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National Health IT Week will take place October 8-12, 2018 and September 23-27, 2019. Key public and private healthcare constituents – representing the full spectrum of healthcare interests – will convene in Washington, DC and around the country to address implications for ongoing healthcare reform initiatives and promote understanding. Initiated in 2006 by The Healthcare Information and Management Systems Society (HIMSS), National Health IT Week has emerged as a landmark occasion for bringing together diverse national healthcare stakeholders, who partner in developing neutral, common ground for the advancement of health IT adoption with "One Voice, One Vision." This October and September, nearly 400 public and private sector organizations throughout the nation will participate in the Tenth Annual National Health IT Week. The National Conference of State Legislatures (NCSL) has worked closely with HIMSS and other stakeholder organizations to promote understanding among state policymakers of the contributions of health IT to improving the quality and safety of healthcare delivery and containing healthcare costs. National Health IT Week presents an opportunity for NCSL and other stakeholders to recognize the value of information technology and management systems to transform the United States healthcare system, improving the quality and cost efficiency for all Americans. NCSL encourages its members to participate in "National Health IT Week 2018-2019" in appropriate ways in their respective state capitals as well as in the Nation's Capital. NCSL also encourages its members to urge their respective delegations to the United States Congress to join in recognizing the benefits of health information technology as they act to improve health care for all citizens during National Health Information Technology Week.
The Substance Abuse Prevention and Treatment Block Grant and the Community Mental Health Services Block Grant provide critical assistance to state governments to help address alcohol, substance abuse, and behavior health issues using a broad range of strategies and services. The National Conference of State Legislatures continues to support these important programs.

NCSL supports full funding for these programs as they will play an integral part in our nation’s strategy to expand access to mental health and substance use disorders services to more Americans.

Behavioral health describes both mental health and substance use disorders (SUD). NCSL supports efforts that examine the issues of behavioral health through the comprehensive and holistic approach of the four pillars—prevention, intervention, treatment and recovery.

NCSL supports federal legislation, funding and programing that would:

- Provide block grants to states with flexibility to address the most pressing behavioral health issues in their states.

- encourage federal proposals that supports states working to further integrate behavioral health and primary care services and promotes providers to work easily together in this model.
• remove the unnecessary barriers created by 42 CFR Part 2 by allowing providers to communicate with one another. NCSL recognizes that it was originally attended in stopping discrimination, but it has become a barrier to accessing care and has further increased stigma, and

• reduce stigma and treat behavioral health conditions in a wholistic and integrated way.
NCSL supports the purposes of the TANF block grant, which provides grant funding to the 50 states, the District of Columbia and the territories for a wide range of benefits, services, and activities. It provides states the flexibility to meet specified goals of the program including:

• Federal stakeholders providing states with flexibility in making strategic TANF policy decisions to design their own programs in accordance with their communities’ specific needs,

• the concept that individuals receiving public assistance should be engaging in efforts towards self-sufficiency,

• regulations that authorize states to deem compliant individuals with disabilities who fail to meet the work threshold or activity standards which TANF requires,

• permitting states to determine if individuals applying for Social Security Income (SSI) meet the SSI threshold for an exclusion from the work rate calculations because they are unable to work prior to a Social Security Administration (SSA) determination,

• providing assistance to needy families so that children can be cared for in their own homes or in the homes of relatives,
• continuing to allow Maintenance of Effort (MOE) requirements that are flexible for the use of funds in any manner “reasonably” calculated to achieve TANF’s statutory purpose,

• excluding individuals unable to work due to temporary disability and ineligible from SSI from the work rate calculation, and

• allowing states options to collaborate and contract with religious organizations for family assistance services, within the boundaries of state and local laws.

NCSL urges federal partners to:

• Continue to provide full financial support for the TANF block grant, and the contingency fund, which provides additional financial support for qualifying states during an economic downturn, and

• Support the success that states have had with proven strategies to get welfare recipients into unsubsidized jobs in the private sector.

