SENATE FILE NO. SF0115

Wyoming health insurance pool-2.

Sponsored by: Senator(s) Scott, Aullman, Anderson, J., Decaria, Hastert, Hines and Schiffer and Representative(s) Cohee, Esquibel, K., Gentile, Harvey, Iekel, Martin, Millin, Shepperson and Simpson

A BILL

for

AN ACT relating to the Wyoming Health Insurance Pool Act; providing for separate eligibility classifications and premium rates as specified; amending insurance carrier assessments; providing an appropriation; and providing for an effective date.

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

Section 1. W.S. 26-43-114 is created to read:

26-43-114. Enrollment capacity planning.

The board shall annually estimate the funds available to the plan through premiums, assessments and legislative appropriations for the subsequent fiscal year and shall determine the maximum number of individuals who may be enrolled for that year without incurring total costs of operation in excess of estimated available funds. The board shall take steps necessary to assure that plan enrollment does not exceed the maximum enrollment capacity determined for that year. In determining enrollment capacity for purposes of this section, the board shall provide for the enrollment in the pool of all federally eligible individuals.

Section 2. W.S. 26-43-101(a) by creating a new paragraph (xix) and by renumbering (xix) as (xx), 26-43-102(d)(iv), 26-43-103(a)(intro), 26-43-105(d) and 26-43-107(c) are amended to read:

26-43-101. Definitions.

(a) As used in this act:

(xix) "Eligibility level" means a percentage of the federal poverty guideline for level of coverage under the plan of operation;

~~(xix)~~ <u>(xx)</u> "This act" means W.S. 26-43-101 through 26-43-113.

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

(d) The board shall:

(iv) Establish <u>for each eligibility level</u> appropriate rates, rate schedules, rate adjustments, expense allowances, agents' referral fees, claim reserve formulas and any other actuarial functions appropriate to the operation of the pool. Rates and rate schedules may be adjusted for appropriate risk factors such as age and area variation in claim cost and shall take into consideration appropriate risk factors in accordance with established actuarial and underwriting practices;

26-43-103. Eligibility.

(a) Except as provided in subsection (b) of this section, any individual person who is a resident of this state is eligible for pool coverage <u>under eligibility level</u>

one (1) or eligibility level two (2) if evidence of the following is provided:

26-43-105. Assessments; premium tax credit.

(d) For the total amount of assessments due from all members in any one (1) calendar year pursuant to this section up to two million five hundred thousand dollars ($2,500,000.00), eighty percent (80%) of each member's proportionate contribution to the first one million two hundred fifty thousand dollars ($1,250,000.00) and fifty percent (50%) of the next one million two hundred fifty thousand dollars ($1,250,000.00) shall be allowed as a credit against any premium tax owed by the member under this code in the year for which the assessment is payable. The board shall not make a total assessment against all members of more than two million five hundred thousand dollars ($2,500,000.00) in any one (1) fiscal year. Assessments received shall be used to defray the total cost of pool operation before any general fund appropriation is used. The board shall ensure that all expenses directly attributable to level one (1) individuals are paid from premiums, assessments and any withdrawals from previous reserves.

26-43-107. Premiums; standard risk rate.

(c) Initial rates for pool coverage in the first year coverage is provided pursuant to this act shall not be less than one hundred fifty percent (150%) of rates established as applicable for individual standard risks. Subsequent rates may provide for the expected costs of claims including recovery of prior losses, expenses of operation, investment income of claim reserves, and any other costs factors subject to the limitations provided by this subsection. ~~For the period from July 1, 1995 through June 30, 2001, rates for pool coverage shall not be less than one hundred twenty-five percent (125%) nor greater than one hundred fifty percent (150%) of rates established as applicable for individual standard risks for comparable coverage. Subsequent pool rates shall not exceed~~ Beginning July 1, 2007, there shall be two (2) levels of eligibility. Level one (1) eligibility applies to persons with income equal to or greater than three hundred percent (300%) of the federal poverty guideline. Level two (2) eligibility applies to persons with income below three hundred percent (300%) of the federal poverty guideline. Premium rates for level one (1) eligibility shall be set at one hundred fifty percent (150%) to two hundred percent (200%) of rates applicable to individual standard risks. Premium rates for level two (2) eligibility shall be set at one hundred percent (100%) to one hundred twenty percent (120%) of rates applicable to individual standard risks. All rates and rate schedules shall be submitted to the commissioner for approval. For level one (1) eligibility, the rates shall be set as close as practical to the lower end of the range provided. ~~by this subsection without undue risk of shifting more than fifty percent (50%) of the burden of assessments to private health insurance.~~

Section 2. There is appropriated to the insurance department for the purposes of this act five million dollars ($5,000,000.00) from the general fund for the remainder of the fiscal biennium ending June 30, 2008.

Section 3. This act is effective July 1, 2007.

(END)