

CHAPTER 517**(HCR 47)**

A CONCURRENT RESOLUTION directing the Legislative Research Commission to establish a Risk Management Technical Study Group to develop a standard set of issues that should be considered in the design and operation of any insurance-type program funded by the Commonwealth.

WHEREAS, programs in the Commonwealth that use government funds to provide insurance, or insurance-like protection to specified individuals, suffer significant problems in achieving that protection in a manner that delivers acceptable quality service at a reasonable cost to the state; and

WHEREAS, these programs share similar problems in establishing sophisticated insurance-type programs without the necessary expertise; and

WHEREAS, the various programs have not developed successful designs for insurance-type programs; and

WHEREAS, insurance-type programs share a consistent set of fairly technical issues and procedures in successful insurance-type-program design, and the study of these issues and procedures would benefit current and future insurance-type programs in the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission shall establish a Risk Management Technical Study Group to develop a standard set of issues that should be considered in the design and operation of any insurance-type program funded by the Commonwealth. The study group shall meet beginning not later than October 1, 2000, and shall report back to the Legislative Research Commission with a standard set of guidelines and procedures no later than August 15, 2001.

Section 2. The study group should be composed of twelve technical analysts drawn from the Executive and Legislative Branches, state universities, directors of state insurance-type programs, and the Legislative Research Commission staff. The Legislative Research Commission shall appoint the members of the technical study group.

Section 3. The technical study group is charged to submit a report to the Legislative Research Commission that addresses, to the fullest extent possible, the following questions:

- (a) What are the advantages and disadvantages to the Commonwealth of various insurance payment arrangements, including fee-for-service, capitation, and combination arrangements? Are there new payment arrangements that should be considered?
- (b) What are the financial incentives for recipients and providers under each payment arrangement?
- (c) How does the establishment of the program as an entitlement for recipients change its dynamics?
- (d) What are the key implementation issues associated with each payment arrangement? What is a reasonable time for implementation and what are the minimum staff resources recommended?

- (e) What specific oversight mechanisms are needed in each payment arrangement to safeguard program quality and fiscal accountability? What data collection and analysis protocols are recommended?
- (f) What procedures have been adopted by existing state insurance-type programs that improved their operations and what procedures have proven inadequate? What should we learn from our successes and failures? and
- (g) Should a permanent risk management consulting team be formed in the Executive Branch to advise program managers on technical issues? If so, what should be the makeup of the team and its ongoing responsibilities?

Section 4. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved April 21, 2000