**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 9 TO CHAPTER 6, TITLE 44 SO AS TO ENACT THE “SOUTH CAROLINA ACCESS TO HEALTH CARE ACT”, TO DIRECT THE STATE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO DESIGN A HEALTH CARE COVERAGE PROGRAM COMPARABLE TO THE ARKANSAS OPTION, BY ACCEPTING FEDERAL FUNDS ALLOWING APPROPRIATE UNINSURED PERSONS TO OBTAIN PRIVATE HEALTH INSURANCE WITH PREMIUMS PAID FOR BY FEDERAL FUNDS, TO PROVIDE THAT THE PROGRAM IS CONTINGENT UPON APPROPRIATE APPROVALS OF THE PROGRAM DESIGN BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, AND FURTHER PROVIDE THAT THE PROGRAM IS CONTINGENT UPON SPECIFIED LEVELS OF FEDERAL HEALTH CARE FUNDING, AND TO PROVIDE THAT THE STATE ASSUMES NO OBLIGATION TO ANY PRIVATE INSURANCE CARRIER PARTICIPATING IN THE PROGRAM OTHER THAN THE PAYMENT OF PREMIUMS AS ALLOWED PURSUANT TO THE SOUTH CAROLINA ACCESS TO HEALTH CARE ACT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 6, Title 44 of the 1976 Code is amended by adding:

“Article 9

South Carolina Access to Health Care Act

Section 44‑6‑1310. This article may be cited as the ‘South Carolina Access to Health Care Act’.

Section 44‑6‑1320. (A) Notwithstanding another provision of law, the Department of Health and Human Services is to explore design options that reform the Medicaid Program utilizing this article so that it is a fiscally sustainable, cost‑effective program utilizing value‑based purchasing to:

(1) maximize the available service options;

(2) promote accessibility to health care services to low-income persons and transparency;

(3) encourage and reward healthy outcomes and responsible choices; and

(4) promote efficiencies that will deliver value to the taxpayers.

(B)(1) It is the intent of the General Assembly that this State through the South Carolina Department of Health and Human Services (DHHS) shall utilize a private insurance option to provide health services for medically indigent persons.

(2) The South Carolina Access to Health Care Act shall:

(a) increase private health care options and decrease government-operated programs such as Medicaid; and

(b) ensure that decisions about the design, operation, and implementation of this option, including cost, remain within the purview of this State and not federal authorities.

Section 44‑6‑1330. (A) The purpose of this article is to:

(1) improve access to quality health care;

(2) attract insurance carriers and enhance competition in this state’s insurance marketplace;

(3) provide individually owned health insurance;

(4) improve continuity of coverage;

(5) reduce the size of the state‑administered Medicaid program;

(6) encourage appropriate care, including early intervention, prevention, and wellness;

(7) increase quality and delivery system efficiencies;

(8) facilitate this state’s continued payment innovation and delivery system reform;

(9) discourage over‑utilization; and

(10) reduce waste, fraud, and abuse.

(B) This State shall take an integrated approach to covering low‑income South Carolinians through offering new coverage opportunities, stimulating market competition, and offering alternatives to the existing Medicaid program.

Section 44‑6‑1340. As used in this article:

(1) ‘Carrier’ means a private entity certified by the South Carolina Department of Insurance and offering plans through the health insurance marketplace.

(2) ‘Eligible individual’ means an individual who:

(a) is an adult from age eighteen through age sixty-four with an income that is equal to or less than one hundred thirty-eight percent of the federal poverty level, including without limitation individuals who would not be eligible for standard Medicaid services under laws and rules in effect on January 1, 2014;

(b) has been authenticated to be a United States citizen or documented, qualified alien according to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104‑193, as existing on January 1, 2014; and

(c) is not determined to be more effectively covered through the standard Medicaid program, such as an individual who is medically frail or other individuals with exceptional medical need for whom coverage through the health insurance marketplace is determined to be impractical, overly complex, or would undermine continuity or effectiveness of care.

(3) ‘Health care coverage’ means health care benefits as defined by certification or regulations, or both, promulgated by the South Carolina Department of Insurance for the qualified health plans or available in the marketplace.

(4) ‘Health insurance marketplace’ means the vehicle created to help individuals, families, and small businesses in this State shop for and select health insurance coverage in a way that permits comparison of available qualified health plans based upon price, benefits, services, and quality, regardless of the governance structure of the marketplace.

