

SENATE FILE NO. SF0085

Health care reform-pilot project.

Sponsored by: Senator(s) Scott, Fecht, Hastert and Landen
and Representative(s) Hallinan, Harvey,
Iekel, Landon and Millin

A BILL

for

1 AN ACT relating to health insurance; providing for an
2 experimental health care insurance reform pool; providing
3 for a plan design committee; authorizing payment of
4 committee members' expenses as specified; providing for
5 design of a benefits package under the reform pool;
6 providing for eligibility; providing definitions; providing
7 for a report; providing for a repeal date; providing an
8 appropriation; and providing for an effective date.

9

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

11

12 **Section 1.** W.S. 26-43-201 through 26-43-206 are
13 created to read:

14

15

ARTICLE 2

16

HEALTH CARE REFORM EXPERIMENTAL POOL

1

2 **26-43-201. Health care reform experimental pool**
3 **created.**

4

5 The health care reform experimental pool is hereby created
6 and shall be referred to as the reform pool. The product
7 offered to people participating in the reform pool shall be
8 referred to as the health assist plan.

9

10 **26-43-202. Definitions.**

11

12 (a) The definitions provided in W.S. 26-43-101 shall
13 apply to this act except to the extent they are
14 specifically inconsistent with subsection (b) of this
15 section.

16

17 (b) As used in this act:

18

19 (i) "Administrator" means as defined in W.S.
20 26-43-101 unless a different individual or entity is
21 selected pursuant to W.S. 26-43-203(f);

22

1 (ii) "Benefit design" means the schedule of
2 health coverage benefits available to enrolled individuals
3 under this act. "Benefit design" includes:

4

5 (A) The premiums and copayments to be
6 charged;

7

8 (B) The contributions required from both
9 the enrolled individuals and the state to the personal
10 health account and the uses to which that account may be
11 put;

12

13 (C) The clinical prevention services
14 available to enrolled individuals;

15

16 (D) The preventative services available to
17 enrolled individuals; and

18

19 (E) Any other benefit related provisions
20 the benefit design committee includes.

21

22 (iii) "Clinical prevention services" means
23 personal health information services provided by an
24 advanced practice nurse and clinical pharmacist team, or

1 similar position as approved by the administration and
2 benefit design committee, designed to provide information,
3 education and decision support for individuals who have
4 specified diseases, are under the care of one (1) or more
5 than one (1) specialist, often in different locations, and
6 who generally are taking several medications;

7

8 (iv) "Personal health account" means an account
9 designed as provided in the benefit design and the plan of
10 operations designed to pay individual or family health
11 expenses including deductibles and copayments. The account
12 may or may not be a health savings account or other
13 federally tax advantaged account as determined in the
14 benefit design;

15

16 (v) "Plan of operation" means a plan to achieve
17 implementation of the benefit design including articles,
18 by-laws and management policies useful to the functioning
19 of the reform pool under this act;

20

21 (vi) "Primary care" means first access locally
22 available health services provided by health professional
23 generalists who provide a broad array of prevention,
24 screening exams and urgent care with specialty referral

1 when needed. Primary care is person, family and community
2 centered, communications intensive, preventative and often
3 involves office visit service procedure billing codes.
4 Prenatal obstetric care is included in primary care;

5

6 (vii) "Specialty care" means all care not
7 included in primary care. Specialty care is generally
8 provided by specialists who have training and expertise in
9 a given system, organ or disease and is often related to a
10 special technical skill;

11

12 (viii) "This act" means W.S. 26-43-201 through
13 26-43-206.

14

15 **26-43-203. Benefit design and operations.**

16

17 (a) There is created a benefit design committee of at
18 least three (3) and no more than seven (7) persons
19 appointed by the governor. Members of the committee other
20 than state employees shall receive as salary the sum paid
21 each day to legislators, or an equivalent hourly wage,
22 together with per diem and mileage allowance as allowed to
23 state employees, when actually engaged in committee
24 activities.

1

2 (b) The benefit design committee shall design the
3 specifics of a benefit design which shall include the
4 following characteristics:

5

6 (i) A personal health account funded by
7 contributions from the insured with a matching state
8 contribution. The relative shares of state and individual
9 contributions may be determined on a sliding scale based on
10 income. The state share may be withheld for failure to
11 comply with specific preventative requirements. The benefit
12 design for the personal health account:

13

14 (A) Shall provide that the individual may
15 retain the balance in the account upon leaving the reform
16 pool for use as specified in the benefit design;

17

18 (B) May allow the use of the account for
19 health care related needs once the balance in the account
20 exceeds an amount set by the committee or a length of time
21 set by the committee;

22

23 (C) May provide that the state retains
24 ownership of the account and that any balances in the

1 account revert to the state upon the death of the
2 individual, after a reasonable period to pay any eligible
3 outstanding health expenses of the individual or after a
4 length of time after the individual leaves the reform pool,
5 not to exceed ten (10) years;

6

7 (D) Shall seek to give the insured a sense
8 of ownership in the account so that he treats the money as
9 his own when making decisions to spend it for health care.

