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Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Williams

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SUMMARY

- Requires the Medicaid Director to establish a Medicaid waiver component known as the American Dream Voluntary Transition Program.
- Under the voluntary program, transitions Medicaid recipients from the Medicaid program to private insurance coverage.
- Prohibits the Department of Medicaid from taking adverse action against a Medicaid recipient who declines to participate in the program.
- Requires the Treasurer of State to establish American Dream Savings Accounts into which program participants must deposit a percentage of their income for use upon completion of the program for specified purposes.
- Designates the bill as the "American Dream Act."

DETAILED ANALYSIS

American Dream Voluntary Transition Program

Program creation

The bill requires the Medicaid Director to establish a Medicaid waiver component known as the American Dream Voluntary Transition Program. A Medicaid waiver component is a part of the Medicaid program that has received approval from the U.S. Centers for Medicare and Medicaid Services to deviate from a federal Medicaid laws or regulations or to use Medicaid funds in ways that are not otherwise permitted. Federal law authorizes the approval of experimental, pilot, or demonstration projects determined to be likely to assist in promoting

Medicaid program objectives.[1] A waiver provides states additional flexibility to operate their programs.

Under the bill, Medicaid recipients may elect to voluntarily transition from the Medicaid program to private insurance coverage. The Department of Medicaid must establish eligibility criteria for Medicaid recipients who wish to participate in the waiver component. The bill provides that any member of the Medicaid expansion eligibility group (often referred to as "Group VIII") may elect to participate in the program and that participation satisfies the employment and training requirements that apply to that group as a condition of eligibility for Medicaid under both state and federal law.[2] As a voluntary program, the bill prohibits a Medicaid recipient's decision not to participate in the waiver component from affecting the recipient's Medicaid eligibility.[3] The Medicaid Director must coordinate with the Director of Job and Family Services, the Director of Development, and the Treasurer of State to implement the waiver component, including by entering into all necessary interagency agreements and establishing any necessary reporting, verification, and compliance systems.[4] The waiver component includes three phases.

Phase One

Medicaid recipients who elect to participate in the waiver component and are determined eligible to participate by the Department of Medicaid begin in Phase One. Under Phase One, a Medicaid recipient remains eligible for Medicaid for 12 months if the recipient's income does not exceed 250% of the federal poverty line (FPL). The Department, or an entity under contract with the Department, must provide the following services to a Phase One participant:[5]

- Entrance orientation, including physical and mental capacity screenings when indicated;
- Workforce development exposure;
- Career interest and aptitude assessments;
- Individualized employment and transition plans;
- Referral to the OhioMeansJobs website and the WorkOhio website;
- Referral to other state or local workforce development programs.

Phase Two

Once a participant's income exceeds 250% FPL but does not exceed 300% FPL, the participant must be enrolled in Phase Two of the waiver component. Under Phase Two, a participant remains eligible for Medicaid for 12 months if the participant (1) maintains

[1] 42 United States Code (U.S.C.) 1315(a).

[2] R.C. 5166.37, not in the bill; see 42 U.S.C. 1396a(xx).

[3] R.C. 5166.38(A) and (B).

[4] R.C. 5166.38(D).

[5] R.C. 5166.38(C)(1).

employment and (2) deposits an average of 25% of the participant's income that exceeds 250% FPL into an American Dream Savings Account established by the Treasurer of State (see "**American Dream Savings Accounts**" below).[6]

Phase Three

After a participant has been enrolled in Phase Two for 12 months or has an income that exceeds 300% FPL, the participant must be enrolled in Phase Three. Under Phase Three, a participant is eligible for state-funded health insurance premium and cost sharing assistance for 12 months if the participant (1) satisfies the requirements that apply to Phase Two regarding employment and American Dream Savings Account contributions and also (2) transitions from the Medicaid program to a private health plan offered on a health benefit exchange created under the Affordable Care Act. A Phase Three participant is ineligible for the insurance premium and cost-sharing assistance for any period during which the participant is covered under an employer-sponsored health insurance plan.[7]

Total program time

The bill provides that, notwithstanding the 12-month time limits specified for each phase of the American Dream Voluntary Transition Program, no individual may participate in the program longer than 24 months, regardless of whether the participant has completed all three phases.[8]

Reporting

The bill requires the Medicaid Director to prepare and submit annual reports to the General Assembly concerning the American Dream Voluntary Transition Program. Each report must include the following:[9]

- The number of participants in the waiver component, including employment outcomes for participants, income growth, and transitions to private insurance coverage;
- The number of participants who are no longer enrolled in the Medicaid program;
- The account balances and asset development of participants' American Dream Savings Accounts;
- The fiscal impact of the waiver component;
- Any other information that the Director considers relevant concerning the waiver component.

[6] R.C. 5166.38(C)(2).

[7] 42 U.S.C. 18021; R.C. 5166.38(C)(3) and (4).

[8] R.C. 5166.38(C)(5).

[9] R.C. 5166.38(E).

American Dream Savings Accounts

The bill requires the Treasurer of State, in consultation with the Medicaid Director, to establish American Dream Savings Accounts that may be utilized by individuals enrolled in Phase Two or Phase Three of the waiver component. The accounts must be maintained in a financial institution insured by the Federal Deposit Insurance Corporation.

As described above, participants in Phase Two and Phase Three must deposit an average of 25% of their income that exceeds 250% FPL into an American Dream Savings Account as a condition of participation. The Treasurer must track and verify deposits into these accounts and provide that information to the Medicaid Director quarterly.[10]

A participant who completes participation in the American Dream Voluntary Transition Program may use funds deposited into an account for any of the following purposes:[11]

- Security deposits, housing down payments, or other similar payments to secure housing;
- The purchase or down payment on a motor vehicle;
- Education or job training;
- Employment-related relocation;
- Other workforce-related purposes.

The bill requires the Treasurer to adopt rules that include a mechanism by which the Treasurer may require the forfeiture of funds from an account if they are used for a purpose other than those described above.[12]

Bill designation

The bill designates its provisions as the "American Dream Act."[13]

HISTORY

Action	Date
Introduced	04-07-26

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[10] R.C. 113.65(C).

[11] R.C. 113.65(D).

[12] R.C. 113.65(E).

[13] Section 2.