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

AN ACT relating to health insurance; providing for an experimental health care insurance reform pool; providing for a plan design commission; providing for design of a benefits package under the reform pool; providing for eligibility; providing definitions; providing for a report; providing for a repeal date; providing an appropriation; and providing for an effective date.

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

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

ARTICLE 2

HEALTH CARE REFORM EXPERIMENTAL POOL

26-43-201. Health care reform experimental pool created.

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

26-43-202. Definitions.

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

(b) As used in this act:

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

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

(A) The premiums and copayments to be charged;

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

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

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

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

(iii) "Clinical prevention services" means personal health information services provided by an advanced practice nurse and clinical pharmacist team designed to provide information, education and decision support for individuals who have specified diseases, are under the care of one (1) or more than one (1) specialist,

often in different locations, and who generally are taking several medications;

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

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

(vi) "Primary care" means first access locally available health services provided by health professional generalists who provide a broad array of prevention, screening exams and urgent care with specialty referral when needed. Primary care is person, family and community centered, communications intensive, preventative and often involves office visit service procedure billing codes. Prenatal obstetric care is included in primary care;

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

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

26-43-203. Benefit design and operations.

(a) There is created a benefit design committee of at least three (3) and no more than seven (7) persons appointed by the governor.

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

(i) A personal health account funded by contributions from the insured with a matching state contribution. The relative shares of state and individual contributions may be determined on a sliding scale based on

income. The state share may be withheld for failure to comply with specific preventative requirements. The benefit design for the personal health account:

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

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

(C) May provide that the state retains ownership of the account and that any balances in the account revert to the state upon the death of the individual, after a reasonable period to pay any eligible outstanding health expenses of the individual or after a length of time after the individual leaves the reform pool, not to exceed ten (10) years;

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

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

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

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

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

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

(c) Provided it does not materially interfere with the program under this act, the administrator may utilize the program of clinical prevention services for individuals

enrolled in the pool under W.S. 26-43-101 through 26-43-114 provided that pool pays for the services its enrollees use.

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

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

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

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

(h) The administrator, with the approval of the board, may purchase insurance or reinsurance for expenses over a figure determined by the administrator with the advice and consent of the board or in the plan of operations. The insurance or reinsurance may be purchased from commercial sources or may be purchased from the Wyoming health insurance pool created by W.S. 26-43-102 which is hereby authorized to sell such insurance or reinsurance to the reform pool.

26-43-204. Eligibility.

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

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

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

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

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

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

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

(vi) Spouses of individuals eligible under subsection (a) of this section provided that the total family income does not exceed the federal poverty level requirements of this section and provided the spouse does not have other health coverage. These spouses shall be given a priority equal to additional adults under paragraph (i) of this subsection.

(b) Enrollment eligibility for individuals enrolled in the program shall be reviewed at least once per year. If the individual's or family's income exceeds two hundred fifty percent (250%) of the federal poverty level, they

shall be disenrolled from the program after ninety (90) days.

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

26-43-205. Evaluation.

(a) To assist in the evaluation of the reform pool, the administrator shall make a projection of the expenses, broken down by category, of the pool and shall revise the projection once an adequate proportion of the expected enrollment has been achieved. The projection shall assume a conventional insurance product with the deductibles and copayments used in the benefit design for the reform pool and with conventional insurance cost controls, but excluding the special cost control provisions tested in this act. At appropriate intervals the projection shall be compared to actual experience. The categories shall be determined based on what information will be useful in evaluating the cost control techniques applied in this experiment and based on the data that is likely to be available at a reasonable cost. In making any evaluation

based on the actual versus projection comparison, the administrator shall identify any limitations on the statistical significance of the comparison due to small numbers of individuals enrolled. The administrator may use the services of an actuary as appropriate.

(b) The administrator and the board shall report to the joint labor, health and social services interim committee, the Wyoming health care commission and the governor on the strengths and weaknesses of this approach by September 1, 2011 with an interim report due September 1, 2009. The report shall include a recommendation on whether or not this approach should be used as the basis for a health care coverage reform aimed at expanding coverage for the working poor in Wyoming. The interim report may contain a recommendation to expand enrollment in the reform pool to obtain more statistically valid results.

26-43-206. Sunset.

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

Section 2. Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a) one million two hundred ninety-six thousand nine hundred forty-six dollars ($1,296,946.00) appropriated from the general fund to the department of health pursuant to 2006 Wyoming Session Laws, Chapter 66, Section 2 for case services shall not revert on June 30, 2008 and is hereby reappropriated to the insurance department. This appropriation shall be for the period beginning with the effective date of this act and ending June 30, 2010. This appropriation shall only be expended for the purpose of this act. Notwithstanding any other provision of law, this appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2010.

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

(END)