

SENATE FILE NO. SF0024

Health care reform demonstration project.

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

A BILL

for

1 AN ACT relating to health insurance; creating a health care  
2 reform demonstration project using the board and  
3 administrative structure of the Wyoming health insurance  
4 pool as specified; providing for a benefit design  
5 committee; authorizing payment of committee members'  
6 expenses as specified; providing for the design of the  
7 benefits package and plan of operation of the project;  
8 providing for eligibility; providing definitions; providing  
9 for evaluation of the project; providing for a repeal date;  
10 requiring reports; providing appropriations; and providing  
11 for an effective date.

12

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

14

15 **Section 1.** W.S. 26-43-201 through 26-43-207 are  
16 created to read:

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2

## ARTICLE 2

3

## HEALTH CARE REFORM DEMONSTRATION PROJECT

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**26-43-201. Health care reform demonstration project**

6

**created.**

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8

The health care reform demonstration project is hereby

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created. The health care programs and services offered to

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people participating in the demonstration project shall be

11

referred to as healthy frontiers.

12

13

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

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15

(a) The definitions provided in W.S. 26-43-101 shall

16

apply to this article except to the extent they are

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specifically inconsistent with subsection (b) of this

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section.

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(b) As used in this article:

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22

(i) "Administrator" means as defined in W.S.

23

26-43-101 unless a different individual or entity is

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selected pursuant to W.S. 26-43-203(d);

1

2           (ii) "Benefit design" means the schedule of  
3 health care benefits and other related services available  
4 to participants under this article. The benefit design may  
5 also include other features authorized for inclusion in the  
6 benefit design by this article;

7

8           (iii) "Clinical prevention services" means  
9 personal health support services provided by health care  
10 providers and other individuals including advanced practice  
11 nurses and clinical pharmacists or members of similar  
12 health care organizations as set forth in the benefit  
13 design and approved by the board. The clinical prevention  
14 services shall be designed to provide information,  
15 education and decision support for individuals who have  
16 specified diseases, or who are at risk for serious disease  
17 conditions or complications, and who meet other criteria  
18 which indicate a need for clinical management or prevention  
19 support;

20

21           (iv) "Contributions" means the amounts permitted  
22 or required to be paid into a personal health account by  
23 participants, the state or both;

24

1           (v) "Demonstration project" or "the project"  
2 means the health care reform project created pursuant to  
3 this article;

4  
5           (vi) "Medical home" means a service provided by  
6 a physician, advanced practice registered nurse or  
7 physician assistant serving as the principal provider of  
8 primary care and the initial point of contact with the  
9 medical system for the patient. The medical home shall  
10 seek to strengthen the provider-patient relationship by  
11 replacing episodic care based on illnesses and patient  
12 complaints with a broad array of prevention, screening  
13 exams, advice on avoiding illness and, as needed, urgent  
14 care with referral to specialists as indicated. When  
15 appropriate, the medical home shall involve a plan of care  
16 for each individual and include teaching the individual to  
17 assist in the management of his health. Reimbursement for  
18 medical home services shall include reimbursement to the  
19 health care professional for patient care management;

20  
21           (vii) "Participant" means an eligible individual  
22 enrolled in the project. No person shall be a participant  
23 who does not elect to be a participant;

24

1           (viii) "Personal health account" means an  
2 account provided in the benefit design and the plan of  
3 operations designed to pay qualified health expenses  
4 including deductibles and copayments as directed by the  
5 participant. The account may or may not be a health savings  
6 account or other federally tax advantaged account. The  
7 account may be portable to the individual;

8

9           (ix) "Plan of operation" means a plan governing  
10 the demonstration project to implement this article,  
11 including articles, bylaws and operating policies adopted  
12 pursuant to this article. The plan of operation includes  
13 the benefit design;

14

15           (x) "Premiums and copayments" means the amounts  
16 charged to participants including the portion of the  
17 premium to be paid by the participant and the portion to be  
18 paid by the state;

19

20           (xi) "Preventive services" means the schedule of  
21 services to prevent or detect illness available to  
22 participants and any other related benefit provisions  
23 specified in the benefit design to achieve the objective of  
24 this article;

1

2 (xii) "Primary care" means care provided by a  
3 family practice physician, pediatrician, internist,  
4 obstetrician or an advanced practice registered nurse or  
5 physician's assistant in a similar practice except for  
6 technical procedures specified in the benefit design.  
7 Surgical and radiological procedures are not primary care.  
8 The benefit design may include similar services of a  
9 primarily consultative and advisory nature provided by  
10 other specialists or providers as primary care. Particular  
11 preventive services and invasive diagnostic procedures  
12 shall be considered primary care to the extent authorized  
13 in the benefit design;

14

15 (xiii) "Specialty care" means care not included  
16 in primary care. Specialty care is generally provided by  
17 specialists with training and expertise in a given system,  
18 organ or disease and is often related to a special  
19 technical skill.