NCSL opposes:

• Federal regulatory actions that would limit state flexibility, constrain state policy choices or leave states facing financial penalties for not meeting federal work participation rates,

• Congressional proposals to reduce the welfare block grant in TANF, related block grant and welfare program, and

• The preemption of state authority, or mandates on states as they compromise the spirit of the state-federal partnership.
• Ending dependence of needy parents on government benefits through work, job preparation, and marriage,
• Reducing the incidence of out-of-wedlock pregnancies, and
• Promoting the formation and maintenance of two-parent families.

NCSL opposes federal regulatory actions that would limit state flexibility, constrain state policy choices or leave states facing financial penalties for not meeting federal work participation rates. States must be able to adopt a variety of goals for their TANF programs within a broad federal structure, including welfare to work and welfare avoidance programs for youth and low-wage workers.

NCSL supports:
• The concept that individuals receiving public assistance should be engaged in efforts toward self-sufficiency. NCSL urges the federal government to support the success that states have had with strategies to get welfare recipients into unsubsidized jobs in the private sector.
• Regulations that authorize states to deem compliant individuals with disabilities who fail to meet the work threshold or activity standards which TANF requires.
• Permitting states to determine if individuals applying for Social Security Income (SSI) meet the SSI threshold for an exclusion from the work rate calculation because they are unable to work prior to a Social Security Administration (SSA) determination.
• Excluding individuals unable to work due to temporary disabilities and ineligible for SSI from the work rate calculation.
• State options to collaborate and contract with religious organizations for family assistance services, within the boundaries of state and local laws.

NCSL urges the federal government to work with states on any changes made to the TANF to ensure the continuance of innovation in state and county programs. NCSL opposes the use of earmarks, preemption of state authority, or mandates on states as
they compromise the spirit of the state-federal partnership. In addition, NCSL believes that altering regulatory standards on work requirements without partnering with states in their development could constrain state flexibility. NCSL urges Congress and the U.S. Department of Health and Human Services (HHS) to provide states with sufficient flexibility in making strategic TANF policy decisions to design their own programs in accord with community needs.

Individual Development Account (IDA)

NCSL supports:

- Federal efforts to provide incentives for the creation of Individual Development Accounts (IDAs) as a tool to promote financial self-sufficiency that complements state efforts to reform welfare and to support working families’ efforts to move out of poverty.

- Changes in the federal tax code that would expand opportunities for IDAs including a tax credit for financial institutions that participate with matching funds and for private entities that invest in nonprofits that administer IDAs, and

- Examining and eliminating barrier in the TANF program, including those associated with the Cash Management Improvement Act, to simplify the administration of IDAs.

NCSL urges the federal government to continue to allow states to have the flexibility to use TANF funds for IDA programs.

NCSL supports changes in the federal tax code that would expand opportunities for IDAs including a tax credit for financial institutions that participate with matching funds and for private entities that invest in nonprofits that administer IDAs. NCSL urges HHS to examine and eliminate barriers in the TANF program, including those associated with the Cash Management Improvement Act, to simplify administration of IDAs.
TANF Funding
NCSL strongly opposes congressional proposals to reduce the welfare block grant in TANF, the Social Services Block Grant (SSBG), Low Income Home Energy Program (LIHEAP) or any related welfare program. NCSL urges Congress to continue to provide full financial support for the TANF block grant, and the contingency fund, which provides additional financial support for qualifying states during an economic downturn. NCSL believes that MOE requirements should continue to retain flexibility for the use of funds in any manner “reasonably calculated” to achieve TANF’s statutory purpose. NCSL opposes regulatory actions that restrict TANF’s use to a narrow list of programs and eliminates their use to meet work participation rates or attach federal requirements to separate state programs should be stopped.

Inflationary Adjustment
NCSL urges Congress and the administration, federal partners to consider an inflationary adjustment to the overall TANF block grant. An inflationary adjustment would enable states to respond to the increased demand for non-cash assistance, economic uncertainty and any emerging expectations of welfare reform. NCSL would oppose any imposition of an MOE requirement as a condition of receipt of funding unless the receipt of the additional funds were optional.

