

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda-underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board --in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Did you know that global pharmaceutical company Bayer Healthcare was the corporate co-chair in 2011?

OPTIONAL MEDICAID BENEFITS EVALUATION ACT

Section 1. Title. This Act shall be known as the "Optional Medicaid Benefits Evaluation Act."

Section 2. Definitions.

- A. "Medicaid" is the federal Title XIX Medical Assistance program administered by states and funded in part by the federal government.
- B. "Independent third party" is a public or private entity or private person having no ongoing financially dependent relationship with the {insert appropriate state agency}, the Auditor General, or the {insert name of state Medicaid Agency}, and that possesses the necessary expertise to conduct the evaluation and/or write the report as described in this Act.
- C. "Optional benefits" are medical services potentially or currently provided under the Medicaid program of this state that are categorized as optional by the federal Centers for Medicare & Medicaid Services, including recipient populations that are not required to be covered under federal law.
- D. "Report" means a written document that comprehensively records the methods used and results of an evaluation of optional benefits.
- E. "Recipient" is an individual who receives benefits under the Medicaid program of this state.
- F. "Recipient population" is the group or a sub-group of all individuals or households in the state who receive benefits under the Medicaid program of this state.

Section 3. Evaluations of Proposed and Existing Medicaid Benefits Required.

- A. The {insert appropriate state agency} shall not promulgate and approve rules, apply for federal waivers, or otherwise take any action that would expand optional benefits under the state's Medicaid program unless the agency:
 1. Provides funding to the Auditor General or the {insert appropriate state agency} who shall then contract with an independent third party to evaluate the proposed expansion and produce a report as described in this Act; and
 2. Presents the proposal and report to the appropriate oversight committees of the legislature for approval to proceed. Majorities of the members of oversight committees from both houses of the legislature must approve the proposal in order for the {insert appropriate state agency} to proceed.
- B. Legislative oversight committees shall consider if an optional benefits expansion:
 1. Creates clear and measurable net economic benefits that accrue generally to all citizens of the state, even in the absence of federal funds;
 2. Does not interfere with citizens' ability to engage in free enterprise in the medical industry;
 3. Clearly fills a need that only government can fill; and
 4. Is not likely to result in a financial obligation to the state that would necessitate a tax increase at some future time.
- C. The Auditor General or the {insert appropriate state agency} shall contract with one or more independent third parties to evaluate existing optional benefits under the state's Medicaid program. The evaluation and a report of the evaluation shall be completed within two years of the date of passage of this Act and shall meet the requirements set forth in this Act.

Section 4. Evaluation of Optional Benefits.

Any evaluation required by this Act shall at least include an analysis of optional benefits' effects on:

- A. The health and productivity of the proposed recipient population;
- B. The health care prices faced by the non-recipient population;
- C. The demand for medical services separately delineated by recipient and non-recipient populations, including demand for medical services not included in the optional benefit(s) being studied;
- D. The administrative costs faced by providers of services under the federal Title XIX Medical Assistance program;
- E. Health insurance premiums;
- F. Emergency room services for recipient and non-recipient populations;
- G. The practices and decision of suppliers of health services that would affect the market for medicine and the possible results of those actions; and
- H. The state's short- and long-term fiscal outlook including the likelihood of future tax increases to pay for the optional benefits under plausible economic scenarios.

Section 5. Report.

A. A written report shall be prepared by the independent third party describing the evaluation in Section 4 and the methods used to conduct the evaluation. Copies of the written report shall be submitted to the Governor, the presiding officers the legislature, and the members of the relevant oversight committees.

B. The Auditor General {insert appropriate state agency} shall review the report for:

1. Completeness;
2. Its adherence to professional standards; and
3. Sound methodology.

Section 6. Judicial Review. A resident taxpayer of the state shall have standing to seek de novo judicial review as to whether the criteria set out in this Act regarding review and approval of an optional benefit have been met by filing an action seeking declaratory, injunctive, quo warranto, or writ of prohibition relief.

Section 7. {Severability Clause.}

Section 8. {Repealer Clause.}

Were your laws repealed?

Section 9. {Effective Date.}

Passed by the Health and Human Services Task Force on December 3, 2009.
Approved by the ALEC Board of Directors on January 8, 2010.

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECexposed.org. For more information contact: editor@prwatch.org or 608-260-9713.

Center for Media and
Democracy's quick summary

This bill seeks to limit a state's ability to expand healthcare offerings to its low-income residents. It aims to discourage states from exceeding the federal government's minimum levels for Medicaid. Specifically, any time the state health agency wishes to offer expanded healthcare benefits to low-income residents, it must pay a private firm to evaluate the proposed benefits, and then submit that report to the legislature for approval. The legislature is to consider whether the proposed benefits create "clear and measurable net economic benefits that accrue generally to all citizens of the state" and whether it might interfere with private industry. Additionally, it allows private citizens to sue the state if it feels the state is expanding Medicaid offerings without following the procedures in this Act.