

CHAPTER 128**(HJR 57)**

A JOINT RESOLUTION directing the Cabinet for Health and Family Services to establish a work group to assess the feasibility of implementing a bridge insurance program, to review current Temporary Assistance for Needy Families expenditures, and to consider opportunities for public-private partnerships to better meet the needs of public assistance beneficiaries.

WHEREAS, Kentucky has expanded Medicaid eligibility to individuals earning up to 138 percent of the federal poverty level; and

WHEREAS, individuals with incomes very close to the Medicaid eligibility cutoff frequently experience changes in income that result in them churning from Medicaid to qualified health plans sold on the Health Insurance Marketplace from one year to the next; and

WHEREAS, this churn creates fluctuating healthcare costs and increased administrative work for the insureds, qualified health plan providers, and the state's Medicaid program; and

WHEREAS, the cost of purchasing coverage through the Health Insurance Marketplace can deter some low-income individuals from obtaining health insurance coverage; and

WHEREAS, Section 1331 of the Affordable Care Act gives states the option to create a Basic Health Program, or bridge insurance program; and

WHEREAS, a bridge insurance program offers health coverage to low-income individuals who would otherwise be eligible to purchase insurance through the Health Insurance Marketplace; and

WHEREAS, through a bridge insurance program, Kentucky could provide coverage to individuals who do not qualify for Medicaid or the Children's Health Insurance Program and who have an income between 133 percent and 200 percent of the federal poverty level; and

WHEREAS, a bridge insurance program may offer an opportunity for Kentucky to provide more affordable coverage for these low-income individuals and improve continuity of care; and

WHEREAS, a bridge insurance program can prevent eligible individuals from suffering a disruption in care for persistent and chronic health issues due to changes in insurance plans and eligibility; and

WHEREAS, states have the option to implement bridge insurance programs that contract with Medicaid managed care organizations and jointly administer the bridge insurance program and Medicaid, effectively creating seamless coverage for everyone under 200 percent of the federal poverty level with continuity of benefits and providers; and

WHEREAS, states that implement a bridge insurance program are eligible for federal funds equal to 95 percent of the amount of the premium tax credits and the cost-sharing subsidies that would have otherwise been provided to eligible individuals if those individuals had purchased coverage through the Health Insurance Marketplace; and

WHEREAS, the Public Assistance Reform Task Force, established by the Legislative Research Commission during the 2019 Interim, found that the allocation of funds, including federal Temporary Assistance for Needy Families (TANF) block grant funds, through the Kentucky Transitional Assistance Program (K-TAP) does not prioritize assisting recipients in transitioning off of public assistance by finding and maintaining stable employment; and

WHEREAS, as of 2019, Kentucky had accumulated nearly 50 million dollars in unspent, or unobligated, TANF block grant funds, approximately 27 percent of that state's annual block grant amount; and

WHEREAS, in state fiscal years 2017, 2018, and 2019, an average of less than 10 percent of all K-TAP expenditures supported programs and services to assist recipients in securing employment or gaining the skills necessary to secure employment; and

WHEREAS, in state fiscal years 2017, 2018, and 2019, payments to private residential foster care agencies, kinship care payments, and family care initiatives for permanency and protection accounted for nearly two-thirds of all K-TAP expenditures; and

WHEREAS, in 2019, the Public Assistance Reform Task Force recommended that the Cabinet for Health and Family Services study alternative sources of funding for child welfare programs and services currently funded by federal TANF block grant dollars, including strategies for securing additional Title IV-E funds, so that future K-TAP expenditures could be allocated in a manner that better prioritized assisting recipients in transitioning off of public assistance by finding and maintaining stable employment;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Cabinet for Health and Family Services is hereby directed to establish a work group to assess the feasibility of implementing a bridge insurance program, to review current Temporary Assistance for Needy Families expenditures, and to consider opportunities for public-private partnerships to better meet the needs of public assistance beneficiaries. The work group shall be attached to the cabinet for administrative staffing purposes and shall be composed of at least the following members:

- (1) The secretary of the Cabinet for Health and Family Services, or his or her designee;
- (2) The secretary of Education and Workforce Development Cabinet, or his or her designee;
- (3) The executive director the of the Kentucky Workforce Innovation Board, or his or her designee;
- (4) The executive director of the Kentucky Association of Health Plans, or his or her designee;
- (5) The commissioner of the Department of Insurance, or his or her designee;
- (6) The commissioner of the Department for Community Based Services, or his or her designee;
- (7) The commissioner of the Department for Medicaid Services, or his or her designee;
- (8) The president of the Kentucky Retail Federation, or his or her designee;
- (9) The president of the Kentucky Chamber of Commerce, or his or her designee;
- (10) Two members of the Kentucky House of Representatives selected by the secretary of the Cabinet for Health and Family Services from a list of three members submitted by the Speaker of the House of Representatives; and
- (11) Two members of the Kentucky Senate selected by the secretary of the Cabinet of Health and Family Services from a list of three members submitted by the President of the Senate.

➔Section 2. The duties and responsibilities of the work group shall include:

- (1) Assessing the feasibility of implementing a bridge insurance program in Kentucky, including operational considerations such as technology requirements, eligibility guidelines, the number of individuals who may be eligible, and the potential impact on the state's health exchange market;
- (2) Assessing the fiscal impact of implementing a bridge insurance program in Kentucky, including the amount of federal funds that could be secured through such a program;
- (3) Determining if special federal authorization in the form of a Medicaid waiver or Medicaid State Plan amendment would be necessary prior to implementing a bridge insurance program in Kentucky;
- (4) Reviewing all current K-TAP expenditures, including an evaluation of all unspent, or unobligated, federal TANF block grant funds;
- (5) Requesting federal technical assistance and guidance related to unspent, or unobligated, federal TANF block grant funds;
- (6) Examining alternative sources of funding for child welfare programs and services currently funded by federal TANF block grant dollars, including strategies for securing additional Title IV-E funds; and
- (7) Exploring opportunities for public-private partnerships to better meet the needs of public assistance beneficiaries.

➔Section 3. The work group shall meet at least monthly beginning in July 2021, and shall submit findings and recommendations to the Governor, the Legislative Research Commission, the Interim Joint Committee on Health, Welfare, and Family Services, and the Interim Joint Committee on Banking and Insurance by December 31, 2021. After December 31, 2021, the work group shall no longer exist.

Signed by Governor March 25, 2021.