State Legislative Authority ("The Brown Amendment")
A critical component of the TANF law explicitly gives state legislatures specific authority to appropriate their state’s TANF-1996 law explicitly gave state legislatures the specific authority to appropriate their state's TANF, child care, and welfare-to-work funds through the “The Brown Amendment.” This authority invests state legislators fully in the TANF program and increases state oversight of TANF funds. NCSL strongly supports maintaining this language.

Rewarding Work and Reducing Poverty
NCSL believes that work is a critical component of welfare reform and federal law should support state efforts to create a continuum of self-sufficiency. Federal policy should facilitate and inform and encourage state-based and/or community and local comprehensive strategies.

NCSL supports:

- The current work requirement, that after 24 months, all families should be engaged in work, as defined by the state, but NCSL urges the administration to make the following changes in the work participation rates:

  - Eliminate the work participation standard states must meet that requires a higher work participation standard for the two-parent portion of their assistance caseload, which will help strengthen families by removing a barrier to marriage.

- Allow states to count all recipient work effort including:

  - Providing greater flexibility to define what activities count as work, such as, job training and preparation, education and treatment for especially the combination of activities such as work, job training and preparation, education and treatment for alcohol and other substance abuse disorders, and mental illness, and activities to meet the requirements of a domestic violence plan.

  - Retain the 30-hour work participation rate as the standard.

- Continuing to provide states credit for those who leave welfare.

- If the current caseload reduction credit is reduced or eliminated, it must be phased out to give states time to adjust to any changes.

- Providing states the option of including education leading to employment as part of the first 20 hours of work with the purpose of
meeting state work participation rates and give states the flexibility to count post-secondary programs that lead directly to good jobs.

- Extending the time limit on post-secondary education programs should be extended from 12 months to 24 months.

- Retaining the 20-hour requirement for a parent with a child under six.

- Allowing states flexibility to define education and give credit to those engaged in Adult Basic Education and English as a Second Language.

- Continuing to support ability to use TANF funds for subsidized employment programs, and

- Permitting states flexibility to define sanctions for noncompliance with welfare rules including work requirements.

The focus on work should not come at the exclusion of necessary basic or vocational education that would enhance skills, job retention and earnings. NCSL has always urged the federal government to leave the decision on when and how education should count for each client up to the states, like other TANF benefit and services decisions. The current policy that limits the amount of time and caps the number of clients engaged in vocational education does not consider state decision making. State legislators support efforts to expand the length of time a recipient can be in vocational education, and to lift or increase the cap on a percentage of the caseload that can be counted. NCSL supports giving states more flexibility to define education, and to give credit to those engaged in Adult Basic Education and English as a Second Language and post-secondary education.

- Continue to support states ability to use TANF funds for subsidized employment programs.
permit states the flexibility to define sanctions for noncompliance with welfare rules including work requirements.

**NCSL supports:**

- The adoption of credits to reward state success in moving families to employment. Such credits would benefit states that focus their efforts to get recipients into jobs that promote long-term self-sufficiency.
- Continued state flexibility to address issues of drug use among TANF recipients and opposes new federal mandates in this area.

**Time Limits**

NCSL believes that federal policy should always encourage work, educational or career training goals. When a parent is working, and receiving benefits, states should have an option to extend or exempt these workers and their families from the federal time limits.

NCSL believes the current policy should continue to support:

- Providing states flexibility to determine their own time limits.
- Distinguishing cash support from non-cash support and separating housing from other forms of assistance.
- Examining how the SSI and SSDI programs can better coordinate with the TANF program.
- Allowing states to decide to maintain separate state programs under MOE or segregate their MOE spending in an existing program with greater flexibility for funds and,
- Maintaining the ability of states to exempt 20 percent of their caseload, as defined by the state, from federal time limits.
NCSL supports efforts that would distinguish cash support from non-cash support. Currently housing, food and cash count as "assistance" and NCSL urges Congress to separate housing from other forms of assistance.

NCSL urges Congress and the administration to carefully examine how the SSI and SSDI programs can be better coordinated with the TANF program and state efforts to help everyone achieve the maximum level of self-sufficiency possible.

