



## OAHU Regulatory/Legislative Update

by John T. McGough

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### Ohio Legislature and Ohio Department of Insurance take steps relating to Section 1332 Waiver

As I reported in the June 6th OAHU Regulatory Alert, Ohio Department of Insurance Director, Jillian Froment sent a letter to CMS Administrator, Seema Verma on June 1st seeking increased flexibility in the Section 1332 waiver application process and the application requirements to allow states to make meaningful impacts on their health insurance markets.

Also, on June 1st the Ohio Department of Administrative Services, Office of Procurement Services, on behalf of the Ohio Department of Insurance (ODI) released a **Request for Proposal (RFP) to provide an Actuarial Analysis and Application for 1332 Innovation Waiver**. The proposals were due June 21, 2017. Phase 1, Section 1 of the RFP will be to determine the current state of both Ohio's individual and small group markets. According to sources at the Department of Insurance, ODI is hoping to have this phase completed by sometime this Fall. **ODI has also stated that it's highly unlikely that a Section 1332 waiver can be submitted and approved for ACA plans offered in 2018.**

**In a related matter, the Ohio Senate Finance Committee this week inserted a provision in the pending state budget bill (Sub. H.B. 49) that requires ODI to submit a Section 1332 waiver application not later than the end of January, 2018.** Ohio Senate President, Larry Obhof, told reporters that federal regulators are more likely to relax requirements on waiver applications and made the following statement as to the need to move forward on the waiver process:

**“One of the problems that we've had thus far is that the prior administration instituted some rules and offered guidance limiting not only what they were willing to grant, but what you**

could actually file a waiver request for. It seemed like there were a substantial number of hurdles that had been placed in our way in terms of what we could do and what we couldn't, we're doing what we can now with the administration to relieve some of those hurdles."

OAHU will be monitoring and providing input concerning Ohio's waiver process and keep OAHU members updated as this process continues to unfold. For those of you who also want to follow the waiver process, just click on the following link to access ODI's information regarding the waiver. <http://insurance.ohio.gov/Consumer/Pages/Waiver.aspx>

### **Ohio Senate Finance Committee takes action to further limit Medicaid Expansion**

The Senate Finance Committee on Tuesday voted to set a deadline of July 1, 2018, to enroll in Ohio's expanded Medicaid program before the door closes. Senator Scott Oelslager (R-Canton), the committee's chairman, said enrollment would proceed normally until then. Those in the program may continue to receive coverage after the deadline, but then enrollment will close, and those who fall off the program because of income or other eligibility changes would not be able to re-enroll if their situations change. Oelslager said lawmakers would eventually revisit the issue after they know how Congress plans to deal with state Medicaid expansions and also possible changes to the Affordable Care Act.

The budget bill also keeps work requirements, with some exceptions, that were added by the House for able-bodied people who receive health coverage through the expansion. The Senate, however, removed bureaucratic hurdles that the Governor's administration would have to clear every six months to draw down the state's matching funds to pay for the expansion.

More than 700,000 Ohioans now receive health care through Ohio's Medicaid expansion. The federal government currently pays 95% of the expansion's cost. Under federal law, participants may earn as much as 138% of the federal poverty level to qualify. This past Wednesday, the full Senate passed its version of the budget and the same day the House failed to concur in the Senate's amendments. The bill now has gone to a 6-member House-Senate Conference Committee which held its first meeting yesterday and is likely to issue its report early next week, so that the House and Senate can vote on their final version of the budget. This will give Governor Kasich a few days to sign the budget into law (and possibly veto some provisions) before the beginning of the next state fiscal year which starts on July 1.

After the state budget is enacted into Ohio law, OAHU will provide you with another update outlining the major provisions of the legislation of interest to OAHU members.

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