(5) ‘Premium’ means a charge that must be paid by DHHS on behalf of the enrolling individual to obtain health care coverage.

(6) ‘Program’ means the program established by the South Carolina Access to Health Care Act established by this article.

(7) ‘Qualified health plan’ means a South Carolina Department of Insurance certified individual health insurance plan offered by a carrier through the health insurance marketplace.

Section 44‑6‑1350. (A) The South Carolina Department of Health and Human Services (DHHS) shall:

(1) create and administer the program; and

(2) submit Medicaid state plan amendments and apply for any federal waivers necessary to implement the program in a manner consistent with this article.

(B)(1) Implementation of the program is conditioned upon the receipt of necessary federal approvals.

(2) If DHHS does not receive the necessary federal approvals, the program must not be implemented.

(C) The program must include premium assistance for eligible individuals to enable their enrollment in a qualified health plan through the health insurance marketplace.

(D)(1) DHHS is authorized to pay premiums and supplemental cost‑sharing subsidies directly to the qualified health plans for enrolled eligible individuals.

(2) The intent of the payments under subjection (D)(1) is to increase participation and competition in the health insurance market and to reduce costs for both publicly and privately funded health care.

(E) To the extent allowable by law, DHHS shall pursue strategies that promote insurance coverage of children in their parents’ or caregivers’ plan, including children eligible for the Partners for Healthy Children (PHC).

DHHS shall develop and implement a strategy to inform Medicaid recipient populations whose needs would be reduced or better served through participation in the health insurance marketplace.

(F) The South Carolina Department of Insurance and DHHS shall administer and provide rules and promulgate regulations to administer the program authorized under this article.

(G) The program authorized under this article terminates within one hundred twenty days after a reduction in any of the following federal medical assistance percentages:

(1) one hundred percent in 2016;

(2) ninety‑five percent in 2017;

(3) ninety‑four percent in 2018;

(4) ninety‑three percent in 2019; and

(5) ninety percent in 2020 or any year after 2020.

(H) An eligible individual enrolled in the program shall affirmatively acknowledge that:

(1) the program is not a perpetual federal or state right or a guaranteed entitlement;

(2) the program is subject to cancellation upon appropriate notice; and

(3) the program is not an entitlement program.

(I)(1) State obligations for uncompensated care must be projected, tracked, and reported to identify potential incremental future decreases.

(2) DHHS shall recommend appropriate adjustments to the General Assembly.

(3) Adjustments must be made by the General Assembly as appropriate.

(J) DHHS shall track the license tax on hospitals imposed pursuant to Article 11, Chapter 23, Title 12 and report to the General Assembly subsequent decreases based upon reduced uncompensated care.

(K) On a quarterly basis, DHHS and the South Carolina Department of Insurance shall report to the General Assembly information regarding:

(1) program enrollment;

(2) patient experience;

(3) economic impact including enrollment distribution;

(4) carrier competition; and

(5) avoided uncompensated care.

(L) The State of South Carolina is not responsible or otherwise obligated to make any payments or assume any obligations to a carrier for other than the premiums as specified in this article.

Section 44‑6‑1360. (A) Health care coverage must be achieved through a qualified health plan at the silver level as provided in 42 U.S.C. Sections 18022 and 18071, as existing on January 1, 2014, that restricts cost sharing to amounts that do not exceed Medicaid cost-sharing limitations.

(B) All participating carriers in the health insurance marketplace shall offer health care coverage conforming to the requirements of this article.

(C) To assure price competitive choice among health care coverage options, the South Carolina Department of Insurance shall assure that at least two qualified health plans are offered in each county in the State.

(D) Health insurance carriers offering health care coverage for program eligible individuals shall participate in DHHS program payment improvement initiatives including:

(1) assignment of primary care clinician;

(2) support for patient-centered medical home; and

(3) access of clinical performance data for providers.

(E) On or before July 1, 2017, the State Insurance Department shall implement through certification requirements, rule, or both, the applicable provisions of this article.

Section 44‑6‑1370. (A) The General Assembly shall assure that a mechanism within the health insurance marketplace is established and operated to facilitate enrollment of eligible individuals.

(B) The enrollment mechanism shall include an automatic verification system to guard against waste, fraud, and abuse in the program.

Section 44‑6‑1380. This article remains in effect through June 30, 2020, unless amended or extended by the General Assembly.”

SECTION 2. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