Data Collection and Reporting Requirements

NCSL opposes:

- The establishment of a national error rate for TANF and Child Care and Development Block Grant (CCDBG) programs under the Improper Payments Act.
Ryan White CARE Act

Federal grants supporting state efforts to provide prevention, care and treatment to people with at risk of or living with HIV/AIDS should provide maximum flexibility to states to enable them to develop programs that best meet the needs of their citizens.

NCSL supports:

• Continued and adequate funding for states through the Ryan White C.A.R.E. Act and through cooperative agreements with the CDC and federal partners.

• States should be permitted to demonstrate, in their state plan, that they have addressed the needs of all populations within their boundaries, in lieu of federal statutory mandates.

• Ongoing federal resources to provide for the development and distribution of prevention and treatment medications. It is important the funding keep pace with the approval and availability of new prevention drugs and treatment therapies.

NCSL opposes:

• The imposition of state matching or maintenance of effort requirements in these programs.
NCSL urges the federal government to ensure that adequate funding is provided for the AIDS Drug Assistance Program (ADAP). This program has become increasingly important as new drug therapies are developed. It is important that the funding for this program keep pace with the approval and availability of new drug therapies.

• Research

NCSL calls upon the federal government to increase its support for research efforts through both basic and applied biomedical investigations to better understand, to treat and to prevent the disease. The federal government should continue and intensify efforts to develop both preventive and therapeutic vaccines.

Racial and Ethnic Disparities

NCSL is pleased that the Minority AIDS Initiative (MAI), which was established in 2000 to reach out to all minority communities (Hispanic, African-American, Asian-Pacific, Native American, Alaskan Native and other ethnic and racial minorities), was permanently authorized in the 2007 Ryan White CARE Act reauthorization.

International Initiatives

NCSL supports federal initiatives that recognized the pandemic nature of HIV-infection and AIDS and that focuses on primary prevention of HIV/AIDS, care and treatment of tuberculosis and other opportunistic infections, palliative care and appropriate use of antiretroviral medications, and infrastructure and capacity development in other countries.

U.S. President’s Emergency Plan for AIDS Relief (PEPFAR)

The U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) is a U.S. government global initiative to control the HIV/AIDS pandemic. It is the largest commitment by any nation toward a single disease. To achieve an AIDS-free generation, PEPFAR works closely with a variety of stakeholders, including partner countries, multilateral organizations, civil society, people living with and affected by HIV, the faith community, and the public and private sectors. PEPFAR is coordinated by the Office of the U.S. Global AIDS Coordinator and Health Diplomacy and implemented by the Departments of State;
Labor, Health and Human Services, Labor; Commerce, Defense; the U.S. Agency for International Development and the Peace Corps. With a focus on transparency, accountability, and impact, PEPFAR is actively working with partners to control the HIV/AIDS pandemic to help achieve an AIDS-free generation. PEPFAR is committed to supporting activities that are grounded in science and critical to saving lives and preventing new HIV infections.
The partnership between the states, territories and the federal government on health, and human services is critically important. The underlying goal should be to achieve mutually agreed upon goals that produce improved outcomes and achieve program efficiencies and savings for federal, state, territories and local governments. It is equally important that the basic tenets of federalism carry throughout the partnership.

State Sovereignty

When federal law requires a declaration be made on the part of the state, or territory the law should simply require “the state” or “the territory” to take the action and allow the state and territory to determine the appropriate state and territory entity to fulfill the requirement. Alternatively, when a federal agency implements the law, the agency should also let the state or territory determine the appropriate entity or individual instead of making its own determination. Federal laws authorizing grants to states and territories should include legislative language stating that grant funding should be expended “according to state or territory law”. NCSL supports accountability and transparency and welcomes public feedback and participation. NCSL supports a strong role for state and territory legislatures in program oversight and urges the federal government to give states and territories flexibility with regard to public notice and the solicitation of public.
input related to program proposals, program design and benefits, administration and implementation.

