

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

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

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

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

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

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

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

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

27 WHEREAS, a bridge insurance program may offer an opportunity for Kentucky to

1 provide more affordable coverage for these low-income individuals and improve
2 continuity of care; and

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

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

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

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

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

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

27 WHEREAS, in state fiscal years 2017, 2018, and 2019, payments to private

1 residential foster care agencies, kinship care payments, and family care initiatives for
2 permanency and protection accounted for nearly two-thirds of all K-TAP expenditures;
3 and

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

10 NOW, THEREFORE,

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

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

19 (1) The secretary of the Cabinet for Health and Family Services, or his or her
20 designee;

21 (2) The secretary of Education and Workforce Development Cabinet, or his or her
22 designee;

23 (3) The executive director the of the Kentucky Workforce Innovation Board, or
24 his or her designee;

25 (4) The executive director of the Kentucky Association of Health Plans, or his or
26 her designee;

27 (5) The commissioner of the Department of Insurance, or his or her designee;

1 (6) The commissioner of the Department for Community Based Services, or his
2 or her designee;

3 (7) The commissioner of the Department for Medicaid Services, or his or her
4 designee;

5 (8) The president of the Kentucky Retail Federation, or his or her designee;

6 (9) The president of the Kentucky Chamber of Commerce, or his or her designee;

7 (10) Two members of the Kentucky House of Representatives selected by the
8 secretary of the Cabinet for Health and Family Services from a list of three members
9 submitted by the Speaker of the House of Representatives; and

10 (11) Two members of the Kentucky Senate selected by the secretary of the Cabinet
11 of Health and Family Services from a list of three members submitted by the President of
12 the Senate.

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

14 (1) Assessing the feasibility of implementing a bridge insurance program in
15 Kentucky, including operational considerations such as technology requirements,
16 eligibility guidelines, the number of individuals who may be eligible, and the potential
17 impact on the state's health exchange market;

18 (2) Assessing the fiscal impact of implementing a bridge insurance program in
19 Kentucky, including the amount of federal funds that could be secured through such a
20 program;

21 (3) Determining if special federal authorization in the form of a Medicaid waiver
22 or Medicaid State Plan amendment would be necessary prior to implementing a bridge
23 insurance program in Kentucky;

24 (4) Reviewing all current K-TAP expenditures, including an evaluation of all
25 unspent, or unobligated, federal TANF block grant funds;

26 (5) Requesting federal technical assistance and guidance related to unspent, or
27 unobligated, federal TANF block grant funds;

1 (6) Examining alternative sources of funding for child welfare programs and
2 services currently funded by federal TANF block grant dollars, including strategies for
3 securing additional Title IV-E funds; and

4 (7) Exploring opportunities for public-private partnerships to better meet the
5 needs of public assistance beneficiaries.

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