

HEALTH AND FAMILY SERVICES

Health Insurance Risk-Sharing Plan  
[LFB Paper #415]

Motion:

Move to adopt alternatives A2, B1, C5, D1, and E1 (as modified below) in LFB Issue Paper #415.

Modify alternative E1 by requiring the Department of Health and Family Services (DHFS) to prepare a request-for-proposal (RFP) for the selection of the plan administrator within six months of the bill's general effective date and to submit the RFP to the Joint Committee on Finance before soliciting bids on the RFP. Specify that DHFS could only release the RFP upon approval of the RFP by the Committee under a 14-day passive review process.

Note:

First, this motion would reduce mnding in the bill for benefits by \$15,140,100 SEG in 2003-04 and \$21,050,700 in 2004-05 and for administrative costs by \$652,800 SEG in 2003-04 and \$941,300 SEG in 2004-05.

Second, this motion would retain the Governor's recommendation to delete \$10,241,800 GPR annually to eliminate all GPR support for HIRSP.

Third, this motion would maintain the current allocation of HIRSP costs (60 to policyholders, 20 to insurers, and 20 to providers).

Fourth, this motion would retain the Governor's recommendation to authorize DHFS to provide subsidies for prescription drug copayments, in addition to subsidies for premiums and deductibles as provided under current law, for eligible individuals based on income levels. The subsidy costs would be distributed equally between insurers and providers.

Finally, this motion would retain the Governor's recommendation to repeal the current requirement that the HIRSP plan administrator be the medical assistance (MA) fiscal agent and would authorize DHFS to select the HIRSP plan administrator through a competitive bidding process. However, this motion would also require DHFS to prepare a request-for-proposal (RFP) for the selection of the plan administrator within six months of the bill's general effective date and to submit the RFP to the Committee before soliciting bids on the RFP. DHFS could only release the RFP upon approval by the Committee under a 14-day passive review.

[Change to Bill: -\$37,784,900 SEG]

Motion #408