Consultation with States
NCSL also urges Congress and the Administration to seek the counsel and expertise of state and territory legislators as key health, and human services programs and initiatives are being developed. It is particularly important that federal agencies take the state and territory consultation requirement seriously when drafting legislation and developing regulations to implement programs. It is especially important that the agencies consider and detail the impact of federal regulations on state and territory governments. Finally, NCSL strongly urges Congress, when drafting legislation, and the Administration, when implementing laws, to respect the state and territory budget and legislative process and provide adequate time for states and territories to comply with federal requirements, which often requires the passage of state and territory legislation and the appropriation of funds.

State Flexibility
States and territories should be afforded maximum flexibility when implementing federal programs. We understand that this flexibility must be accompanied by accountability and transparency on the part of states and territories. Unnecessary uniformity compromises the effectiveness of programs by making it impossible for states and territories to respond to local conditions.

Reporting and Data Collection Requirements
Reporting requirements are important, but should be limited to requirements where there is a reasonable expectation that the data will be used to further program goals. In addition, efforts must be made to impose data collection and reporting requirements in the least burdensome way possible.
**Program Funding**

**Cost-Shifting**—NCSL opposes federal initiatives that would shift costs to states and territories by: (1) imposing unfunded mandates on states and territories; or (2) requiring states and territories to adhere to existing requirements while reducing the level of federal assistance.

**Block-Grant Restrictions**—When individual programs and their funding are consolidated into a block grant, we urge Congress and the federal administration to refrain from establishing set-asides and funding mandates that severely reduce the flexibility that states and territories expect from a block grant.

**Treatment of “Legacy States”**—Every effort should be made to fund programs in a way that is equitable across states and territories, while also recognizing and addressing the different circumstances among states and territories and the varying needs of their constituents. Too often, legacy states and territories—innovative states and territories that take the first step on a new approach—are disadvantaged when federal programs mirroring their own are enacted. These states and territories should receive special consideration and not be penalized for being innovative.

**Waivers**—NCSL urges Congress to authorize waivers and the Administration to grant waivers, where appropriate, to permit states and territories to develop innovative programs and service-delivery systems in health, and human services programs. Successful waiver programs should be brought to scale and integrated into the underlying program when and where appropriate, instead of requiring every state and territory to apply for the waiver.

**Technical Assistance**—NCSL supports technical assistance provided by our federal partners. This is an important component of the state-federal partnership and is critically important in facilitating strong relationships between federal, state and territory program administrators and state and territory elected officials.
**Medicaid**

NCSL believes that the Medicaid program represents the state and territory federal partnership to improve the health of those vulnerable children and adults with healthcare needs in our communities.

**Funding** – Proposals to cap the Medicaid program fundamentally change the relationship between the states and territories and the federal government by inappropriately transforming a full partnership into a limited partnership, and shifting both costs and responsibility to state and territory governments without adequate authority to manage costs. If federal funds are capped, states and territories must be authorized to reduce or limit services, eligibility and/or payments to beneficiaries and service providers.

**Provider Tax Limitations**

NCSL opposes further restrictions beyond those imposed in the Medicaid Voluntary Contributions and Provider-Specific Tax amendments of 1991 on states’ or territories ability to impose provider-related taxes.

**Waivers** – NCSL urges the Administration to continue and to expand state and territory flexibility in the Medicaid program through demonstration programs, Section 1115 waivers, and Section 1332 waivers. NCSL urges the Administration to permit bold, innovative programs to be tested and to provide technical support to states and territories as needed. Successful demonstration and waiver programs should be replicated.

**Emergency Assistance and Countercyclical Assistance** – NCSL urges Congress to study options to include a provision establishing emergency and countercyclical assistance to states within the Medicaid statute. The provision would become effective upon some triggering event, such as an economic downturn, natural disaster, act of terrorism, pandemic or other public health emergency, and provide additional financial assistance to states and territories through an enhanced federal match or some other
mechanism that would revert back to the regular federal-state cost sharing formula when the triggering event has been resolved. This is a complex, but critical component to fiscal security for the Medicaid program. NCSL looks forward to working with Congress and the Administration to identify options and to establish and implement a program.

