

CHAPTER 73**(SCR 192)**

A CONCURRENT RESOLUTION creating a task force of the Legislative Research Commission to study cost containment strategies for the Kentucky Medicaid program and declaring an emergency.

WHEREAS, Medicaid plays a significant role in Kentucky's health care system as the primary payer of health care services in the state; and

WHEREAS, Medicaid provides coverage to over 789,000 individuals, which represents about 20 percent of the state's total population; and

WHEREAS, the Medicaid program covers nearly half of all births in the state each year and provides health coverage to one out of every three children; and

WHEREAS, Medicaid covers one out of every seven seniors over age 65 and pays for most of the long-term care services in the Commonwealth; and

WHEREAS, there are 40,733 enrolled providers in the Medicaid program; and

WHEREAS, the cost of the Medicaid program is rapidly rising and claiming an increasing share of the state budget with total expenditures in each of state fiscal years 2008 and 2009 of over \$1 billion, or 12 percent, of the General Fund to cover Medicaid costs; and

WHEREAS, the Medicaid program is continually plagued by deficits and in state fiscal year 2009, the deficit totaled \$232 million and the program has experienced an unprecedented growth in the number of new enrollees with a 264 percent increase in the growth of eligible recipients from June 2008 to November 2009; and

WHEREAS, the General Assembly recognizes the important role that the Medicaid program serves as a provider and purchaser of health care services for some of the state's most vulnerable citizens; and

WHEREAS, identifying measures to contain the growth of Medicaid costs and obtain better value from state expenditures for the program will help ensure that increased Medicaid costs do not threaten the viability of other essential state services and the economic growth of the Commonwealth;

NOW, THEREFORE,

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

➔Section 1. The Legislative Research Commission is directed to establish a task force on cost containment strategies for the Kentucky Medicaid program. The task force of the Legislative Research Commission shall study cost containment strategies for the Kentucky Medicaid program and shall develop an action plan to implement cost containment measures in the Medicaid program.

➔Section 2. The task force shall meet twice per month, beginning no later than June 1, 2010. The task force may hold additional meetings if deemed necessary. Task force meetings under this section shall be held upon the agreement of the task force co-chairs.

➔Section 3. The task force shall consist of the following members appointed by the Legislative Research Commission:

(1) The House of Representatives co-chair and the Senate co-chair of the Medicaid Oversight and Advisory Committee or their designees;

(2) The House of Representatives co-chair and the Senate co-chair of the Interim Joint Committee on Health and Welfare or their designees;

(3) The House of Representatives co-chair and the Senate co-chair of the Interim Joint Committee on Appropriations and Revenue or their designees;

(4) The House of Representatives co-chair of the Budget Review Subcommittee on Human Resources or a designee;

(5) The Senate co-chair of the Budget Review Subcommittee on Human Resources or a designee; and

(6) The Minority Floor Leader of the House of Representatives and the Minority Floor Leader of the Senate or their designees.

➔Section 4. The Speaker of the House of Representatives and the President of the Senate shall each appoint one member to serve as co-chair of the task force. The Speaker of the House of Representatives and the President of the Senate shall serve as ex officio members of the task force.

➔Section 5. The task force shall hear testimony and gather information from state agencies, academic professionals, providers, recipients, and other individuals and entities as deemed necessary and appropriate.

➔Section 6. The task force findings and recommendations shall:

- (1) Determine the major cost drivers for the Medicaid program; and
- (2) Develop a strategic plan to address the cost drivers and identify cost containment strategies that may be implemented in the Kentucky Medicaid program.

➔Section 7. Issues to be addressed by the task force shall include, but are not limited to the following:

- (1) Reforming and restructuring the Medicaid program to provide incentives for efficient and effective care and to reduce variations in the quality and cost of care;
- (2) Payment methodologies and purchasing strategies;
- (3) The existing statutory and regulatory framework for achieving cost containment;
- (4) The current benefit structure and the amount, duration, and scope of services provided;
- (5) Prescription drug spending and possible prescription drug management models such as pharmacy lock-in programs;
- (6) Administrative simplification;
- (7) Strategic planning for contract procurement;
- (8) The current service delivery system; and
- (9) Long term care.

➔Section 8. The Legislative Research Commission shall provide staff for the task force.

➔Section 9. The task force shall report its recommendations and findings to the Legislative Research Commission by December 31, 2010, and thereafter the task force shall cease to exist.

➔Section 10. 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.

➔Section 11. Due to the critical need to address increasing costs in the Kentucky Medicaid program, an emergency is declared to exist, and this Resolution takes effect upon its passage and approved by the Governor or upon its otherwise becoming a law.

Signed by Governor April 7, 2010.