

Division of Insurance - Health Care Cost and Reimbursement Analysis

FY2025 Request: \$2,500,000
Reference No: AMD 65141

AP/AL: Appropriation

Category: Health/Human Services

Location: Statewide

Impact House District: Statewide (HD 1 - 40)

Estimated Project Dates: 07/01/2024 - 06/30/2029

Project Type: Research / Studies / Planning

Recipient: NA

House District: Statewide (HD 1 - 40)

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Brief Summary and Statement of Need:

The Division of Insurance will develop a comprehensive health care reimbursement reform package after the repeal of the 80th percentile regulation. This project will allow the division to convene a Health Care Costs and Reimbursement Working Group, and provide contractual and actuarial support to advance the statewide healthcare reform package.

Funding:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total
1156 Rcpt Svcs	\$2,500,000						\$2,500,000
Total:	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

The goal of the working group is to design and implement a provider reimbursement strategy and other innovative reforms that lower the cost of healthcare, reimburse providers at a fair market rate, and address payment disparities across multiple state programs.

The Division of Insurance will utilize this funding to access third-party proprietary healthcare data through contractors or directly if appropriate. Data sources may include FAIR Health and MarketScan databases, which are industry-leading standards for gathering information on the cost of healthcare procedures. The division will require additional actuarial review and consultant services to analyze healthcare costs and reform options, and will convene meetings of providers, payers, insurance companies, and other stakeholders as needed.

Information gathered and analysis conducted under this appropriation will assist the division in determining if a Section 1332 Innovation Waiver or other programs, including grants, would benefit the cost of health care and reimbursement.

This project will be fully funded by insurance licensing fees collected by the division.