Judicial Reforms—NCSL urges the Administration and Congress to work with state and territory officials on developing strategies to reduce litigation by clarifying and simplifying Medicaid statutory provisions that are too vague or too prescriptive for states and territories to properly administer. NCSL also urges HHS to provide technical assistance to states and territories regarding Medicaid services/issues that are the subject of litigation in several states and territories so that states and territories may find ways to successfully provide the services in question without litigation. Under current law, it is extremely difficult for states to vacate or modify the terms of consent decrees, which means policymakers are hobbled in their ability to govern responsibly. NCSL supports federal legislation that allows for periodic reexamination of consent decrees to which a state and territory is a party, other than consent decrees addressing school desegregation or other actions brought under Titles VI or VII of the Civil Rights Act of 1964, upon motion of the state and territory. This would make it easier for states and territories to vacate or modify consent decrees as current state and territory circumstances may require.

Medicaid Options

NCSL urges the HHS Secretary to support and explore a broad range of approaches to provide affordable coverage for low-income people through the Medicaid program.

Program Integrity Initiatives

NCSL is pleased that the Administration has proposed to coordinate and consolidate some of the existing program integrity programs enacted over the years to address
duplication of effort and conflicting elements of the programs. NCSL urges Congress and the Administration to make the necessary legislative and regulatory changes to improve the cost effectiveness of the federal program integrity initiatives, to lessen the administrative burdens associated with them, and ultimately to improve our collective effort to eliminate fraud, waste and abuse in the Medicaid program.

Data Collection Requirements

Data is important and necessary to ensure program integrity and to improve program quality. NCSL urges Congress and HHS to carefully consider data collection requirements imposed on state and local governments. The costs, both financially and in staff time, must be commensurate with the contribution the collected data will make to the overall effort to improve access and quality.

Dual-Eligibles

Federal Coordinated Health Care Office (Medicare-Medicaid Coordination Office). NCSL supports the establishment of the Federal Coordinated Health Care Office within the Centers for Medicare and Medicaid Services (CMS) office and looks forward to working closely with its staff to improve access, care and services to this important group of Medicaid and Medicare beneficiaries.

State Demonstrations to Integrate Care for Dual Eligible Individuals – NCSL supports the new State Demonstrations to Integrate Care for Dual Eligible Individuals. These projects will help states and territories design and implement new approaches to better coordinate care for dual eligible individuals.

NCSL urges CMS to continue to provide funding and technical assistance to develop person-centered approaches to coordinate care with providers across the health care system for dual eligible individuals. NCSL is in support of these demonstration projects, and believes they provide maximum flexibility to states and territories to explore options that may improve the quality of life and health outcomes for dual eligible individuals.
Effective Management in the Medicaid Program

NCSL urges Congress and the Administration to give states flexibility to effectively manage their Medicaid programs through innovative utilization and care management, service delivery, and contracting models.

Medicaid Managed Care

NCSL urges CMS to: (1) work with states and territories as partners and stakeholders in establishing minimum operational and quality standards for managed care entities contracting with states and territories for the delivery of services and benefits to Medicaid or CHIP beneficiaries; (2) to develop a process for technical assistance and guidance to avert the imposition of punitive actions and sanctions that may impact a state’ federal matching funds, as the state and territory begins implementing new requirements; (3) offer states and territories flexibility in administering their managed Medicaid and CHIP programs so that each program meets the unique characteristics and needs of the state and territory and its citizens; and (4) support state and territory innovation.

Children’s Health Insurance Program (CHIP)

NCSL continues to support CHIP and urges the Congress to ensure continued funding and state and territory flexibility in the operation of the program.

Principles for Federal Health Insurance Reform

States should regulate insurance and should continue to set and enforce solvency standards to provide oversight on insurance matters. NCSL opposes any proposals that would expand the preemption of state laws and regulations beyond those already established in the Employee Retirement Income Security Act of 1974 (ERISA) and the Patient Protection and Affordable Care Act (ACA). Federal remedies, that more closely resemble remedies available at the state level, should be adopted for consumers in ERISA plans. Federal health insurance legislation that establishes mandated benefits or
uniform standards, should establish a floor, not a ceiling. The federal government should continue to give deference to state, local and tribal governments regarding the regulation of state, local and tribal government employee health plans. Finally, NCSL strongly opposes federal proposals to exempt any insurer, plan or entity from state insurance standards and laws if they are permitted to operate in the state market.