20

21 **26-43-203. Benefit design and operations.**

22

23 (a) There is created a benefit design committee of at  
24 least three (3) and no more than seven (7) persons

1 appointed by the governor. Members of the committee other  
2 than state employees shall receive per diem and mileage  
3 allowance as allowed to state employees, when actually  
4 engaged in committee activities.

5

6 (b) The benefit design committee shall create and  
7 modify as necessary the benefit design which shall include  
8 the following elements:

9

10 (i) Preventive services funded by the state with  
11 no or nominal cost to the participant to promote better  
12 health and identify chronic disease at the earliest  
13 possible stage. Preventive services shall include cost  
14 effective, evidence based and clinically proven screening  
15 tests, age appropriate wellness exams and maintenance  
16 prescriptions as specified in the benefit design. The  
17 benefit design may provide that a participant meeting  
18 specified criteria shall be required to participate in  
19 specific preventive services as a condition of eligibility  
20 for all or part of the state contributions to the  
21 participant's personal health account;

22

23 (ii) The use of a medical home to the extent  
24 practical. Routine primary care and preventive services

1 identified pursuant to paragraph (i) of this subsection  
2 shall normally be provided by the participant's medical  
3 home. To the extent practical, other care shall be  
4 provided through the medical home unless more effectively  
5 or more economically obtained from another provider. As  
6 needed to obtain adequate services, reimbursement for  
7 advice and consultative services shall be at a higher level  
8 than customarily provided through similar health care  
9 reimbursement schedules. Requirements of, and reimbursement  
10 for, the medical home provider shall be established in  
11 advance as part of the plan of operation;

12

13 (iii) Clinical prevention services. The design  
14 shall provide access to clinical prevention services to  
15 assist certain participants with chronic disease or  
16 complicated health conditions and to provide information  
17 and resources to the participant, the medical home provider  
18 and other relevant providers to better manage the  
19 participant's illness and to improve the participant's  
20 quality of life. The services shall be made available at  
21 little or no cost to the participant. In priority order,  
22 clinical prevention services shall be provided first to  
23 assist the participant in getting the care he needs,  
24 provided second to help the participant take steps to



1 improve his health and avoid the need for expensive health  
2 care, provided third to help the participant avoid care  
3 that may do more harm than good or is unlikely to be  
4 helpful and provided fourth to minimize the cost of the  
5 care;

6

7 (iv) A personal health account funded by  
8 contributions from the participant with a matching state  
9 contribution. Participant contributions may be determined  
10 on a sliding scale based on income and may be modified  
11 pursuant to paragraph (i) of this subsection. 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 project  
16 for use as specified in the benefit design;

17

18 (B) May allow the use of the account for  
19 health care related needs when the account balance exceeds  
20 an amount set in the benefit design, when the account  
21 balance remains after a length of time set in the benefit  
22 design, or both. The account may be used under this  
23 subparagraph for medical copayments, deductibles or

1 premiums for specified family members not otherwise  
2 enrolled in the demonstration project;

3

4 (C) May provide that the state retains an  
5 interest in the account as necessary to ensure that any  
6 state-funded balance in an account reverts to the state:

7

8 (I) Upon the death of the participant,  
9 to pay any outstanding health care expenses of the  
10 participant or any enrolled member of the participant's  
11 household; and

12

13 (II) Following the expiration of a time  
14 specified in the benefit design, not to exceed ten (10)  
15 years, after a participant leaves the project.

16

17 (D) May provide that the participant may,  
18 under conditions specified in the benefit design, roll the  
19 balance in the account into a health savings account or  
20 similar federally tax advantaged account after leaving the  
21 project;

22

1                   (E) May include any provisions needed to  
2 avoid or minimize any adverse federal tax consequences for  
3 the participant;

4  
5                   (F) May allow the state to advance money to  
6 an individual personal health account to enable the  
7 participant to meet deductibles and copayments for needed  
8 health care if the funds in the participant's account are  
9 insufficient for that purpose. Any advance shall be repaid  
10 over time. The benefit design may provide that the  
11 individual's contribution to the health account shall be  
12 increased until the advance is repaid.

