

SENATE FILE NO. SF0026

Employee insurance participation-feasibility study.

Sponsored by: Joint Labor, Health and Social Services
Interim Committee

A BILL

for

1 AN ACT relating to health insurance; authorizing a
2 feasibility study to determine ways to improve employee
3 participation and involvement in health care and health
4 insurance decision-making; authorizing management council
5 to assign the feasibility study as specified; providing an
6 appropriation; requiring a report; and providing for an
7 effective date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

10

11 **Section 1.**

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13 (a) There is appropriated fifty thousand dollars
14 (\$50,000.00) from the general fund to the legislative
15 management council for a study on the feasibility of
16 establishing health insurance programs wherein:

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2 (i) The employer contributes a specified amount
3 each month to an account controlled by the employee. The
4 proceeds of this account may be spent only for the health
5 care costs of the employee and, in cases where the employee
6 elects family coverage, the employee's family;

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8 (ii) Conventional high deductible insurance is
9 purchased or provided on a self-insurance basis for large
10 medical expenditures. This insurance shall include a modest
11 co-payment up to a high total, possibly ten percent (10%)
12 of the first one hundred thousand dollars (\$100,000.00) in
13 expenses;

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15 (iii) The account provided in paragraph (i) of
16 this subsection shall be used to meet the deductible and
17 any copayments provided pursuant to paragraph (ii) of this
18 section. Where the funds in the account are insufficient,
19 the employer or the insurance company shall cover any
20 overdrafts on the account and shall recover this amount, to
21 the extent possible, from the employee's future payroll
22 deductions for the account provided in paragraph (i) of
23 this section. There shall be a percentage limitation on the
24 size of the deductions withheld to keep the financial

1 burdens on the employee reasonable and there shall be a
2 limit on the length of time expenditures may be carried
3 forward so the employee does not lose the financial
4 incentive to keep health care expenditures reasonable;

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6 (iv) The insurance provided pursuant to
7 paragraph (ii) of this section shall be paid for by the
8 employer or some combination of the employer and the
9 employee.

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11 (b) The study shall:

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13 (i) Consider how to minimize the income tax
14 consequences for the employee and, where applicable, the
15 employer;

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17 (ii) Consider what incentives for behavior the
18 proposed system is giving the employee;

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20 (iii) Consider what, if any, expenditures for
21 preventive items should be paid for through the insurance
22 rather than the employee's account;

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1 (iv) Identify any legislative changes that are
2 necessary so that private employers may voluntarily use
3 such system; and

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5 (v) Evaluate the feasibility of using such
6 system for the state employees' and officials' group
7 insurance plan. The evaluation shall identify:

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9 (A) The relative payments by the state and
10 by the employees so that the average division of the
11 financial burdens remains consistent with the division of
12 the burdens as they existed on July 1, 2003;

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14 (B) A structure that would allow the
15 legislature to readily amend the division of the financial
16 burdens from time to time; and

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18 (C) A structure that, to the extent
19 possible, is attractive both as single employee coverage
20 and as family coverage.

21
22 (c) The management council shall assign the study at
23 its discretion. The committee conducting the study shall
24 report to the management council and the joint labor,

1 health and social services interim committee no later than
2 September 1, 2003, with recommendations how the state
3 employees' and officials' group insurance or other group
4 health insurance plans may be structured to best accomplish
5 the goals specified in subsections (a) and (b) of this
6 section and any proposed revisions to Wyoming law that may
7 be necessary to accomplish those goals.

8

9 **Section 2.** This act is effective immediately upon
10 completion of all acts necessary for a bill to become law
11 as provided by Article 4, Section 8 of the Wyoming
12 Constitution.

13

14

(END)