Implementation of Federal Health Insurance Reforms

When federal insurance reforms are adopted, the consumer should easily understand the implementation process and an intensive community education effort must be an integral part of program implementation. The federal government should fund and support federal laws that require state enforcement. Any federal legislation requiring state action to comply with the law must allow a reasonable period of time for state legislatures to adequately debate and enact any necessary state legislation. Where states already have similar legislation in place, a process for declaring "substantial compliance" should be developed. Great deference should be given to states in the application of the "substantial compliance" doctrine.

Federal Demonstration Authority for States to Experiment with Innovative Health Care Reform Initiatives

NCSL supports federal initiatives to provide financial assistance and to authorize states to experiment with innovative approaches to: (1) increase access to health care services to the uninsured, (2) improve the quality and cost-effectiveness of our health care system, to increase access to the broad range of long term care services; especially home and community-based services, to individuals who need them; and (3) explore a broad range of approaches and financing mechanisms to improve our health care system.
Guiding Principles:
The underlying goal of the Medicaid program should be to achieve mutually agreed upon goals, improved outcomes for patients, and flexibility in administration of programs and savings for states, territories and local governments. NCSL supports accountability and transparency from their federal partners and welcomes public feedback and participation in Medicaid oversight and we also understand that flexibility requires accountability and transparency on their part. We ask the federal government to consider that not all state legislative sessions are on a year-round basis, and ask them to be sensitive to state, territories and local governments’ legislative schedules and resources when making changes to Medicaid programs.

NCSL also urges Congress and the Administration to seek the counsel and expertise of state and territory legislators as new Medicaid initiatives are being developed. It is important that federal agencies take the state and territory consultation requirement seriously when drafting legislation and regulations to implement changes. Federal partners must give states a fair amount of time to review and ultimately implement any new changes. We also caution against uniform proposals and changes as they can compromise the effectiveness of programs by making it difficult for states and territories to respond to local conditions.

Medicaid Landscape:
NCSL sees the following Medicaid issues as most pertinent to states, territories and local governments:

Block Grant and Cost Shifting Proposals:
When Congress and the Administration are exploring block grant programs, flexibility needs to be a key principle. Any proposals should refrain from establishing unfunded mandates and any cost shifting requirements for implementing a block grant program in states and territories.

**Waivers:**
NCSL supports Congress and the Administration in their ongoing efforts to grant waivers, where appropriate, and in permitting states and territories to develop innovative programs and service-delivery systems in health, and human services. Successful waiver programs should be brought to scale and integrated into the underlying program when appropriate and encourages federal efforts to streamline waiver applications, reviews and approvals.

**Emergency Assistance and Countercyclical Assistance:**
NCSL urges Congress to study options to include a provision establishing emergency and countercyclical assistance to states within the Medicaid statute. The provision would become effective upon some triggering event, such as an economic downturn, natural disaster, act of terrorism, pandemic or other public health emergency. In these instances, it would be recommended to add any additional financial assistance to states and territories through an enhanced federal match or some other mechanism that would revert to the regular federal-state cost sharing formula when an emergency has been resolved. This is a complex, but critical component to fiscal security for the Medicaid program. NCSL looks forward to working with federal partners to identify options and establish a program.

**Medicaid Managed Care:**
NCSL urges the Centers for Medicaid and Medicare Services (CMS) to work with states and territories as stakeholders to continue to provide support in the operation and upholding of quality standards for Medicaid managed care entities contracting with states and territories.
NCSL encourages federal partners to recognize and support the work of states and territories with their Medicaid managed care stakeholders in the following areas:

- Expanding care to those with complex medical needs,
- improving reach and support for rural health care populations,
- improving the implementation of patient-centered care and facilities,
- increased integration of physical and behavioral health care services,
- continued development of value-based purchasing and payments focusing on health outcomes over number of services delivered, and
- the role of community health centers, safety-net hospitals and academic medical services in providing primary and emergency care for Medicaid enrollees.