10

11 (ii) A prevention services package. The
12 prevention services shall be provided without a cost share
13 or with a nominal cost share from the enrolled individual.
14 The prevention services may be generally available or
15 tailored to specific individuals or both. The prevention
16 services package shall include specified primary care
17 services;

18

19 (iii) A system of copayments for health care
20 services not included in the prevention package. The
21 copayments shall be lower for primary care services and
22 higher for specialist services;

23

1 (iv) A sliding scale, based on the enrolled
2 individual's income, of premiums and contributions to the
3 personal health account to be paid to the enrolled
4 individual or his employer or both. The benefit design
5 committee in devising the sliding scale shall seek to avoid
6 creating an incentive not to leave Medicaid or other
7 government programs and to avoid creating an incentive to
8 avoid obtaining a job that includes eligibility for
9 employer provided health coverage or pays more than the
10 eligibility limits of this program;

11

12 (v) A program of clinical prevention services
13 for individuals enrolled in the reform pool who have or are
14 at risk of exceeding their out of pocket maximum and
15 therefore no longer have a financial risk in health service
16 utilization. The administrator may decline to offer or may
17 limit these services to those who in his judgment will not
18 benefit from them. In priority order, the first duty in
19 the program of clinical prevention services shall be to
20 assist the enrolled individuals in getting the care they
21 need. The second duty shall be to help the enrolled
22 individuals avoid care that may do more harm than good or
23 is unlikely to be helpful. The third duty shall be to
24 minimize the cost of the care;

1

2 (vi) A coverage package which qualifies as
3 creditable coverage under the federal Health Insurance
4 Portability and Accountability Act, 42 U.S.C. 1320d et seq.
5 or subsequent similar federal enactment.

6

7 (c) Provided it does not materially interfere with
8 the program under this act, the administrator may utilize
9 the program of clinical prevention services for individuals
10 enrolled in the pool under W.S. 26-43-101 through 26-43-114
11 provided that pool pays for the services its enrollees use.

12

13 (d) The benefit design shall be recommended by the
14 administrator and the benefit design committee to the board
15 and the governor. The board shall make recommendations to
16 the governor on the approval, rejection or modification of
17 the benefit design. The governor may delegate the power to
18 approve subsequent modifications of the benefit design to
19 any state official serving at his pleasure or to the board.

20

21 (e) The plan of operations shall be recommended by
22 the administrator to the board and shall go into effect
23 upon approval of the plan by the board and approval of the
24 benefit design by the governor.

1

2 (f) The administrator shall serve as the
3 administrator of the reform pool provided that financial
4 arrangements satisfactory to the board and the commissioner
5 can be agreed to with the administrator. If the financial
6 arrangements cannot be made, the commissioner, with the
7 advice and consent of the board, shall contract with a
8 different administrator to administer this act.

9

10 (g) It shall be the duty of the administrator to
11 manage the program so that the expenses of the program do
12 not exceed the available appropriations plus premiums
13 received. The administrator shall have power to limit
14 enrollment and, if necessary, to disenroll individuals to
15 avoid overspending the appropriation. Except as provided
16 in subsection (h) of this section and except for shared
17 administrative expenses, the resources of the Wyoming
18 health insurance pool created by W.S. 26-43-102 shall not
19 be used for the expenses of the reform pool.

20

21 (h) The administrator, with the approval of the
22 board, may purchase insurance or reinsurance for expenses
23 over a figure determined by the administrator with the
24 advice and consent of the board or in the plan of

1 operations. The insurance or reinsurance may be purchased
2 from commercial sources or may be purchased from the
3 Wyoming health insurance pool created by W.S. 26-43-102
4 which is hereby authorized to sell such insurance or
5 reinsurance to the reform pool.

6

7 **26-43-204. Eligibility.**

8

9 (a) At the time of enrollment individuals shall have
10 income not to exceed two hundred percent (200%) of the
11 federal poverty level and shall be working at least twenty
12 (20) hours per week or the equivalent. Individuals may
13 lose eligibility for failure to continue to work as
14 specified in the benefit design.