13  
14                  (v) A high deductible insurance plan, the  
15 coverage package of which qualifies as creditable coverage  
16 under the federal Health Insurance Portability and  
17 Accountability Act, 42 U.S.C. 1320d et seq., or subsequent  
18 similar federal enactment. The high deductible insurance  
19 plan shall provide for premium cost share based on income  
20 as determined in the benefit design. The participant may  
21 pay premiums directly from the participant's personal  
22 health account. Deductibles and copayments may be paid  
23 from the personal health account at the discretion of the  
24 participant. For health care services not included in the

1 prevention package, a system of copayments shall be  
2 required and shall be lower for primary care and higher for  
3 specialty care unless referred by a primary care physician.  
4 The benefit design committee in devising the sliding scale  
5 shall seek to create an incentive to join the project and  
6 leave Medicaid or other government programs. The benefit  
7 design shall seek to create an incentive to obtain a job  
8 that includes eligibility for employer provided health  
9 coverage. The high deductible insurance plan shall be  
10 limited in coverage and designed to work in conjunction  
11 with the design provisions identified in this section. The  
12 insurance plan may be provided directly by the project, may  
13 be purchased from the private sector or may be provided  
14 through the pool which is hereby authorized to provide this  
15 plan;

16

17 (vi) To the extent the benefit design committee  
18 deems appropriate, provide financial or other incentives to  
19 participants or providers to encourage them to participate  
20 in appropriate features of the program, including  
21 preventive services.

22

23 (c) The benefit design shall be recommended by the  
24 benefit design committee to the board. Upon approval by

1 the board, the benefit design shall be forwarded to the  
2 governor as part of the plan of operation for the  
3 governor's final approval. Amendments to the benefit  
4 design shall be approved in the same manner except that the  
5 governor may delegate his final approval authority, in  
6 whole or in part, to the board.

7

8 (d) The administrator shall serve as the  
9 administrator of the project provided that financial  
10 arrangements satisfactory to the board and the commissioner  
11 can be agreed to with the administrator. If the financial  
12 arrangements cannot be made, the commissioner, with the  
13 advice and consent of the board, shall contract with a  
14 different administrator to administer this act.

15

16 (e) It shall be the duty of the board to manage the  
17 project so that the expenses of the project do not exceed  
18 the available appropriations plus premiums received. The  
19 board shall have the power to limit enrollment in the  
20 project to avoid overspending the appropriation. Except as  
21 provided in subsections (b) and (f) of this section and  
22 except for shared administrative expenses, the resources of  
23 the Wyoming health insurance pool created by W.S. 26-43-102  
24 shall not be used for the expenses of the project.

1

2 (f) The administrator, with the approval of the  
3 board, may purchase insurance or reinsurance for expenses  
4 in excess of an amount determined by the administrator with  
5 the advice and consent of the board or in the plan of  
6 operations. The insurance or reinsurance may be purchased  
7 from commercial sources or may be purchased from the pool  
8 which is hereby authorized to sell insurance or reinsurance  
9 to the demonstration project.

10

11 (g) The plan of operation for the demonstration  
12 project shall:

13

14 (i) Establish procedures for handling, investing  
15 and accounting of assets and monies of the project;

16

17 (ii) Contain provisions useful in implementing  
18 the benefit design;

19

20 (iii) Develop and implement a program to  
21 publicize and to maintain public awareness of the existence  
22 of the project, the eligibility requirements and procedures  
23 for enrollment;

24

1           (iv) Provide as necessary for audits of the  
2 project and the administration of the project;

3

4           (v) Include the benefit design approved by both  
5 the benefit design committee and the board;

6

7           (vi) Provide procedures for enrolling  
8 participants and their families consistent with the  
9 eligibility requirements of this article. Insurance agents  
10 licensed to sell insurance in Wyoming may be allowed to  
11 enroll participants in the project and be paid a commission  
12 or fee for their related services.

13

14           **26-43-204. Eligibility.**

15

16           (a) Participants at the time of enrollment shall have  
17 family income not exceeding two hundred percent (200%) of  
18 the federal poverty level and shall be working at least  
19 twenty (20) hours per week or the equivalent. Participants  
20 may lose eligibility for failure to continue to work as  
21 specified in the benefit design.

22

23           (b) Priority in enrollment of participants shall be  
24 given to the following:

1

2 (i) Individuals who have completed a vocational  
3 readiness or work preparation program through the  
4 department of workforce services, any other Wyoming state  
5 agency or a Wyoming community college;

6

7 (ii) Individuals who have been participants in  
8 the Medicaid program or other state assistance program and  
9 who have become ineligible for that program due to  
10 increased earnings;

11

12 (iii) Individuals whose children are enrolled in  
13 Medicaid or the state children's health insurance program.

