky Transitional Assistance Program (KTAP) and the Kentucky WORKS Program (KWP), which are fully funded through federal Temporary Assistance for Needy Families (TANF) funds. In order to receive the full amount of TANF funds, states must contribute maintenance of effort dollars. There are federal categories that TANF funds are allowed to be allocated to such basic assistance, child care, work supports and supportive services. KTAP provides financial and medical assistance to needy dependent children, and the KWP’s goal is assisting work-eligible individuals in supporting their families through self-efficacy. Ms. Begin discussed the eligibility requirements for KTAP and KWP, the decline in the number of families receiving TANF program benefits, and the amendment of administrative regulations relating to TANF programs due to expiration. According to Ms. Begin, the KTAP and KWP proposed amendments include changes aimed to specifically help two parent families more than in the past, increasing benefit amounts, and attempting to address the benefits cliff. Mr. Trapp and Ms. Begin discussed all proposed amendments to the related administrative regulations that will eventually be presented to the appropriate legislative committee.

Answering questions from Representative Dixon, Ms. Begin confirmed that there are 400 individuals participating in KWP, and Mr. Trapp discussed the 3,360 adults and 17,287 children participating in KTAP. The decline in participation during the COVID-19 pandemic was highlighted. Sanctions are imposed on work-eligible program participants for nonparticipation, but those were suspended during the pandemic.

In response to Senator Howell, Mr. Trapp detailed the sanctioning process for individuals that have been deemed to be nonparticipating. Addressing a follow up, Mr. Trapp and Ms. Begin discussed child care assistance program participants that are not receiving KTAP benefits.

There being no further business before the committee, the meeting adjourned at 4:56 p.m.