15

16 (b) Priority in enrollment shall be given to the
17 following:

18

19 (i) Individuals who participate in the job
20 assist program through the department of workforce services
21 shall be given first priority;

22

1 (ii) Individuals who have completed a vocational
2 rehabilitation or work readiness program provided through a
3 Wyoming state agency or a Wyoming community college;

4
5 (iii) Individuals who have been eligible for
6 Medicaid or other state assistance and are losing that
7 coverage due to increased earnings and individuals whose
8 children are losing Medicaid or state children's health
9 insurance program eligibility due to increased parental
10 earnings;

11
12 (iv) Individuals whose children are enrolled in
13 Medicaid or the state children's health insurance program;

14
15 (v) Children of eligible parents enrolled
16 pursuant to subsection (a) of this section who are not
17 themselves eligible for Medicaid or the state children's
18 health insurance program. These children shall be given a
19 priority equal to the additional adults under paragraph (i)
20 of this subsection; and

21
22 (vi) Spouses of individuals eligible under
23 subsection (a) of this section provided that the total
24 family income does not exceed the federal poverty level

1 requirements of this section and provided the spouse does
2 not have other health coverage. These spouses shall be
3 given a priority equal to additional adults under paragraph
4 (i) of this subsection.

5

6 (b) Enrollment eligibility for individuals enrolled
7 in the program shall be reviewed at least once per year.
8 If the individual's or family's income exceeds two hundred
9 fifty percent (250%) of the federal poverty level, they
10 shall be disenrolled from the program after ninety (90)
11 days.

12

13 (c) Enrollment in the reform pool under this act
14 shall not exceed five hundred (500) individuals prior to
15 April 1, 2009.

16

17 **26-43-205. Evaluation.**

18

19 (a) To assist in the evaluation of the reform pool,
20 the administrator shall make a projection of the expenses,
21 broken down by category, of the pool and shall revise the
22 projection once an adequate proportion of the expected
23 enrollment has been achieved. The projection shall assume
24 a conventional insurance product with the deductibles and

1 copayments used in the benefit design for the reform pool
2 and with conventional insurance cost controls, but
3 excluding the special cost control provisions tested in
4 this act. At appropriate intervals the projection shall
5 be compared to actual experience. The categories shall be
6 determined based on what information will be useful in
7 evaluating the cost control techniques applied in this
8 experiment and based on the data that is likely to be
9 available at a reasonable cost. In making any evaluation
10 based on the actual versus projection comparison, the
11 administrator shall identify any limitations on the
12 statistical significance of the comparison due to small
13 numbers of individuals enrolled. The administrator may use
14 the services of an actuary as appropriate. the
15 administrator shall consider the use of a control group to
16 facilitate the evaluation of the program.

17

18 (b) The administrator and the board shall report to
19 the joint labor, health and social services interim
20 committee, the Wyoming health care commission and the
21 governor on the strengths and weaknesses of this approach
22 by September 1, 2011 with an interim report due September
23 1, 2009. The report shall include a recommendation on
24 whether or not this approach should be used as the basis

1 for a health care coverage reform aimed at expanding
2 coverage for the working poor in Wyoming. The interim
3 report may contain a recommendation to expand enrollment in
4 the reform pool to obtain more statistically valid results.

5

6 **26-43-206. Sunset.**

7

8 This act is repealed effective July 1, 2012. The reform
9 pool shall not enroll any new individuals after July 1,
10 2011 and shall use the period March 1 to July 1, 2012 to
11 wind up the affairs of the reform pool.

12

13 **Section 2.** Notwithstanding W.S. 9-2-1008, 9-2-1012(e)
14 and 9-4-207(a) one million two hundred ninety-six thousand
15 nine hundred forty-six dollars (\$1,296,946.00) appropriated
16 from the general fund to the department of health pursuant
17 to 2006 Wyoming Session Laws, Chapter 66, Section 2 for
18 case services shall not revert on June 30, 2008 and is
19 hereby reappropriated to the insurance department. This
20 appropriation shall be for the period beginning with the
21 effective date of this act and ending June 30, 2010. This
22 appropriation shall only be expended for the purpose of
23 this act. Notwithstanding any other provision of law, this
24 appropriation shall not be transferred or expended for any

1 other purpose and any unexpended, unobligated funds
2 remaining from this appropriation shall revert as provided
3 by law on June 30, 2010.

4

5 **Section 3.** This act is effective immediately upon
6 completion of all acts necessary for a bill to become law
7 as provided by Article 4, Section 8 of the Wyoming
8 Constitution.

9

10

(END)