14

15 (c) Participants enrolled pursuant to this section  
16 may elect family coverage, provided all individuals are  
17 eligible, except that a spouse of an eligible participant  
18 shall not be required to work pursuant to subsection (a) of  
19 this section. Children of participants shall be referred  
20 to the state children's health insurance program or  
21 Medicaid and shall not be enrolled in the demonstration  
22 project if eligible for one of those programs.

23



1           (d) After the expanded enrollment pursuant to W.S.  
2 26-43-205 has been occurring for at least three (3) months,  
3 the board may determine that the maximum enrollment  
4 authorized by W.S. 26-43-205 is not likely using the  
5 priority categories set forth in subsection (b) of this  
6 section and may authorize the enrollment of a limited  
7 number of individuals who are eligible under subsection (a)  
8 of this section but who are not in a priority category.

9  
10           (e) Participants' eligibility shall be reviewed at  
11 least once per year. If a participant's family income  
12 exceeds two hundred fifty percent (250%) of the federal  
13 poverty level, the participant shall be disenrolled from  
14 the program after ninety (90) days. If the participant has  
15 not worked at least twenty (20) hours per week on average  
16 for the preceding eight (8) weeks, the participant may be  
17 disenrolled from the program after ninety (90) days unless  
18 the participant becomes employed for at least twenty (20)  
19 hours per week before the expiration of the ninety (90) day  
20 time period. The administrator may waive the work  
21 requirement of this subsection if there is a shortage of  
22 jobs, to enhance enrollment stability to facilitate  
23 evaluation of the program or due to extenuating  
24 circumstances.

1

2

**26-43-205. Structure and enrollment limits.**

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4

(a) The project shall be structured as follows:

5

6

(i) There shall be an initial enrollment of no more than five hundred (500) participants and their family members, as appropriate to test the feasibility of implementing the initial benefit design. Enrollment shall begin after approval of the plan of operation by the board and the governor. Enrollment may begin after July 1, 2009;

12

13

(ii) After July 1, 2010 and approval by the board and the governor of a revised benefit plan and plan of operations based on experience with the initial enrollment, the project may enroll an additional two thousand five hundred (2,500) participants and their family members and such additional participants to maintain stable project enrollment of three thousand (3,000) participants until July 1, 2013. The board in accepting participants for the project shall seek to have at least five hundred (500) participants who use the federally designated community health centers as their medical home and at least five hundred (500) participants who use primary health care

24

1 providers in private practice as their medical home. The  
2 board shall seek to have enrollees representing sufficient  
3 communities within the state to demonstrate the statewide  
4 feasibility of the project.

5

6 **26-43-206. Evaluation.**

7

8 (a) The department of health shall have the primary  
9 responsibility for the evaluation of the demonstration  
10 project and shall report its evaluation publicly to the  
11 governor and the joint labor, health and social services  
12 interim committee annually beginning October 1, 2009. The  
13 board shall also provide the governor and the joint labor,  
14 health and social services interim committee with its  
15 evaluation as appropriate.

16

17 (b) The department of health in its evaluation of the  
18 project shall consider:

19

20 (i) Whether the project provides participants  
21 with adequate health care;

22

1           (ii) The extent to which participant turnover  
2 interferes with management and evaluation of the project  
3 and obtaining the expected benefits of the project;

4  
5           (iii) Whether the project provides health  
6 coverage at a cost which is less than could be provided by  
7 other means, both public and private. When comparing with  
8 other public programs, the comparison shall both:

9  
10           (A) Assume reimbursement at the public  
11 program rates; and

12  
13           (B) Assume reimbursement at rates  
14 comparable to private reimbursement rates.

15  
16           (iv) The extent to which the project reduces the  
17 rate of increase in medical costs;

18  
19           (v) The extent to which the health of  
20 participants and their enrolled family members is improved  
21 due to participation in the project.

22  
23           (c) No later than July 1, 2009, the department of  
24 health, after consultation with the administrator, shall

1 provide the commissioner a list of those data elements  
2 which the department determines necessary to evaluate the  
3 project as required by this section. Upon approval of the  
4 list by the commissioner and after consultation with the  
5 board, the department of health may award one (1) or more  
6 contracts to collect any listed data not routinely  
7 collected by the board or other state agencies and to  
8 integrate that data as appropriate with related data  
9 collected by the board and other state agencies.