Children’s Health Insurance Program (CHIP):

As a partnership between the states and the federal government, CHIP is an essential program that must be authorized on time as it provides health care coverage to countless children across the country. NCSL also encourages the federal government to continue providing flexibility to carry out the program’s operation. Therefore, NCSL supports Congress’ multi-year authorization of CHIP funds moving forward.

As CHIP funding winds down from its previously increased Federal Medical Assistance Percentages (FMAP) rate to participating states and territories, we encourage federal partners to recognize states may require additional flexibilities for running the CHIP program as a result. As these FMAP rates come back down to their original rates, and the CHIP maintenance-of-effort (MOE) runs to ensure a source of health care cover for children, NCSL recommends the following for the program:
• support for states to develop and test systems of coverage for low-income children and explore ways for states to share examples of best practices with each other,

• eliminate any burdensome waiting periods for CHIP enrollment to ensure a reduction in gaps of coverage for children, and

• continued efforts to streamline and facilitate the CHIP and Medicaid application process.

**Principles for Federal Health Insurance Reform**

States should regulate health insurance and should continue to set and provide oversight on insurance matters. NCSL opposes any proposals that would expand the preemption of state laws and regulations beyond those already established in the Employee Retirement Income Security Act of 1974 (ERISA), the Patient Protection and Affordable Care Act (ACA), and that would exempt any insurer or entity from state health insurance standards and laws. Federal health insurance legislation that establishes mandated benefits or uniform standards, should have inclusive state feedback prior to implementation, and work to establish standards that work for all states.

**Implementations of Health Reforms at the Federal Level:**

Any implementation of health reforms at the federal level should require state action to comply and must allow a reasonable amount of time for state legislatures to debate and enact any necessary legislation for their constituents. Where states already have similar legislation in place, a process for declaring "substantial compliance" should also be developed. Federal partners should also recognize health insurance programs in the states and territories are where innovations in health insurance and healthcare delivery happen and to utilize states models of health insurance and care moving forward.
Federal Demonstration Authority for States to Experiment with Innovative Health Care Reform Initiatives

NCSL supports federal initiatives to provide financial assistance and to authorize states to experiment with innovative approaches to:

- Increase access to health care services to the uninsured or underinsured,

- improve the quality and cost-effectiveness of our health care system and the flexibility to test new models that do so,

- increase access to the broad range of long-term care services including home and community-based services (HCBS) that will enable constituents to live in their own homes or communities that provide personalized and a high-quality care,

- support for health insurance plans that work to integrate physical, behavioral and social determinants of health with the aim of reducing costs and improving overall health outcomes for individuals, and

- explore a broad range of approaches and financing mechanisms to improve our health care system including reinsurance programs.

- Allow states to continue their work on addressing issues which include but are not limited to surprise medical billing, out-of-network and in-network billing practices and transparency for health care prices and health insurance plans and/or Certificate of Need regulated by states. This includes programs providing patients with the information they need to be an active consumer in healthcare pricing across providers and services. We also encourage federal partners as they pursue any changes to medical billing practices to not supersede states ongoing work or authority in state regulated health plans, and to involve states in
a timely way when drafting any potential changes to medical billing practices and transparency along with adequate time to states to implement any changes.
NCSL supports efforts to minimize “benefits cliffs” or “the cliff effect,” which refers to the sudden decrease in or elimination of public benefits that can occur with a small increase in personal earnings. When income increases families sometimes lose some or all economic supports, including Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Medicaid and health care, child care assistance, housing and school breakfast and lunch programs.

NCSL strongly encourages federal partners to work with states to find a timely solution that would remove barriers for individuals to enter or remain in the workforce and increase their household income. NCSL supports federal efforts, in conjunction with states, that would explore how to better align TANF, SNAP, Child Care and Medicaid as work supports, from eligibility and enrollment to recertification, training and employment – and how to better align these work supports to mitigate benefit cliffs and increase family financial security.