10

11 (d) To assist in the evaluation of the demonstration  
12 project, the administrator shall make a projection of the  
13 project's itemized expenses and shall revise the projection  
14 after enrollment of an adequate proportion of the expected  
15 total enrollment. The projection shall assume all costs  
16 associated with the provisions of W.S. 26-43-203. At  
17 appropriate intervals, the project shall be compared to  
18 actual experience. Itemized expenses shall include:

19

20 (i) The cost of services and care for  
21 participants using as their medical homes federally  
22 designated community health centers;

23

1           (ii) The cost of services and care for  
2 participants using as their medical homes providers  
3 practicing in the traditional fee for service environment;

4  
5           (iii) The costs of services and care for  
6 participants using other medical homes, including managed  
7 care, if any, and those without medical homes;

8  
9           (iv) Any other categories necessary to  
10 effectively manage the demonstration project;

11  
12           (v) Any other categories identified by the board  
13 or department of health as necessary to evaluate the  
14 demonstration project.

15  
16           (e) In collecting, evaluating and using the data  
17 collected pursuant to subsection (d) of this section and  
18 any other management data, the administrator may use the  
19 services of outside consultants. In comparing project  
20 expectations and results, the administrator shall identify  
21 and consider any limitations on statistical significance of  
22 data due to small numbers of participants in any category.

23

1           (f) The department of health, in consultation with  
2 the board, shall consider the feasibility and ethics of  
3 using a control group to facilitate the evaluation of the  
4 program. The board and the department of health are  
5 authorized to construct and utilize a control group.

6  
7           (g) The department of health shall provide to the  
8 joint labor, health and social services interim committee  
9 and the governor an interim evaluation report by October 1,  
10 2011 and a final evaluation report by December 31, 2013.  
11 To improve the statistical validity of the report, no new  
12 enrollment in the project shall be permitted after July 1,  
13 2013. The report shall include any recommendations on  
14 whether the demonstration project should be discontinued,  
15 expanded to a larger population, expanded to obtain more  
16 statistically valid results or continued for a longer time  
17 with a stable enrollment to obtain more valid results.  
18 Unless the report recommends abandonment of the project, it  
19 shall include any recommendations on program alterations  
20 needed to achieve the objectives of the demonstration  
21 project as expressed in the evaluation criteria of  
22 subsection (b) of this section.

23  
24           **26-43-207. Sunset.**

1

2 W.S. 26-43-201 through 26-43-206 are repealed effective  
3 December 31, 2014 and all participants shall be disenrolled  
4 effective July 1, 2014. The board shall use the period  
5 from April 1, 2014 to December 31, 2014 to fully discharge  
6 the affairs of the demonstration project.

7

8 **Section 2.** W.S. 26-43-102(d) by creating a new  
9 paragraph (vii) and (f) by creating a new paragraph (v) is  
10 amended to read:

11

12 **26-43-102. Operation of the pool; board membership;**  
13 **board powers and duties.**

14

15 (d) The board shall:

16

17 (vii) Manage the demonstration project pursuant  
18 to article 2 of this chapter.

19

20 (f) The board may:

21

22 (v) Provide a high deductible insurance plan or  
23 reinsurance to the demonstration project authorized by  
24 article 2 of this chapter.



1

2

**Section 3.**

3

4 (a) There is appropriated fifty thousand dollars  
5 (\$50,000.00) from the tobacco settlement trust income  
6 account to the department of health. This appropriation  
7 shall be for the period beginning with the effective date  
8 of this act and ending June 30, 2010. This appropriation  
9 shall only be expended for the purpose of collecting and  
10 evaluating data related to the health care reform  
11 demonstration project. Notwithstanding any other provision  
12 of law, this appropriation shall not be transferred or  
13 expended for any other purpose and any unexpended,  
14 unobligated funds remaining from this appropriation shall  
15 revert as provided by law on June 30, 2010. This  
16 appropriation shall not be included in the department's  
17 2011-2012 standard biennial budget request.

18

19 (b) There is appropriated two million one hundred  
20 fifty-four thousand dollars (\$2,154,000.00) from the  
21 tobacco settlement trust income account to the insurance  
22 department. This appropriation shall be for the period  
23 beginning with the effective date of this act and ending  
24 June 30, 2010. This appropriation shall only be expended

1 for the purpose of contracting with the board of directors  
2 of the Wyoming health insurance pool to implement the  
3 health care reform demonstration project. Notwithstanding  
4 any other provision of law, this appropriation shall not be  
5 transferred or expended for any other purpose and any  
6 unexpended, unobligated funds remaining from this  
7 appropriation shall revert as provided by law on June 30,  
8 2010. This appropriation shall not be included in the  
9 department's 2011-2012 standard biennial budget request.

10

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

15

16

(END)